

Activity Based Costing Review 2005/06

Audit Guide

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Introduction

Background to the review programme

- 1 The National Policing Plan made clear that all authorities and forces were expected to implement Activity Based Costing (ABC) from 2003-04. ABC establishes the links between resources used and the policing outcomes delivered with resulting local and national benefits. It is therefore a critical part of the Policing Performance Assessment Framework (PPAF) Programme being developed jointly by the Home Office, Association of Chief Police Officers (ACPO) and the Association of Police Authorities (APA).
- 2 ABC provides forces and authorities with important information helping to:
 - identify where resources are currently being used;
 - identify and monitor efficiency improvements;
 - justify business change and resource deployment;
 - maintain accountability and identify gaps between priorities; and
 - compare performance within and between forces.
- 3 All police forces agreed to adopt the National Police ABC model, developed by ACPO, in June 2001. However, the pace of implementation has varied across the country. The National Police ABC model was therefore reviewed as part of the PPAF Programme and the revised Police ABC Model, jointly owned by ACPO, APA and the Home Office, was developed.
- 4 At the introduction of the national ABC model it was recognised that achieving consistency would take time. For a few forces, the first year of ABC implementation represented the culmination of earlier year's work developing and refining the collection and review of activity information, but for the majority of forces this was a more significant step. Given that, for many police forces, the implementation of ABC to this level of detail and coverage was a new requirement and a new process, there is a continuing risk that poor implementation will result in low levels of confidence in individual forces' results and this will limit the comparability of data across forces and Basic Command Units (BCUs).
- 5 Further background information on ABC is available on the Home Office website at: www.policeabc.co.uk.

Audit Commission and ABC reviews

- 6 The Commission has already been involved in delivering two years of work on ABC:
 - year 1 (2003/04) covered plans to implement ABC; and

- year 2 (2004/05) was a high level review of the first year of implementation.
- 7 The work in the second year led to one of the following four judgements being awarded to each force and authority:
- there are reliable systems and processes in place that have resulted in an accurate submission of data for 2003/04; or,
 - there are some weaknesses in the accuracy of the data submitted for 2003/04 although there are reliable systems and processes in place that should ensure accurate submissions in future years following implementation of the recommendations made; or,
 - there are some weaknesses in the systems and processes in place that require management action although these have not materially affected the accuracy or reliability of the ABC submission for 2003/04; or,
 - there are some weaknesses in both the accuracy of the data submitted for 2003/04 and the underlying systems and processes in place that require management action to ensure the accuracy and reliability of submissions in future years.
- 8 The assessment of force submissions by the Audit Commission in year two found that the application of the guidance was variable with weaknesses in both the construction of the costing model and the capture of activity data identified for the majority of forces.

Objectives for year 3 work

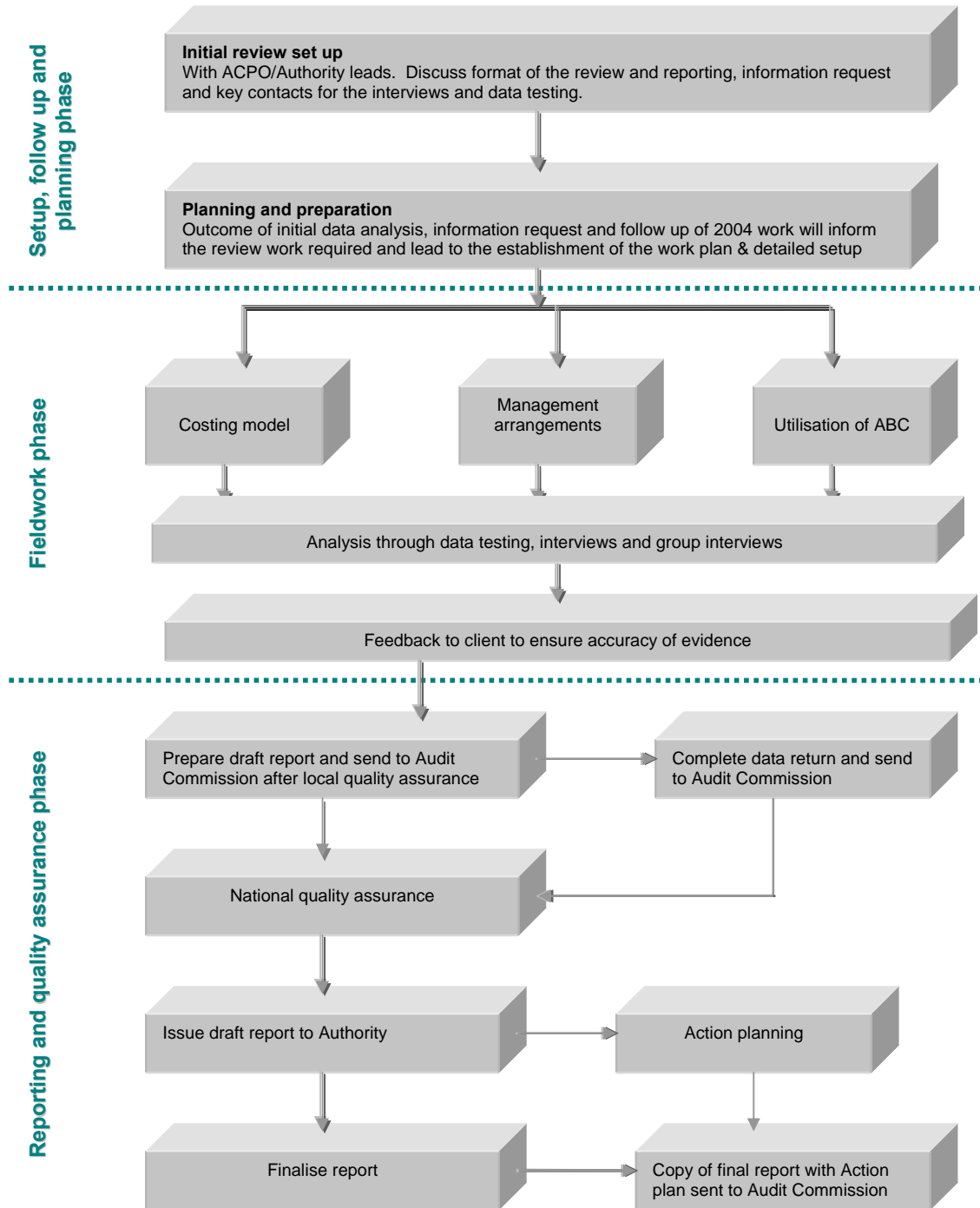
- 9 The Audit Commission has developed a proportionate risk based methodology for reviewing the implementation of ABC as the implementation of ABC across police forces is at different stages. The review builds on last year's work by making an explicit comment:
- on the role of the police authority in holding the force accountable, monitoring the production of ABC, and reviewing what it tells it about resource usage and continuous improvement; and
 - on how forces and authorities are using the ABC information in order to inform and support their decision making.
- 10 The objective of this year's work is to follow up on the findings of the second year and to build on this by reviewing the progress of each force's own arrangements and actions to ensure that:
- the force has systems and processes in place so that data input into force ABC costing model is accurate and complies with the manual of guidance;
 - management arrangements for the implementation of ABC are consistent with the ABC Model and the manual of guidance; and
 - there is effective utilisation of ABC.

Scope and audit approach

- 11 Each element of this audit guide will be relevant to each authority and force, but will be applied on a proportionate basis. This means that where, last year, a force had reliable systems and processes in place that have resulted in an accurate submission of data, there will be reduced follow-up, review and retesting.
- 12 The specification agreed with the Police Standards Unit and Home Office ABC project board, attached at Appendix 1, provides an explanation for the current year.
- 13 An overview of the review approach is set out at Figure 1 on the next page. To complete the assessment, review work will involve:
 - interviews;
 - review of documents and information provided by the force and authority;
 - testing of the costing model;
 - review of management arrangements; and
 - analysis of findings and results.
- 14 The audit guide is provided for use by the auditor to support their work and should be read alongside the Activity Based Costing Manual of guidance (the manual). The manual provides the basis for the costing model and to which forces should adhere. Auditors should therefore refer to this document as the source of primary guidance on compliance.
- 15 On the basis of the fieldwork undertaken and the evidence gathered each force will be assessed according to one of the four judgements set out at paragraph 7. These judgements are consistent with those given last year and so will also allow an assessment of the direction of travel for each force to be given.

Figure 1 Audit approach

The following steps are involved in undertaking the reviews



Timetable

- 16 The fieldwork should be carried out between October 2005 and February 2006 and a detailed timetable is set out below:

Table 1 Review timetable

Key Tasks	Outputs	Who	By
Training	Training materials	APA	September
Audit set-up		Auditors	September
Rollout	Draft reports for quality assurance	Auditors	October 05-February 06
Quality assurance	Feedback to auditors	APA	March 2006
Complete reports	Final reports	Auditors	March
Analysis of national results		APA	April

Structure of the guide

- 17 The rest of the audit guide is structured as followed:

Table 2 Structure of the audit guide

The audit guide covers the areas set out in Figure 1 as follows:

Review phase (from Figure 1)	Chapter of the audit guide	Contents
Setup, follow up and planning phase	Managing the review	Overview of the review process focusing in particular on set-up, analysis of findings, reporting, quality assurance and action planning.
and Reporting and Quality assurance phase	Planning and resourcing	Expanding on the <i>planning and preparation phase</i> - this covers the: <ul style="list-style-type: none"> • data analysis provided by the Commission for contextual information; • follow up work by auditors locally; and • the resource considerations in planning to undertake the review which are dependent on the judgement that was formed on the force and authority last year.
Field work phase	Costing model	Sets out issues for auditor consideration on deciding whether the costing model is accurate and

Review phase (from Figure 1)	Chapter of the audit guide	Contents
Level of actual audit work required to be done will be determined by the auditor as part of the planning and preparation phase.		its compliance with the manual of guidance.
	Management arrangements	Sets out issues for auditor consideration on how effective the management arrangements to deliver ABC data quality and to embed ABC into the force and authority are.
	Utilisation of ABC	Sets out issues for auditor consideration on how effective the utilisation of ABC is.
All phases	Appendices	Audit tools and supporting information to assist the auditor in undertaking the review.

Managing the review

Links with the work on crime data quality

- 18 It is important to ensure that links with the review of crime data quality should be made to minimise the burden on the force and authority, subject to local circumstances, for example:
- using the crime data self assessment to inform the auditor's knowledge of arrangements in respect of data quality more generally;
 - set-up, reporting and action planning meetings;
 - management arrangements interviews;
 - group interviews; and
 - internal quality assurance.
- 19 Reports on previous work on crime data quality, undertaken by Audit Commission appointed auditors in 2003 and 2004, will provide a useful starting point, as well as background information on the force and authority's overall approach to data quality.

Setting up the review

- 20 Auditors will initially need to identify a co-ordinator in the force, for liaison with the review team and to set up the appropriate meetings.

Set-up meeting

- 21 The review team should notify the police authority and force of the forthcoming audit, informing them of what to expect and what preparation will be needed. A suggested letter is provided at Appendix 2.
- 22 Auditors are advised to involve the following people in the set up meeting:
- ACPO officer responsible for the delivery of ABC;
 - person(s) leading on ABC for the force (this could involve performance and/or finance based officer(s)); and,
 - person(s) responsible for managing the activity data collection.
- 23 The meeting should cover:
- the work involved in the review;
 - the timetable;
 - follow up on the documents and information requested in advance, including arrangements for obtaining the ABC activity and costed data returns, other evidence of the use of ABC requested by the auditor and establishing the methodology for data testing;

- the arrangements for interviews (including group interviews) to be undertaken; and
- reporting arrangements (including planned dates for feedback and report discussions).

Information request

- 24** A list of basic documents and information required for the review is included in Appendix B to the suggested letter in Appendix 2. Auditors should supplement this list with other relevant documents, for example documents identified to provide information on gaps of knowledge in the arrangements of the authority and force, or the HMIC baseline assessment.

Interviews and group interviews

- 25** A list of the proposed interviews and group interviews, and their coverage, is attached at Appendix 4. Auditors will need to adapt this standard list to the requirements of the review at each authority and force.
- 26** Where the outcome of the planning phase indicates satisfactory management arrangements then work should comprise a lighter review focusing on the implementation of previous years' recommendations and the utilisation of ABC.
- 27** Interviews should normally be with the ABC lead for that area of responsibility (forces will generally split responsibility between performance staff for activity sampling and finance staff for the costing element), and any key stakeholders in the previous action plan. A representative of the police authority should also be interviewed.
- 28** Auditors may wish to consider conducting joint interviews which also cover crime data quality where it is appropriate to do so.

Overview of project planning phase

- 29** A local project plan for the work should be prepared and discussed with the authority and force, setting out the key dates for fieldwork and likely timetable for reporting. This will summarise the work the auditor will undertake. Further details to inform project planning and required resources are set out in the chapter on planning and resources.

Overview of fieldwork phase

- 30** The detail of work is set out in the chapters on the costing model, management arrangements and utilisation. The audit tools for each area are set out in the indicated appendices. Figure 2, below, provides an overview of how the conclusions on the costing model and the management controls and processes over the costing model are brought together to form one overall judgement on data quality. Figure 3, below, provides an overview of how the review conclusions on management arrangements and

utilisation of ABC are brought together in one overall judgement on management arrangements and utilisation.

Figure 2 How fieldwork contributes to forming an overall judgement on data quality

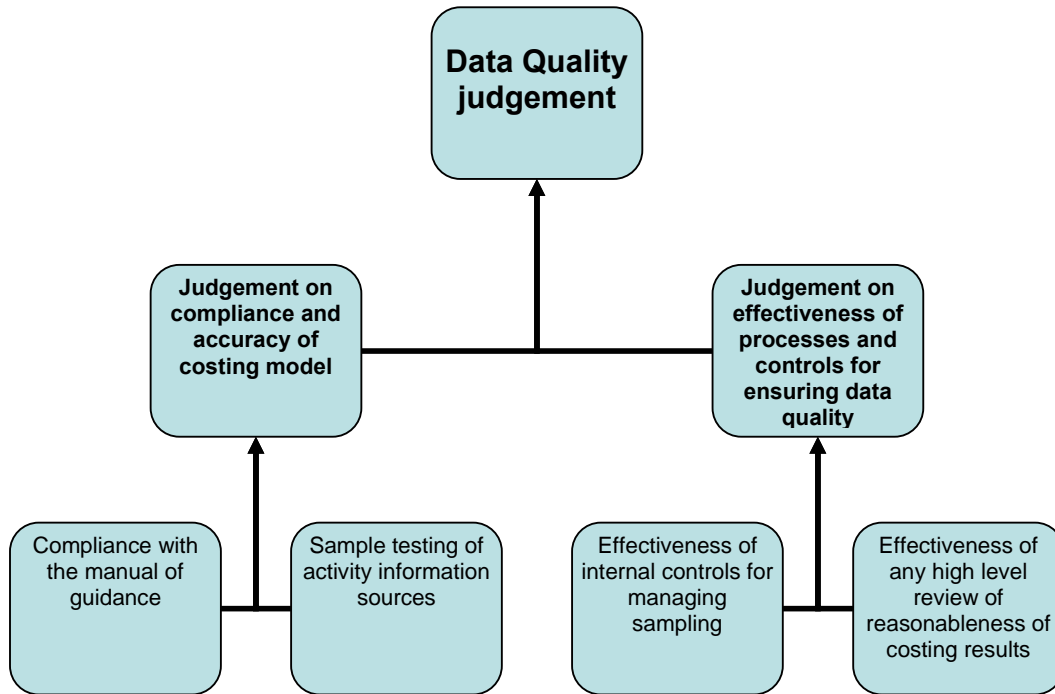
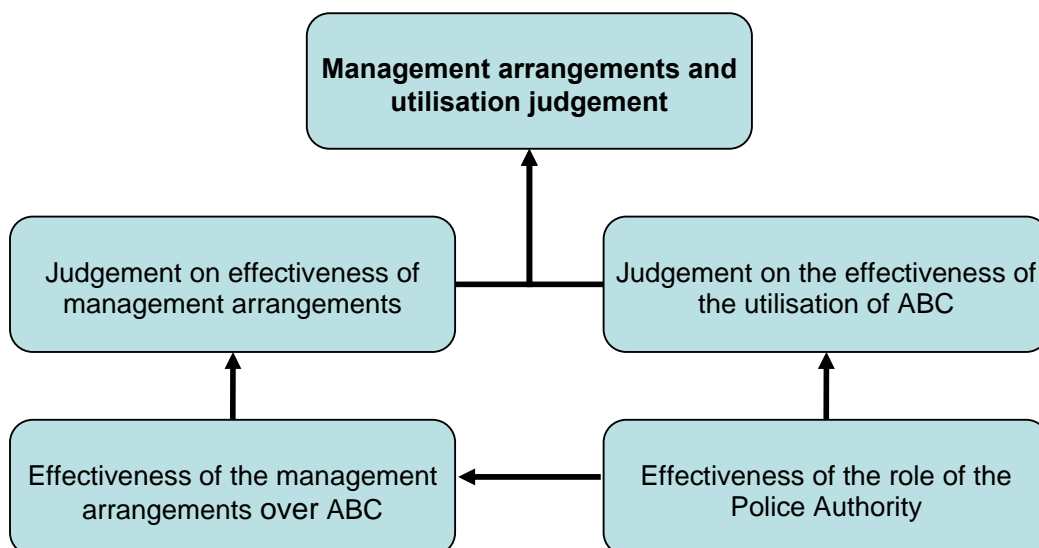


Figure 3 How fieldwork contributes to forming an overall judgement on management arrangements and utilisation



Analysis of review findings

- 31 Findings from all elements of the review should be brought together in the auditor judgement tool (Appendix 10). Some findings may throw up further questions, or may contradict earlier evidence. Reviewers, therefore, may need to revisit some interviewees to resolve these issues before finalising the review assessment.
- 32 As with last year, the judgement tool brings together the individual judgements on the review areas and documents the overall judgement in rating the force:
- the judgement on quality of data is a summation of the auditor's findings on the costing model and the management arrangements which relate to compliance with the manual of guidance and accurate submission of data to the Home Office; and
 - the judgement on arrangements and utilisation is a summation of the auditor's findings on the arrangements to embed a culture of ABC into the force, the role of the police authority in this and how effectively ABC data is utilised.
- 33 These two judgements will be presented diagrammatically as shown in the figure below:

Figure 4 Overall review judgements

Example shows a force and authority with good quality of data and good management arrangements and utilisation of ABC.

Quality of data	Excellent	
	Good	
	Fair	
	Poor	
		Management arrangements & Utilisation
		Fair Good Excellent

- 34 The auditor will also make a judgement on the direction of travel for both data quality and management arrangements and utilisation based on the auditor's overall assessment of the force in 2005 compared with the assessment for 2004.
- 35 The auditor should submit a copy of the review data return to the Commission and will be notified how to do this in due course.

Reporting

- 36** The approach to reporting should be one of 'no surprises'. A meeting to discuss the evidence obtained and emerging issues from the review should be arranged at the conclusion of the on-site fieldwork.
- 37** Because fieldwork will possibly take place around the time that forces undertake activity sampling for 2005/06, any emerging recommendations that will impact upon the effectiveness of this activity analysis should be communicated informally as soon as possible.
- 38** The main output from the review will be a report which summarises the auditor judgements and assessments and identifies both good practice and areas for improvement. The report will:
- make one of the four judgements on data quality and management arrangements for 2004/05 as set out at paragraph 7;
 - provide a comment on the direction of travel;
 - make explicit comment on both the role of the police authority and the utilisation of ABC information; and
 - give an overall grading of excellent, good, fair or poor for data quality and management arrangements and utilisation.
- 39** Appointed auditors will use a standard report template. Once the draft report has undergone local and national quality assurance reviews for consistency, it can be issued to the police authority and the force Chief Constable for discussion. The auditor will facilitate the development of an agreed action plan (see next section) and finalise the report.
- 40** Copies of the finalised report will be sent by the appointed auditor to:
- the police authority;
 - the Chief Constable (copied to the force ABC lead); and
 - the Audit Commission, for onward circulation to the PSU (the PSU will make these reports available to other appropriate stakeholders).

Action planning

- 41** The draft report will provide a framework for the development of an action plan, setting out the areas for improvement identified during the review, and their respective priorities. Appendix 10 contains an audit tool to help auditors in undertaking this work. The auditor should bear in mind the requirements of paragraph 36 of the Code of Audit Practice when making recommendations.
- 42** The force and authority will be asked to complete the action plan, setting out their agreed proposals to address the issues identified by the review. As a minimum this should identify the:
- timetable;
 - outline actions planned;

- responsibilities;
 - milestones; and
 - progress monitoring arrangements.
- 43 The auditor will have agreed the process and timescale for completion of the action plan with the force and the police authority at the initial set-up meeting for the review, including:
- **action planning workshop:** the auditor will agree the most appropriate approach to facilitation of the action planning phase, which could be at the start of action planning or when the force and authority have developed their proposals; and
 - **deadline:** a completion date for the action plan will be agreed, up to a maximum of two weeks from the feedback meeting.

Quality assurance

- 44 In undertaking the assessments, auditors must ensure that all work is subject to quality assurance (QA) processes.
- 45 This must include:
- meeting the Commission's documentation and evidencing requirements, as set out in the Commission's Standing Guidance for Auditors;
 - ensuring the timely completion of the work and submitting returns to the Commission by the required deadlines; and
 - ensuring that all assessments have been reviewed in accordance with internal quality assurance processes.
- 46 It is essential that the results and scores are quality assured to ensure consistency across the country and between auditors. It has been agreed that for 2005/06 quality assurance will be undertaken at regional level and will involve representatives from the firms, the regions and central directorates. It will represent a high level review, proportionate to the risk associated with a judgement. The panels will seek to place reliance on the firm's and Region's auditors own internal quality assurance reviews. These should entail a more detailed review of judgements to ensure they are adequately supported by evidence at the detailed level. The regional QA panels will place reliance on this review.
- 47 The internal QA process should ensure that the summary findings are adequately evidenced and confirm that the criteria at the relevant assessment level have been met. The internal QA process will seek to make a recommendation to the regional consistency panel. In making a recommendation to the panel, the QA process should include a commentary on any borderline issues or instances where the auditor has overridden guidance in the exercise of his or her discretion.
- 48 Draft reports or scores must not be issued to authorities and forces until the regional QA panel has considered the judgments made.

Auditor support

- 49 Auditor queries arising during the course of the reviews should be first referred to your local co-ordinator (see figure 5).
- 50 If this does not provide a solution the query may be referred through the Commission's normal arrangements for dealing with technical issues: by the Audit Commission Technical Support Service (ACTS). Queries should be e-mailed to ACTS and you should receive a reply to your query within three days. Your email should include details of actions you have already taken to resolve the query. All queries will be logged and monitored.

Figure 5 Key contacts and support

The key contacts for the review are shown below:

<p>Region/firms co-ordinators:</p> <p>Mohammed Arshad, KPMG Ian Barber, PwC Karen Smith, Robson Rhodes David Morton, Northern Region Phil Sunderland/Phil King, Central Region Doug West, London Region Judith Holmes, Southern Region Andy Bruce, Welsh Audit Office</p>	<p>Local support</p>
<p>Audit Commission Technical Support Service (ACTS)</p> <p>ACTS@audit-commission.gov.uk</p>	<p>Technical support</p>
<p>Paul Mayers</p> <p>Audit Policy & Appointments p-mayers@audit-commission.gov.uk</p>	<p>Project manager</p>

Planning and resources

- 51 It is intended that this audit guide will be used by auditors in a flexible and practical way which is appropriate to the local risks and circumstances of individual police authorities and forces. This is consistent with the principles of Strategic Regulation, and with the approach to the review programme agreed between the PSU and the Audit Commission, that the level of external review at each police authority will be proportionate to the results of the reviews in previous years and the strength of the evidence demonstrating that weaknesses previously identified have been addressed.

Planning elements

- 52 The overall level of work and resources will be based on the assessment the force and authority received in 2004. For the avoidance of doubt the expected review days per force and supplier based on the judgement from 2004 is set out at Appendix 11.
- 53 In planning the specific work required for the 2005 ABC review, the auditor should ensure that the following are taken into account:
- initial data analysis undertaken by the Audit Commission based on known national developments and the availability of 2005 submissions sent in by the auditor;
 - follow up:
 - the results of previous Audit Commission reviews of ABC data (in 2003 and 2004);
 - the actions taken by the authority and force in response to the action plans arising from the earlier reviews of both the Commission and, if applicable, the Home Office; and
 - issues raised by the initial data analysis;
 - cumulative audit knowledge and relevant evidence from other audit work including:
 - the self assessment from the crime data review which will inform the auditor about the attitude towards data quality more generally; and
 - any evidence and information provided by the authority and force at the request of the auditor.

Initial data analysis

- 54 Data analysis will initially be carried out at the centre by the Commission on behalf of the Regions and the firms. Auditors will need to send an electronic copy of the force's emailed submission to the Home Office to Peter Dell'Osa (p-dell'osa@audit-commission.gov.uk) as soon as they receive their requested copy.

- 55 The submission dates for force's ABC returns to the Home Office were:
- 31st July for 2004/05 activity analysis return; and
 - 31st August for the 2004/05 costing return.
- 56 As part of the information request auditors' should ask for electronic copies of the returns at the same time they are submitted to the Home Office. If auditors have not received copies of the return they should follow this up at the setup meeting.
- 57 This analysis will provide some contextual information to inform individual review risk assessments. It is likely that further work will be required to be done locally by the review team to address questions raised by the analysis.
- 58 The aim of this element is to compare the ABC costed data return of the individual force with results from the previous year and with national averages and ranges. On its own this will not be sufficient to give auditors complete evidence about compliance with the model but instead will identify areas that auditors may need to investigate as part of their follow up work.
- 59 In addition, elements of the information request (Appendix B to the suggested letter in Appendix 2) will directly link to this exercise to enable a more accurate understanding of the forces knowledge of any emerging weaknesses or indicate where a force has taken action in response to known weaknesses in the previous year's data. It is important to establish the reasons behind any identified changes/variances as this may indicate a correction from previous years as a result of implementing an improved methodology.
- 60 All force returns in 2004 were subject to analysis by the Home Office and were offered a visit by a consultant (Trevor Payne). This resulted in re-submissions by a large number of forces. Auditors will be provided with the short report issued to each force following an initial assessment of the return by the Home Office prior to any re-submissions and/or visits. The findings reported will therefore need to be set against subsequent improvements and re-submissions. The data diagnostic will be making comparisons with the most up to date submission from 2004.
- 61 If the force has been unable to meet the submission deadline and therefore there is nothing for the auditor to send to the Commission for analysis then this may indicate weaknesses in both the costing model and the management arrangements. In this case the auditor's risk assessment judgement should be that the force has some weaknesses in both the accuracy of the data submitted and the underlying systems and processes unless there is sufficient evidence from the follow up and cumulative audit knowledge which leads the auditor to conclude otherwise.
- 62 The initial data analysis will have two strands:
- key elements of the force's submission will be extracted and analysed centrally for potential issues using known ranges, the previous years final (often revised) submission and any outstanding issues identified by the Home Office analysis of the process. The analysis will be provided to auditors in an Excel spreadsheet highlighting areas for

follow up locally. Detailed information on the central analysis work is contained in Appendix 3; and

- follow up by the auditor with the lead officer. Guidance is provided at Appendix 3 on the expected basic areas that the auditor should follow this up alongside the areas identified by the central analysis.

Follow-up of 2004 findings and data analysis

- 63** Auditors will need to follow up the actions taken by the authority and the force to implement the recommendations in the action plans arising from the previous reviews of ABC. The auditor should also follow up on any issues raised by the initial data analysis review.
- 64** In addition the force should be able to provide a record of the issues raised by the Home Office and the impact of this in terms of changes to the costing model and data collection methodology.
- 65** This work on follow up should include:
- interview with the lead officer;
 - document reviews of action plans, progress reports and other relevant monitoring documentation; and
 - reality checks from the initial data analysis.
- 66** In taking into account the progress of the force and authority in addressing identified weaknesses the auditor should use the audit tool in Appendix 5, which in summary considers:
- whether timely action has been taken to address previous recommendations from the Audit Commission and the Home Office;
 - the significance and extent of any recommendations not yet implemented;
 - the corrective action taken or planned to address delays in implementation;
 - the arrangements for monitoring and challenging the implementation process; and
 - whether the action taken has addressed the recommendations previously made.

Using cumulative audit knowledge

- 67** Both the initial data diagnostic and progress against last year's findings can be triangulated against the auditor's CAKE and the information request completed by the authority and the force. The auditor should consider whether this triangulation of evidence identifies the areas of focus for their work.

Planning the review work

- 68** After reviewing the information provided by the initial data analysis and last year's action plans the auditor should be in a position to identify:

- which weaknesses identified last year appear to have been addressed;
- specific areas of work to follow up as part of the work on the costing model, management arrangement or utilisation (e.g. where progress on recommendations has not been made); and
- exceptionally identify whether the position at the force and authority has so deteriorated that the auditor needs to make a case to the Audit Commission about increasing the number of audit days. If this is the case auditors should make their case to Paul Mayers at the Commission, as soon as possible and no later than the 18 November 2005.

69 The expected level of audit work for each judgement of the force and authority is set out in Figure 6.

Figure 6 Review approach

70 A tiered proportionate approach to the work showing likely coverage of the specific components based on the judgement given to the force/authority:

Force/authority score ^I	Audit work per review area		
	Costing model	Management arrangements	Utilisation of ABC
Some weaknesses in both the accuracy of the data submitted and the underlying systems and processes	In depth review ^{II}	In depth review	Focused ^{III} review
Some weaknesses only in the accuracy of the data submitted	Detailed ^{IV} review	Focused review	Focused review
Some weaknesses in the systems and processes in place that require management action	Focused review	Detailed review	Focused review
Reliable systems and processes in place that resulted in an accurate submission of data	Focused review	Focused review	Focused review

^I See table 3 on pages 24-25 for suggested audit days per judgement type

^{II} See Figure 7 on page 23 and following paragraphs for explanation of what this means in applying the audit guide

^{III} As above.

^{IV} As above.

Audit fieldwork and the audit guide

- 71 The particular work required in undertaking the reviews is dependent on the areas identified for follow up by the auditor during the planning phase. Therefore the level of evidence needed in forming the judgement on each review area will be proportional to the identified areas of weakness. Figure 7, provides an overview of this.

Figure 7 Fieldwork coverage

Review type¹	Risk of incorrect judgement	Nature	Applicability of work in audit tools on costing model and management arrangements
Focused	Low in both data, arrangements and utilisation	Lighter touch focusing on follow up & confirmation	Few—some areas
Detailed	Medium to high in either data or arrangements	Detailed testing/review in area(s) of higher risk	Some-most areas
In depth	High in both data and arrangements	Extensive testing & review	Most to all areas

- 72 The audit guide is structured to support this approach so that each review chapter contains a summary of the key issues that auditors need to consider in forming their judgements on that area. Audit tools are provided to support this work, comprising interview schedules, data tests, and management arrangements investigations, in the appendices to this guide.
- 73 It is a matter of individual audit judgement how much work is needed to be carried out in forming their judgements and in applying the questions and issues set out in the appendices on the interviews, costing model and utilisation. In other words auditors should only undertake work in proportion to their assessment of the risk of making an incorrect judgement.
- 74 The audit tools provided in appendices 4 to 9 of this guide are not audit programmes, that is to say, that they should be used only to the extent that they assist the auditor in forming their judgement. Appendix 8, for example, is there to help the auditor form a judgement on the management arrangements and the auditor does not therefore necessarily need to do detailed work on each area mentioned.
- 75 As with any performance audit there is the need to triangulate evidence where possible, for example, if the follow up documentation and interviews provide evidence to demonstrate good management arrangements in certain of the areas then the auditor only needs to cover gaps in their knowledge.

¹ See page 22

Resources and timing of the work

- 76 The timetable for external reviews in 2005-06 is set out at paragraph 16. In comparison with previous years, this provides an extended period for completion of the work for 2005/06, to allow for:
- scheduling of the work at an appropriate time for the authority, force and auditor; and
 - elements of the work to review crime data and activity based costing to be undertaken together, where relevant.
- 77 The budget for the reviews in individual authorities has been determined on the results of previous reviews and is based on resourcing plans agreed with the PSU. The resourcing plans are based on an assumption of the number of days as set out in the table below:

Table 3 Suggested allocation of review days

Review element	Weaknesses in accuracy of the data and arrangements	Weaknesses only in the data	Weaknesses in the arrangements	Reliable data & arrangements
All days are suggested and auditors must manage their work, as appropriate, within the total allocations.				
Setup, including training	1.5	1.5	1.5	1.5
Planning & follow up	1	1	1	1
Accuracy of the costing model	3	2	1	0.5
Sample testing of activity information sources.	2.5	1.5	1	0.5
Force's internal controls for managing activity sampling.	1.5	1	1.5	0.5
High level assessment of their ABC results.	1	1	1	0.5

Review element	Weaknesses in accuracy of the data and arrangements	Weaknesses only in the data	Weaknesses in the arrangements	Reliable data & arrangements
Management arrangements to embed ABC.	2.5	1	2	0.5
Role of the Police Authority	0.5	0.5	0.5	0.5
Utilisation of ABC data.	1	1	1	1
Reporting, QA & feedback	1.5	1.5	1.5	1.5
Maximum total days	16	12	12	8

- 78** The agreed fee with the Home Office equates to £800 per day and up to 10% on costs for auditors' expenses. Firms' invoices should be submitted on completion of the report to David Aldous, APA, Audit Commission, 1st Floor, Millbank Tower, Millbank, SW1 4HQ.
- 79** There are potential efficiencies to be gained by not only combining this work with police crime data quality but also by using one team to undertake several reviews at different forces and authorities.
- 80** Each supplier must deliver this work by ensuring:
- the auditor who is in charge of the on site work must have also attended the training day;
 - all field work is carried out by staff who are familiar with the police service or performance audit and, wherever possible, were involved in the 2004 review; and
 - there is appropriate senior staff input.

The costing model

- 81 This section seeks to assess whether the costing model being used by the force complies with the manual of guidance and has resulted in a reliable and accurate ABC submission to the Home Office.
- 82 The purpose of undertaking work on the costing model is to contribute to the auditor's overall judgement on data quality. The judgement on data quality will also be informed by work on the management arrangements for ensuring accurate activity information.
- 83 In forming an overall judgement on the costing model auditors are required to form a view on two review areas:
- whether the costing model complies with the manual of guidance through confirming arrangements and undertaking testing where appropriate; and
 - whether the sampling of activity information sources complies with the manual of guidance, including the undertaking of proportionate audit investigation and sample testing to assess the suitability of the two-week sampling period.
- 84 Audit tools are set out in appendices 6 & 7 for each of the two review areas and they are designed to assist the auditor in undertaking work on this chapter.

Review area 1: Compliance of the costing model with the manual of guidance

- 85 This section considers the key issues which the auditor will need to consider in determining whether the manual of guidance has been complied with and that the submission is accurate.
- 86 Auditors' work in determining where there may be a divergence from the manual will be informed by the following areas:
- the Home Office assessment of the 2003/04 submission;
 - the initial data analysis; and
 - follow up undertaken during the planning phase.
- 87 However, there might be other reasons for the issues identified such as inaccurate activity data collection or unique demographic and operational factors in the force which will need to be explored with the force and authority.
- 88 It is recommended that this work be taken alongside the management arrangements chapter *Review area 2: effectiveness of the force's high level assessment of the reasonableness of their ABC result.*¹

¹ See page 36.

89 A summary of the issues for possible investigation is set out in the following paragraphs with detailed testing contained in the audit tool at Appendix 6. This covers whether:

- the costing model is compatible with the general ledger;
- staff costs and architecture have been included as per the manual of guidance;
- relevant costs have been included correctly in accordance with the manual and reconciled with the final accounts;
- effective internal validation and review of the costing information has been undertaken;
- the allocation methodology and cost driver information accords with the manual;
- sources of activity information used comply with the manual; and
- non-activity sampling for major incidents and events meets the minimum requirements.

Compatibility of the costing model with the general ledger

90 The costing model is dependent upon financial data being available for each cost centre therefore a cost centre is required for each discrete unit. A unit is a collection of staff with a separate management structure, it may be:

- a specialist one (e.g. Drug Squad); or
- responsible for policing a specific geographical area (e.g. a Sector); or
- located at a single workplace; or
- spread over a number of locations.

91 The general ledger structure will need to hold costs at cost centre level in order to feed the costing model. Cost centres will need to be aggregated within the costing software to report at the BCU level and BCUs aggregated with 'national' costs to report at the force level. It is essential that cost centres are set below BCU level in order to provide the level of detail required by the model.

92 The force should be able to provide documentation and other evidence that demonstrate compatibility and/or the method of conversion. Auditors may need to follow up with a 'walk through' of the process.

Staff costs and architecture

93 Staff costs need to be broken down by rank/grade within each cost centre in line with the activity data collected as per paragraph 6.7.1 of the manual of guidance (set out in the audit tool in Appendix 6). The breakdown to ranks needs to be accurate and if not held in the ledger will need to be obtained by the force from the payroll (not calculated from force averages). The force should be able to demonstrate that they have complied with this requirement.

- 94 Auditors may need to compare a force organisational chart with the costing model to identify any anomalies.

Relevant costs have been included and reconciled to the final accounts

- 95 The costing process begins with the general ledger. At the first level the purpose is that a control total for costing should be established. This can be derived from the overall summary of the model which will reconcile to the statement of accounts.
- 96 The total cost in accounting terms is the full cost of the provision of policing services across the four domains of the costing model. This includes staff, non-pay and the costs associated with capital.
- 97 The force should be able to provide evidence of reconciliation at all stages of the costing process to ensure that all costs are included as per the manual and that costs can be matched to relevant domains and the final accounts.

Validation and review of the costing model

- 98 The force should be able to demonstrate that it has conducted checks of the data to ensure that the submission contains no errors. The manual of guidance (section 25) provides detailed guidance for local validation that should have been undertaken by the force prior to submission.
- 99 Reasons behind any re-submissions in 2004 should be identified and the force should demonstrate that it has addressed these issues.
- 100 It is now mandatory for the Director of Finance to sign off the returns prior to submission and the auditor should check this has taken place.

Allocation methodology and cost driver information

- 101 The force should have used the cost drivers specified in sections 16 & 17 of the manual. The force should be able to explain any deviation and demonstrate that the cost driver data used to allocate costs is up to date.

Sources of activity information and rationale for non-activity sampled returns

- 102 It is a fundamental principle of the ABC costing model that the best form of activity data would be obtained from detailed continuous recording. It is accepted by the Home Office that this requirement is not currently practical for some parts of the police service, particularly uniformed officers on general police duties. As a result the current version of the manual sets out the minimum requirements for data collection. It accepts less detailed continuous records for some specialist units and activity analysis sampling for general policing units. Forces are expected to ensure that the minimum requirements are met and excellent forces will be those who have exceeded these and have made steps towards meeting the ideal for some of their units.

- 103** Where it is not appropriate to use a two-week sample to capture activity data the force should demonstrate that the rationale used to capture activity data is appropriate for the nature of the work undertaken by that unit. Where appropriate the auditor may wish to interview with the management of these teams to confirm this.
- 104** Section 10 of the manual of guidance has a decision flowchart, used for determining whether activity sampling is necessary or not. This can be used to assess the rationale applied by the force. This is summarised in the table below:

Where a unit deals with...	Data sampling methodology
...a high volume of cases of different incident types	Data should be collected that can allocate small intervals of time to incidents and across BCUs. It is anticipated that for most forces, activity sampling will be the only method of collecting data that provides sufficient detail.
...a high volume of cases of a single incident type over a year	The time and costs of that unit can be divided between BCUs through an analysis of the case information. For central units of this type, a more detailed analysis is not required.
...a low volume of cases of either single or different incident types	Allocating costs by the number of cases will not be appropriate. Some cases will be significantly longer than others while different incident types require different levels of resource. In these circumstances a simple method of time recording (e.g. daily record of the case to which an individual is assigned) will be required across the full year. This record should record the BCU within which the case originated and the incident type.

- 105** The implementation of alternative data collection methods need to have been in place long enough to provide a reasonable assessment of the apportionment of work done for each BCU. In particular most low volume case units should ideally have a full years worth of data. Field-testing and other sources of information strongly suggest that this will often not be the case. Delays in establishing data collection/recording methodologies and teething problems were common last year.
- 106** Where this is the case auditors may need to identify which units might not have sufficiently robust or established collection methods. This will be a judgement based on the nature of the problems revealed and the variability of the unit's workload in terms of incident duration and how this is split between BCUs. For example, a fraud squad is likely to work on a small number of large/lengthy investigations that would require a full year's worth of information to ensure that the time spent in any one BCU area is not distorted by taking only a 2 to 3 month sample period. In some cases forces have used case records per BCU for fraud squads but this does not

adequately capture the cost of cases that have highly variable resource input and duration.

- 107 Some forces fall back on a two-week sample regardless of how appropriate this is (for example underwater search units). However, it must be remembered that activity sampling is not the most appropriate or desirable method for these units.
- 108 If the auditor needs evidence on compliance in this area they should check the sources of information and rationale/assumptions used by the force to form a view on the reasonableness of these and the calculations performed.

Costing of major incidents and events

- 109 For the purposes of ABC, force staff are not required to complete detailed activity sampling whilst undertaking a major incident or special event. The minimum data required is the number of normal duty days and the total overtime cost for each staff group that has supplied resources to the event or incident. Where possible other non-staff costs should be identified.
- 110 The force should be able to demonstrate to the audit how they have ensured that all relevant information has been captured to enable the accurate recording and costing of major incidents and events. The force need to ensure that the cost is shown under the BCU where it occurred and not under the BCU supplying the officers. The auditor may wish to walk through the capture of data and calculation of costs to confirm their understanding.

The National Costing Model for Police Training

- 111 This is specified in the manual of guidance and departures from the methods and conventions used are not permitted. The model is prescriptive in order to reduce calculational variability between forces.
- 112 However, the use of the model was not mandatory for 2003/04 – the Home Office allowed an exemption because some forces did not have appropriate local arrangements in place. The Cost of Training Model needs to be done based on actuals this year (04/05) for use in the main ABC costing model.
 - Discuss the approach adopted at the force and seek evidence of compliance with the model in the light of any additional guidance provided by the Home Office ABC Project Board. Whilst not mandatory in year 1, it is expected that forces follow the model in 2005.

Review area 2: Force compliance with guidance on sampling and audit investigation and sample testing of activity information sources

- 113** This section sets out the approach to data testing that should have been undertaken by the force as part of its own assessment of the reasonableness of both the activity data and the subsequent costing exercise. It also outlines potential investigation and sample testing that can be undertaken by the auditor to confirm force findings or focus on issues raised by other areas of the fieldwork and the initial data analysis.
- 114** Auditors in undertaking work on this section should be able to answer the following key question: has the force undertaken its activity sampling in accordance with the manual of guidance?
- 115** It is recommended that the auditor undertakes work in this section alongside the work in the management arrangements chapter on *Review area 1: the effectiveness of the force's internal controls and processes for managing activity sampling*.¹
- 116** The audit tool in Appendix 7 is designed to assist auditor's reviewing and reperforming sample testing of activity information sources.

Suitability of 2 week sampling period

- 117** When selecting the dates for the two-week sampling exercise the force should aim to sample during a representative period without any known major exercises or initiatives that could skew results. Whilst November is a popular period for conducting the sampling some forces choose other periods or adopt a rolling programme. In forces where work patterns are likely to change due to seasonal factors the force should consider the need to split the sampling between a week in the summer and one in the winter.
- 118** Regardless of when the sampling takes place, the force should be able to demonstrate that the sampling period is representative of the year and does not distort results. A comparison of collected activity data with crime figures over the period of the sample will demonstrate whether these are in line with the average or whether there is a risk of under or over apportionment of costs. It must be remembered that the crimes recorded in the period covered by the sample will not exactly match the activity being recorded as some ongoing activity will relate to crimes recorded in previous months. It does however provide some means of exploring the suitability of the two week sample period that has been chosen. Where possible problems are identified, this will need to be taken into consideration when examining the analysis and use of the ABC data.

¹ See page 36

Specialist departments

- 119** There is no specific national guidance on the expected controls and testing of activity data that has been collected outside the main two-week sample. However it is reasonable to expect forces to have some assurance that activity data from specialist departments gathered by other means is an accurate reflection of the year in question. The force should demonstrate the reasonableness of the method(s) of collecting data used to apportion costs in each specialist department as part of assessing the accuracy of the costing model.
- 120** For each unit the force should demonstrate how it has established the reliability of this data. In general there will be more confidence in existing management data that has been used by the team in question prior to use in apportioning costs or is extracted from existing management systems. Where data collection has been undertaken primarily for the costing model the team responsible for the delivery of ABC should be able to demonstrate the robustness of the information supplied. Auditors may consider reperforming any checks or interviewing the head of the unit in question if there are doubts that the data supplied is either inaccurate or if there are potentially more appropriate apportionment approaches.

Compliance investigation and testing of the force's activity information collection exercise

- 121** Where reasonable testing of activity cards has been undertaken by the force as part of the controls for the management of the activity sampling exercise (see review area 2 of the management arrangements section) the auditor can confirm the force's findings by re-testing on a sample basis. Further testing might be required if this testing is inconclusive. Evidence that will complement and guide this testing will include:
- the findings from group interviews and local liaison/sampling co-ordinators; and
 - inconsistencies in the submission that can not be attributed to the accuracy of the costing model.

Management arrangements

- 122** The management arrangements investigations are a key element of the review: they enable the auditor to set the results of the testing of the costing model in the context of how well ABC is embedded in the force and the authority. The management arrangements assessment also provides the force and the authority with an indication of the longer term sustainability of their approach to ABC, and the prospects for using ABC to drive improvement.
- 123** The scope of the work on management arrangements includes both:
- the corporate framework of arrangements for ABC (through interviews with senior officers and staff as well as appropriate document reviews); and
 - the implementation of these arrangements (through focus groups, interviews, and reality checks in a sample of BCUs).
- 124** In reaching their overall judgement on data quality auditors need to consider issues arising from the costing model chapter and form a view on the effectiveness of the management arrangements to ensure this, which are:
- the force's internal controls for managing activity sampling and other data collection methods; and
 - high level force reviews of the reasonableness of their ABC results.
- 125** In reaching an overall judgement on management arrangements the auditor needs to form a view on the effectiveness of:
- arrangements to embed ABC in the force; and
 - the role of the police authority.

Approach

- 126** The areas of investigation for management arrangements work will be identified during the planning phase (primarily the follow up of last year's findings) and will also be informed by the:
- information request prepared by the force and authority; and
 - self assessment for crime data which will reflect the force/authority's overall approach to data quality and specifically the management arrangements to deliver this.
- 127** The method for assessing management arrangements is through interviews and group interviews informed by evidence gathered at the planning stage and through the review of the costing model.
- 128** Auditors should identify for investigation those areas of management arrangements which have previously been assessed as poor and in cases assessed fair where there has been no improvement. In authorities and forces previously rated good or excellent in particular management

arrangements categories, the approach should comprise a 'light touch' review focusing on the implementation of any previous recommendations

- 129** The level of work required to be undertaken will depend on what additional evidence the auditor needs in order to be able to form a judgement on each of the three review areas. The auditor should identify the interviews, group interviews, information reviews and, if appropriate, any testing needed to complete each review area. In undertaking the work on this area the auditor should be able to identify:
- how the results compare with those of previous reviews (internal and external);
 - relevant significant issues;
 - the areas of poorest performance, and the reasons for this; and
 - examples of good practice.
- 130** It is recommended that auditors undertake the management arrangements investigations for data quality (review areas 1 & 2) alongside the work on the costing model as these are combined to form the overall judgement on data quality.

Interviews

- 131** A suggested list of interviews, together with detailed interview questions, is set out in the audit tool in Appendix 4. The interview questions cover all the possible issues for investigation set out in this audit guide and therefore should be tailored as appropriate by the auditor.
- 132** It is recommended that a small force which received an excellent or good assessment in 2004 should have at least one BCU group interview with officers and staff. Larger forces, or those with fair or poor results in year 2, should have as many as the auditor judges to be needed.
- 133** Interviews should consider changes since last year's review, taking account of how previously identified actions have been implemented, and the scope for further improvement. The findings of all interviews should be documented and used to triangulate evidence which informs the analysis and reporting phases.

Information reviews

- 134** An audit tool containing the suggested list of basic information (i.e. not exhaustive) required for the review is set out in Appendix B of the letter in Appendix 2. The auditor will wish to add to this list, based on particular local circumstances and where there are gaps in their knowledge.

Audit tool to assess management arrangements

- 135** Appendix 8 contains an audit tool to evaluate the outcome of the auditor's investigations relating to the management arrangements review areas (i.e. the evidence from interviews, information reviews and where appropriate testing). The audit tool is not a work programme that has to be completed but to assist the auditor it sets out:

- sources of evidence e.g. interviews and suggested information (not exhaustive);
- any issues to look out for (context); and
- suggested criteria to be used by the auditor in evaluating the evidence to arrive at their judgement, against the four assessment categories of excellent, good, fair, or poor.

Review area 1: Effectiveness of the force's internal controls for managing activity sampling

- 136 This section is designed to help the auditor to reach a judgement on how effective the management arrangements are in ensuring the accuracy and reliability of the activity sampling within the force. This will contribute to informing the auditor's overall judgement on data quality.
- 137 Work on this section will be informed by the outcome of the planning phase and it is recommended that this work be undertaken alongside that on activity information sources in the costing model section of this guide.
- 138 The level of investigation will be determined by whether:
- previous sampling exercises have resulted in poor returns and/or poor quality (see the 2004 audit);
 - the return just exceeds the 90% target and/or the validation of the return is close to 95%. This might indicate difficulties that have been overcome through relaxation of the force's validation approach; and
 - there are unexplained discrepancies identified by the initial diagnostic and subsequent detailed assessment of the return that could be caused by inaccurate activity data collection and/or have not been explained through errors in the costing model.
- 139 Criteria to inform the auditor's judgement on the management arrangements in this area have been included in Appendix 8 in the audit tool for *Review area 1: 'Force internal controls for managing activity sampling.'* (Page 91)

Review area 2: Effectiveness of the force's high level assessment of the reasonableness of their ABC results

- 140 This section is designed to help the auditor reach a judgement on the effectiveness of the force's arrangements to ensure the reasonableness of the results of the costing model. This will contribute to informing the auditor's overall judgement on data quality.
- 141 Auditor work should consider the outcomes of the force's own analysis and conclusions which should be backed up by appropriate evidence such as:
- other sources of management information (incident statistics in particular) which support planning reliance on the two week sample without further adjustment, or if not evidence that appropriate adjustments have been made;
 - undertaking comparisons of performance against national and previous years findings; and

- inter-force comparisons of data including possible development of parameters to aid this (the home office approach is to send out a disc with force data and reporting formats was to get away the inefficient approach of forces contacting each other. For inter force comparisons forces would all have had access to the 03-04 returns).
- 142** In deciding what level of work that needs to be done on this area auditor judgement will be informed by the adequacy of the evidence arising from the planning phase, for example:
- evidence provided by the force/authority as part of the information request;
 - the initial data diagnostic tests (which will provide an independent check against any force's own comparison, whether internal or external); and
 - interviews with the lead officer, for example, on whether the force has undertaken any work on high level comparisons.
- 143** Where the auditor identifies areas for further investigation the auditor should:
- look for evidenced reports that set out a clear analysis that has been considered by management;
 - consider any conclusions reached and actions arising; and
 - ascertain whether these have led to a SMART action plan that is included and followed up in the year 2 project plan.
- 144** Criteria to inform the auditor's judgement on the effectiveness of management arrangements in this area have been included in Appendix 8 in the audit tool for *Review area 2: The force and authority undertake work to assess the reasonableness of the ABC costing model.* (Page 97)

Review area 3: Effectiveness of management arrangements to embed ABC

- 145** This section is designed to help the auditor reach a judgement on how effectively management arrangements have embedded ABC into the force and authority. Work on this section will inform the overall judgement on management arrangements.
- 146** Criteria to inform the auditor's judgement on the effectiveness of the arrangements auditors have been set out in the audit tool in Appendix 8 *Review area 3: Management arrangements investigations.* (Page 100).
- 147** Arrangements in this area are assessed under the following four themes, from a corporate and BCU perspective for the force, and where relevant from the perspective of the police authority:
- accountability (including scrutiny and integrity) and leadership;
 - policy and administration;

- staff training, knowledge and awareness; and
 - resourcing.
- 148** It is important to note that having all or most of the management arrangements in place does not in itself automatically mean that they are effective, unless they are embedded in the working practices of all elements of the force and authority.
- 149** The method for assessing these categories is through interviews and group interviews, informed by issues identified at the planning phase and the information request. A small force which received an excellent or good assessment in 2004 should have at least one BCU group interview with officers and staff. Larger forces, or those with fair or poor results in year 2, should have more.

The role of the Police Authority

- 150** This section is designed to help the auditor reach a judgement on how effectively management arrangements have embedded ABC into the force and authority and will also inform the work on the utilisation of ABC. Work on this section will therefore inform the overall judgement on management arrangements and utilisation.
- 151** The authority has a responsibility for monitoring the deployment of the yearly implementation plan and improvement action plans resulting from the audit of the ABC data and plans in previous years.
- 152** The audit tool in Appendix 8, management arrangements, should be used by the auditor in forming their judgement on the role of the Police Authority in:
- holding the force accountable;
 - monitoring the production of ABC; and
 - reviewing what it tells them about resource usage and continuous improvement.
- 153** Although forming part of the judgement on the force's management arrangements, when reporting the auditor should make an explicit comment on the role of the police authority. The report template that will be circulated will make this apparent. For the purpose of forming a judgement where the role of the police authority is considered to be poor the judgement on management arrangements should reflect this accordingly.

Utilisation of Activity Based Costing

- 154** This section is designed to help the auditor reach a judgement on how effectively ABC information is being used. Work on this section will contribute to the auditor's overall judgement on management arrangements and utilisation.
- 155** Work on this section will be informed by the outcome of the planning phase and particular, the information request where the force and authority have supplied examples of utilisation of ABC information.
- 156** The active involvement of both the force and the police authority is key to ensuring the effective use of ABC data to drive improvement and inform policy development at force level. The findings from the yearly activity data, costed data and more recently regional and national databases should have been made available to the force and authority. It is important to recognise the usefulness of the basic activity data prior to input into the costing model. Such data is available shortly after the completion of the survey and the percentage of time spent by officers is often more accessible than the final costed outturn data. Although the force and authority must always recognise that activity sampling data will only give a partial picture since it excludes events, major incidents and specialist units.
- 157** It is reasonable for auditors to expect that forces and authorities with greater experience in ABC and confidence in their data should be more experienced in analysis and use of the data. Likewise forces where there are significant weaknesses in the ABC data from previous years and have other data integrity issues (ABC) will be able to place less reliance on their own data but still would benefit from the national database and local collaboration.
- 158** Appendix 9 contains an audit tool to assist the auditor in forming their judgement on the utilisation of ABC.
- 159** In undertaking work on this element, the auditor should assess what steps forces and authorities are taking to use, or make plans to use, the results of current or previous years' costing and sampling data. Given the availability of last year's data, greater experience and access to the national database, forces and authorities should be able to draw firmer conclusions from the data.
- 160** Auditors should specifically look for:
- actual changes that have been driven by information that has been used by local managers on the ground;
 - examples of where ABC data has been used effectively to assist in the assessment of policy and strategy; and
 - good practice examples of the use of ABC data in driving local improvement.

Appendix 1 – Review specification

From 2003/04 ABC was made mandatory and is a requirement of the National Policing Plan. It is a key part of the process of enabling good practice to be identified and of giving weaker forces central assistance.

This appendix outlines the approach for Year 3, based on the principles and scope discussed between the Audit Commission in consultation with key stakeholders and updated in the light of the consultation

The year 3 review of police ABC follows earlier reviews undertaken by the Commission:

- year 1 (2003/04) covered plans to implement ABC; and
- year 2 (2004/05) was a high level review of the first year of implementation.

The year 2 reviews revealed that for just over half of forces and authorities (52%) there were no issues that materially affected the accuracy of the ABC submission made in July 2004. There were a small number of forces (9%) where despite reliable systems and processes, there were some weaknesses that may have affected the accuracy of the submission. Finally, some 39% of forces were assessed as having some weaknesses in both the accuracy of the data submitted for 2003/04 and the underlying systems and processes in place that require management action to ensure the accuracy and reliability of submissions in future years.

This is further borne out by the subsequent analysis of the submitted data that has been undertaken by the Police Standards Unit [PSU]. This has identified a number of anomalies in the costed data that indicate differing approaches and the need for improved benchmarking and review prior to and post submission.

The work in year 3 (2005/06) will be undertaken, as previously, using auditors' powers under the Code of Audit Practice as part of their work on corporate performance management and financial management arrangements, under section 5(1)(e) of the Audit Commission Act 1998 and will be carried out in partnership with the PSU. The methodology will be agreed with the ABC project board and the PSU prior to local fieldwork taking place.

The outline approach set out in this paper is currently being refined and is subject to Audit Commission approval processes.

Objectives

The Commission's view is that year 3 review work will build on years 1 and 2 by focussing on outcomes as well as ongoing compliance. The objectives of year 3 will be to follow up our findings of year 2 and to build on this by reviewing the progress of force's own arrangements and actions to ensure that their:

- year 1 & 2 findings have been followed up and recommendations implemented;

- the force has systems and processes in place so that data input into force ABC costing model complies with the manual of guidance;
- arrangements for the implementation of ABC is consistent with the ABC Model and manual of guidance; and
- outputs and outcomes from ABC are driving improvement.

To meet these objectives a risk based approach will be adopted.

The work will focus on assessing the force's own arrangements to ensure an accurate ABC submission. Key elements of this work will include:

- a follow up of prior year action plans from Audit Commission reviews;
- follow up of the Home Office review of submissions and the reasons for any re-submission and actions taken to address any issues identified;
- an analytical review of the 04/05 & 05/06 submissions to identify changes, missing lines, variances from national and/or family group average;
- the outcomes and tangible use of ABC to review, measure and allocate resources; and
- what action the authority has taken to hold the force accountable, monitor the production of ABC and review what it tells them about resource usage and areas for improvement.

The overall aims of this review are to report on:

- data/costing model and compliance with the manual of guidance;
- authority/force management arrangements; and
- use of ABC outputs/outcomes by force/authority to drive improvement.

Output

At this stage it is intended to publish a national report jointly badged with the Wales Audit Office in partnership with PSU. This issue may be kept under review pending analysis of the results and the significance of any issues identified.

Approach to the review

In the year 2 review of ABC each force was assessed against six key elements:

- review of the issues arising from the June 2003 ABC action plan reviews;
- review of the accuracy of force costing models;
- review of force internal controls for managing activity sampling;
- sample testing of activity information sources;
- high-level review of ABC results for reasonableness; and,
- review of utilisation of Activity Based Costing data.

It is anticipated that the year 3 review will build on this with work being undertaken on an outcome focused, risk based and proportionate basis.

The risk assessment determining the allocation of audit resources will be based on:

- findings from year 1 and year 2 Audit Commission assessments;
- subsequent follow up by the Home office;
- known national developments and the availability of 2005 submissions; and
- analysis undertaken by the Home Office.

This will result in a tiered approach to the work using specific diagnostic components based set out within the audit guide.

Appendix 2 – Introductory letter

The letter below is an example that can be adapted for local use.

Dear Chief Police Officer/Police Authority Chair/Police Authority Clerk

Activity Based Costing review 2005/06

As you will know, the Audit Commission is undertaking reviews of activity based costing (ABC) in partnership with the Police Standards Unit of the Home Office. Work on the third phase of this programme will be undertaken nationally at all police authorities between October 2005 and March 2006.

The focus of the reviews will continue to be on the arrangements in place in police authorities and forces to support appropriate and sustainable use of activity based costing, with testing of the costing model used to support the assessments made. The reviews will include the following elements:

- follow-up of the recommendations of previous reviews;
- accuracy and compliance of the costing model;
- the effectiveness of management arrangements, including the role of the police authority; and
- how effectively ABC is being used by the force and the authority to drive improvement.

Our work on the review of ABC this year will involve:

- an examination of documents and other evidence;
- sample testing of the costing model; and
- a series of interviews individually and in groups.

Where relevant, we are planning to carry out this work alongside our reviews of crime data quality. For example we will seek to combine group interviews and will discuss with you how best to ensure that we make good use of your staff time and auditor time when carrying out these reviews.

We will provide a written report (and presentation) to you and relevant officers to take questions and gather comments to be added to the report.

The review team will be led by XXXX (contact details xxxx) who will be accompanied by YYYY and YYYY. Please contact XXXX if there is anything which needs clarification.

We will need the assistance of the nominated ABC lead officer to set up the programme of interviews and prepare the data samples. I attach an outline list of the meetings (appendix A) and information (appendix B) that will be required.

Yours sincerely

Appendix A: Outline list of meetings

Interview list

Interview/meeting	Set up	Field work	Feedback
Police authority			
Clerk (or officer with responsibility for ABC)	✓	✓	✓
Member with portfolio responsibility for ABC)	✓	✓	✓
Force HQ			
Chief Officer			✓
Force lead for ABC	✓	✓	✓
Finance/performance staff/BCU Liaison			
Relevant finance/performance staff lead		✓	
BCU			
Commander		✓	
Group interview (PCs, DCs and sergeants)		✓	

Appendix B: Information request

NB for the auditor: *the following documents (on the most appropriate medium) should be requested as a minimum, if not already obtained, prior to visiting the authority and force. Information on organisation/management and general information should be requested once in conjunction with the work on Crime Data Quality.*

Information request	Reference/Source
<p>Information on organisation and management</p> <ul style="list-style-type: none"> • A list of the units in the force, with the managers' names, and the number of staff in each unit. 	
<p>General information</p> <ul style="list-style-type: none"> • Most recent report against the Performance Plan. • Latest performance reports at force and BCU level. • Relevant internal reports (e.g. internal audit reports or best value reviews) on ABC. • HMIC baseline assessment 2005/06 and any other relevant HMIC reports. 	
<p>Documentation/Information on ABC</p> <ul style="list-style-type: none"> • Most recent version of ABC implementation plan and any supporting documentation showing reports of progress of ABC implementation to management teams and the authority. • Police authority Committee reports on monitoring ABC implementation. • Reports to force/authority demonstrating use of ABC in making decisions and/or driving improvements. • Electronic copies of the submissions to the Home Office of ABC. • Copies of forms used for ABC sampling purposes – both paper forms and/or electronic forms on inputting activity. • Details of validation tests undertaken prior to submission. • Details of the activity sampling return rate and 	

Information request	Reference/Source
<p>percentage of forms validated.</p> <ul style="list-style-type: none">• Process maps of the systems involved and how they link together.• Staff/Member guidance manuals, procedure notes, policy documents on ABC.• Training materials used by the force for training staff in ABC.	

Appendix 3 – Initial data analysis

Initial central analysis

Detailed Questions	Contextual information	Follow up
Is the percentage split of domain costs in line with expected normal range?	Any returns outside of this range will be highlighted and auditors will be expected to discuss this with the force and, in conjunction with any other issues raised elsewhere.	
Are the percentage split of domains 3 & 4 similar?	Inaccuracies in the costing model will tend to indicate potential misunderstanding around these domains.	
Are there BCU based business support costs	Check table 3 column I - For each BCU/Department local and HQ Business Support costs should be apportioned in proportion to the total direct costs (Direct Staff Costs plus Operational Support Costs). An absence of BCU costs in this column is unusual (see S.17 MOG) as BCU's tend to have training and finance functions.	
a) Are direct staff costs within expected range? b) Have they changed significantly from last year?	Should be between 40 and 50%. Changes from the previous year might indicate improved accuracy or other changes that should be explored.	
a) Are operational support costs within expected range? b) Have they changed significantly from last year?	Should be between 30 and 40%. Changes from the previous year might indicate improved accuracy or other changes that should be explored.	

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Detailed Questions	Contextual information	Follow up
a) Are business support costs within expected range? b) Have they changed significantly from last year?	Should be between 10 and 15%. Changes from the previous year might indicate improved accuracy or other changes that should be explored.	
a) Are sustaining overhead costs within expected range? b) Have they changed significantly from last year?	Should be between 5 and 10%. Changes from the previous year might indicate improved accuracy or other changes that should be explored. One possible factor could be the size of the force. A smaller force still requires a minimum structure that might be a larger portion of its overall budget.	
Are any activity codes blank in table 3?	Common examples include: BCU based intelligence (check to see if there is any dedicated intelligence officers on BCU's)(RF), Partnership management (RC & RD) visible patrol (matches AA data)	
Are there prisoner handling costs and are they split realistically between Domains 2 and 4?	Common error in the submissions last year.	

Local analysis of submission

Detailed Questions	Arrangements	Findings
Are there any issues arising from follow up from last year?	The force should explain the nature of any errors identified last year that resulted in a resubmission of the ABC data to the HO. Where appropriate they should also describe what changes to policies and practice have been implemented.	
Does the Table 1 total equal the sum of Table 2 totals for each BCU?	Basic test for accuracy	
Do the totals on Table 2 less the sustaining overheads (cell H15) for each BCU equal the total for the corresponding Table 3 total?	Basic test for accuracy	
On table 3, are Traffic other (ND) and Crime other (CX) significantly higher than other codes?	These are traditional 'dumping grounds' used by officers to complete activity cards and would suggest that there is a lack of control over the sampling process.	
Are there any role codes without costs?	In particular check for costs against newly introduced codes RR (police protection) and RT (family liaison). RA (national policing) might not always be present but this will be dependant on the nature and location of the force and the absence of events such as royal visits, ministerial protection etc.	

Appendix 4 – Audit interview tool

The interview list and schedules in this appendix cover all the issues set out in the audit guide. In planning their work, auditors will tailor the list of interviews to local circumstances. A list of suggested meetings is set out below:

- Police authority representative;
- ACPO lead;
- Finance/Performance lead;
- BCU commander; and
- Selected PCs and Sergeants.

In interviewing force and authority staff auditors should consider what they already know from other sources such as CAKE or the self assessment and the purpose in asking the questions e.g.:

- filling a gap in knowledge;
- confirming knowledge/ triangulating evidence;
- ascertaining commitment, drive and experience of individual and organisation collectively.

In practice this will mean that auditors should be able to use the results of the interviews to answer the questions in the bold type from the perspective of the interviewee and may wish to draw on the sub questions or others as they consider appropriate.

Police authority interviews

Time required: 1 hour per interviewee

Interviewees:

- the Clerk, or the officer with responsibility for ABC
- Member(s)

Agenda:

- Explanation of the review
- Arrangements to support ABC
- Issues arising from information request and risk assessment
- Issues from the police authority perspective.

NB questions in bold are the ones which the auditor needs to understand the answer for, sub questions are suggestions.

ACCOUNTABILITY AND LEADERSHIP	Evidence
<p>How does the authority exercise oversight over force ABC arrangements?</p> <ul style="list-style-type: none"> • Is this handled by the full authority, a specific committee, or through a lead member role? • What does the role involve? • What interaction is there with force personnel responsible for ABC? • What is the relationship with the force like? • How is the authority made aware of ABC and its implications? • What are the implications of the results of ABC reviews (external and internal) for the authority? What has the authority done to incorporate ABC in its decision making? 	

<p>How has the authority supported the implementation of ABC?</p> <ul style="list-style-type: none"> • Is the authority itself clear on the benefits of ABC? • How has the authority actively sought to promote and support the implementation of ABC? • How does the authority use the cost and activity information provided by ABC to inform decision making? • What examples can you point to demonstrate the effective use of ABC information? • How is ABC addressed in the authority's risk management arrangements? • What are the barriers to ABC manual of guidance compliance and what plans exist to remove / overcome them? • What role has the authority played in monitoring the implementation of recommendations from the Year 1 and 2 audits? What are the position and time-scales attached to any outstanding recommendations? How does the authority monitor implementation and progress? • Has the force addressed all previous Home Office and other inspector recommendations on ABC? What are the position and time-scales attached to any outstanding recommendations? 	
<p>Is there any internal audit/inspection/scrutiny arrangements to review ABC?</p> <ul style="list-style-type: none"> • Has the force conducted any internal audits on ABC? • How is the authority able to form its own opinion about ABC compliance independently from the force and data they might present? • What themes have emerged from internal reviews? • Have the findings/recommendations been progressed, and where appropriate are they the subject of a timed implementation/action plan which is monitored? 	

PERFORMANCE MANAGEMENT	
<p>Is the authority satisfied with its performance on ABC?</p> <ul style="list-style-type: none"> • Does the force produce comprehensive and timely ABC information down to BCU level (e.g. activity information)? Does the police authority receive this information and consider it? • Does the authority review high level reasonableness checks undertaken by the force? 	
POLICY AND ADMINISTRATION	
<p>Does the force have an up-to-date policy on ABC?</p> <ul style="list-style-type: none"> • Is it consistent with the manual of guidance? • Has it been agreed with the police authority? • How regularly is the policy reviewed? 	
<p>How satisfied is the authority with progress on compliance?</p> <ul style="list-style-type: none"> • What are the outstanding issues/difficulties? How are these being resolved? • Is there sufficient assurance that current arrangements are consistent with best practice identified by the manual of guidance? 	
STAFF TRAINING, KNOWLEDGE AND AWARENESS	
<p>How does the authority satisfy itself that training is adequate?</p> <ul style="list-style-type: none"> • Is the authority aware of the resources employed in training, corporately and on BCUs? • Does the authority receive reports on training issues? • Have any ABC training issues been identified and addressed? 	
SYSTEMS AND PROCESSES FOR ABC RECORDING	
<ul style="list-style-type: none"> • How aware is the authority of the effectiveness and efficiency of processes to record ABC data? 	

ACPO officer with responsibility for Activity Based Costing

Agenda:

- introduce the review and the audit team;
- clarify any queries on the review process or ABC more generally;
- identify any particular issues for the review team to look out for; and
- understand the approach and role of the lead for ABC.

The interview should probe the extent of the commitment to implementation and use of ABC by the force ACPO lead officer for ABC, and how that translates into management action: in communicating the message, supporting senior officers, monitoring performance, and committing resources.

NB questions in bold are the ones which the auditor needs to understand the answer for, sub questions are suggestions.

ACCOUNTABILITY AND LEADERSHIP	Evidence
<p>How have chief officers ensured that the force’s position on ABC has been clearly articulated throughout the organisation?</p> <ul style="list-style-type: none"> • How do you demonstrate support of ABC to the force? • How do you ensure that BCU Commanders are doing the same? • How confident are you that ABC is being consistently applied across the force area? 	
<p>How has the force promoted the implementation of ABC?</p> <ul style="list-style-type: none"> • Is the force itself clear about the benefits of ABC? • How has the force actively sought to promote and support the implementation of ABC? • How does the force use the information provided by ABC to inform decision making? • What examples can the officer point to/provide to demonstrate the effective 	

<p>use of ABC?</p> <ul style="list-style-type: none"> • Does the force conduct high level reviews/ reasonableness checks on the costing information? • What are the barriers to ABC compliance and what plans exist to remove / overcome them? • How confident are you that arrangements to ensure compliance are sustainable in the longer term? • How is ABC addressed in risk management arrangements? • How has the authority and force monitored the implementation of recommendations from the Year 1 and 2 audits? What are the position and time-scales attached to any outstanding recommendations? 	
<p>How has the police authority contributed to communicating the importance and impact of ABC?</p> <ul style="list-style-type: none"> • What is the relationship between the police authority and the force? • What degree of challenge does the police authority scrutiny committee make? • What, if any, outstanding concerns have the police authority about ABC and its uses? 	
<p>Do you have any internal audit/inspection/scrutiny arrangements to review ABC?</p> <ul style="list-style-type: none"> • Does the force have a formal programme of checks for the integrity of activity sampling and the collection of management information? • Is the content of the programme based on an assessment of risk? • Are you sent copies of the findings? • How does internal audit/inspection/scrutiny address issues of non-compliance and the promotion of best practice? 	
POLICY AND ADMINISTRATION	
<p>Does the force have an up-to-date policy on ABC?</p> <ul style="list-style-type: none"> • Is it consistent with the manual of guidance? 	

<ul style="list-style-type: none"> • Does it include: <ul style="list-style-type: none"> - Responsibilities at headquarters/BCU levels, including authority levels and the responsibilities of line managers? - Clear policy and guidance on recording of activity sampling information? - Details of a system to deal with queries, from operational staff, on ABC issues? • How is the policy promulgated? • How does the force test understanding of the policy? 	
PERFORMANCE MANAGEMENT	
<p>Is the force satisfied with its performance on ABC?</p> <ul style="list-style-type: none"> • Does the force produce comprehensive and timely ABC information down to BCU level? • How is this information used to inform decision making? Does the police authority receive this information and consider it? • How is poor performance in relation to ABC compliance identified and addressed? 	
<p>Has ABC had an impact on use of resources?</p> <ul style="list-style-type: none"> • How has ABC been used to inform decision making and allocate resources? • How is ABC being used to drive improvement? 	
STAFF TRAINING, KNOWLEDGE AND AWARENESS	
<p>How do you ensure that staff have the appropriate awareness, knowledge and competencies?</p> <ul style="list-style-type: none"> • Are staff tasked with recording/using ABC information fully trained? • What are the arrangements for refresher training? • Have training arrangements been evaluated? • How does the training programme take account of the results of internal and 	

external reviews on ABC?	
RESOURCING	
<p>Is ABC appropriately resourced?</p> <ul style="list-style-type: none"> • Are there any resource limitations which affect ABC? • What are the implications of ABC in terms of resource deployment and service delivery? 	

Finance/performance lead/ABC staff

The interview with the finance/performance lead will provide the majority of the evidence on the way the force has responded to ABC. The aims of this interview are to establish:

- what management infrastructure has been put in place to ensure consistency in ABC with the manual of guidance;
- what the finance/performance lead perceives to be the key issues to be dealt with; and
- how the finance/performance lead role itself is working in practice.

The interviewer should attempt to reach a view on how well the finance function works with front line units and the extent to which they are leading on using ABC to inform decision making.

NB questions in bold are the ones which the auditor needs to understand the answer for, sub questions are suggestions.

ACCOUNTABILITY AND LEADERSHIP	Evidence
<p>Who is accountable for the accuracy of ABC?</p> <ul style="list-style-type: none"> • At force level? • At BCU level? 	
<p>Have chief officers ensured that the force’s position on ABC has been clearly articulated throughout the organisation?</p> <ul style="list-style-type: none"> • Have chief officers made an unequivocal statement and shown clear commitment to ABC? • How has this been promulgated? 	
<p>How does the finance/performance lead’s role secure accurate ABC?</p> <ul style="list-style-type: none"> • To whom are you answerable to for the accuracy and integrity of the ABC recording process? • Have you been involved in/developed: <ul style="list-style-type: none"> - ABC activity recording policies? 	

<ul style="list-style-type: none"> - ABC costing model? • What work have you undertaken to achieve a consistent and accurate response to ABC requirements? • Do you conduct high level reviews/ reasonableness checks on the costing information? Do these involve comparisons with other forces? • What arrangements have you established to ensure prompt and adequate circulation of changes in the manual of guidance and force policy? • Do you have a force ABC user group? Are you a member? • Do you attend regional ABC meetings and where appropriate national meetings designed to maintain standards between forces? How often? 	
<p>How has the force promoted the implementation of ABC?</p> <ul style="list-style-type: none"> • Is the force/authority clear about the benefits of ABC? • How has the force/authority actively sought to promote and support the implementation of ABC? • How does the force/authority use the information provided by ABC to inform decision making? • What examples can the officer provide to demonstrate the effective use of ABC? • Does the force play a leading role in promoting ABC, sharing good practice etc both regionally and nationally? • What are the barriers regarding compliance with the manual of guidance and what plans exist to remove/ overcome them? • Is the construction of the model outsourced? Is the finance lead confident that they have sufficient knowledge of the workings of the software package to be able to explain it to others and to run reports in response to operational officers and management requests, check that the reports are reliable and explain the results? • How has the authority and force monitored the implementation of recommendations from the Year 1 and 2 audits? What are the position and time- 	

scales attached to any outstanding recommendations?	
<p>Do you have any internal audit/inspection/scrutiny arrangements to review ABC?</p> <ul style="list-style-type: none"> • Does the force have a formal programme of checks for the integrity of activity sampling and the collection of management information? • Is the content of the programme based on assessment of risk? • Are you sent copies of the findings? • How does the audit/inspection/scrutiny address issues of non-compliance and the promotion of best practice? • Have the findings/recommendations from reviews/audits been progressed and where appropriate are they subject of a timed implementation/action plan? 	
<p>Do you understand the costing model and able to explain the outputs from it?</p> <ul style="list-style-type: none"> • Are you confident in your understanding of how you construct a model? • Have you been trained on how you use the software? • Have you relied on a consultant – particularly where facilities management was used - to build the model for you? • If they are a Bplan user – did you sign up to facilities management? 	
POLICY AND ADMINISTRATION	
<ul style="list-style-type: none"> • What is the force’s position in terms of compliance with the manual of guidance? • Has the force issued a position statement on any of the above? • Who is responsible for circulating amendments to the manual of guidance? 	
<p>Does the force have an up-to-date policy on ABC?</p> <ul style="list-style-type: none"> • Is it consistent with the manual of guidance? • Does it include: <ul style="list-style-type: none"> - Responsibilities at headquarters/BCU levels, including authority levels 	

<p>and the responsibilities of line managers?</p> <ul style="list-style-type: none"> - Clear policy and guidance on the collection of activity information? - Clear validation and review of data both internally, in comparison with last year and externally with other forces? 	
STAFF TRAINING, KNOWLEDGE AND AWARENESS	
<p>How is it ensured that staff engaged in ABC have the appropriate knowledge and competencies?</p> <ul style="list-style-type: none"> • What training has been provided? • Is the training appropriate to the staff involved e.g. front line staff on collection but more senior staff on how ABC can be utilised? • Have relevant staff completed the Centrex e-learning package and attended the associated workshops? If not when will this happen? • What guidance and training has been provided to staff involved in ABC collecting and recording processes and on the content and interpretation of manual of guidance? • Have relevant staff successfully completed training courses provided by the suppliers of software used in the ABC processes? • Are there any mechanisms proactively to check staff knowledge, understanding and interpretation of ABC/manual of guidance? • Is there an effective forum, such as a user group, for discussing ABC issues? Are these centre-led? • Are there other means of promoting good practice and consistency? Is maximum use made of communication mediums to disseminate information? 	
<p>What is the relationship between the force ACPO lead officer for ABC and finance/performance lead?</p> <ul style="list-style-type: none"> • Do you have direct access to the force ACPO lead officer for ABC? What is your working relationship like? • How have you handled challenges to your decisions with regards to compliance 	

with the manual of guidance?	
RESOURCING	
<p>Is ABC adequately resourced?</p> <ul style="list-style-type: none"> • Are you satisfied that there are sufficient staff dedicated to the ABC function to ensure accurate data, and use of the information to inform decision making? • Have you highlighted the need for plans to address identified resourcing gaps? 	
ABC IT SYSTEMS	
<p>Does the force have in place effective ABC costing system?</p> <ul style="list-style-type: none"> • Does the system adequately link with the general ledger or other financial management systems? • Does the system contain adequate validation checks? • Does the system produce force returns and enable comparisons internally and externally. • Does the system produce reports which allow the use of the data for informing decision making? • Do they have adequate query tools in place to respond to different user requirements? 	
ABC PROCESSES FOR ACTIVITY COLLECTION	
<p>Does the force have in place an effective and accurate system of ABC activity recording?</p> <ul style="list-style-type: none"> • Are project plans in place and how are these monitored and reviewed on a regular basis? • Is there effective and ongoing communication between finance and other staff involved in the delivery of ABC? • During the activity sampling exercise (in particular during the first couple of days) do central ABC team members or experienced local liaison officers make visits and spot checks to ensure that any early misunderstandings are rectified as quickly as possible? 	

- Are staff aware of the broad principles of the software system, how it operates and how to ensure the outputs are reliable – training has been provided and has been effective?
- Is the force able to supply checklists and analysis showing which teams had poor returns and/or poor quality?
- Are front line checks backed up by central monitoring which is seen as a partnership exercise to get it right first time?
- What processes are in place to ensure that cards are completed by the end of any shift and as close to every 15 minutes as operational conditions allow?
- How are those taking part in the sampling made aware that they are likely to be held accountable for the quality and accuracy of the activity cards and will be subject to random/targeted checks at local and central level?
- How is the force able to demonstrate the validity of the activity sample data given the potential for officer error?
- How does the force ensure that the percentage of activity cards returned is over 90%?
- At the end of the sampling period is it possible to account for the time of all officers sampled, including hours/days of training or sickness. Is a monitoring sheet used for this purpose?
- How are all returned activity cards validated?
- For the remainder of the errors that validation software cannot cope with is the professional judgement of an activity analyst (who both understands police processes and is experienced in dealing with the types of errors thrown up by an activity sampling campaign) been used to enable most to be corrected?
- Where completed cards are in error, or if cards are completely spoilt, how is it ensured that those cards are rejected?
- In order to ensure that a valid sample is obtained how can the force demonstrate that rejected cards total no more than 5% of all cards returned?
- If the final rejection rate, after the process of validating cards, exceeded 5% has

<p>a supplementary sample been taken?</p> <ul style="list-style-type: none">• Who does the scanning and validation of cards after they have been collected? (Forces have outsourced some of this work and software companies have set up offices in Eastern Europe. This must affect the quality of the data as those validating will be unfamiliar with the force, unable to link collar numbers with Units and Ranks, won't necessarily understand the policing and will lack professional judgement).• Has the force undertaken a comparison of activity sampling versus costing results?• Has the force undertaken a comparison of ABC results with previous years?• What conclusions have been reached and how has this impacted on action plans?• How does the force ensure that all relevant activity information has been captured to enable the accurate recording and costing of major incidents and events?	
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BCU Commander

In addition to it being a matter of common courtesy to meet the unit commander, this interview serves two important functions:

- it provides an opportunity to explain to the commander how the BCU and wider review is to be conducted, and what to expect at the end of the process; and
- it enables you to gather information on how ABC information is collected and used within the unit.

At the end of this interview you should have some feel for the commander’s level of commitment to ABC, and what he or she is doing and has done to ensure its importance is understood by officers at all levels. The management of ABC may however have been devolved to another member of the management team and should this be the case the questions are equally applicable to that role holder.

NB questions in bold are the ones which the auditor needs to understand the answer for, sub questions are suggestions.

ACCOUNTABILITY AND LEADERSHIP	Evidence
<p>How have you communicated the force’s position on ABC activity recording to staff in your command unit?</p> <ul style="list-style-type: none"> • Have you communicated the importance of ABC compliant activity sampling? • How confident are you that this is consistently applied across the force area? • How confident are you that officers in the BCU are fully complying with force guidance in respect of activity sampling? • How do you demonstrate support of ABC to your staff? • How are you held to account for the delivery of accurate activity information for ABC? • How have you fed back to your staff the outcomes of previous audit and inspection findings on ABC? 	
<p>Do you have audit arrangements to review ABC activity analysis?</p> <ul style="list-style-type: none"> • Have you resolved any previously highlighted problems? • How does the audit/inspection/scrutiny address issues of non-compliance and 	

<p>the promotion of best practice?</p>	
POLICY AND ADMINISTRATION	
<p>How are you made aware of force policy on activity recording for ABC? Does it include:</p> <ul style="list-style-type: none"> • Responsibilities at headquarters/BCU levels, including authority levels and the responsibilities of line managers? • Clear policy and guidance on recording of activity sampling information? • Details of a system to deal with queries, from operational staff, on ABC issues? • How is the policy promulgated at BCU level? • How does the BCU test understanding of the policy? 	
STAFF TRAINING, KNOWLEDGE AND AWARENESS	
<p>How do you ensure that staff have the appropriate knowledge and competencies with regards to ABC?</p> <ul style="list-style-type: none"> • Are command unit staff tasked with recording and using activity sample trained and have an overview of ABC? • Do staff receive ongoing support to ensure understanding of ABC activity sampling and overview of ABC in the force? • What training has been undertaken? • How is poor performance identified and addressed? • Is ABC compliance/awareness reflected in individual performance reports? • Is delivery of ABC training evaluated? 	
RESOURCING	
<p>Is ABC adequately resourced in the command unit and at force level?</p> <ul style="list-style-type: none"> • Are there any resource issues which affect ABC sampling? • What are the implications of ABC in terms of resource deployment and service delivery? 	

COST AND ACTIVITY RECORDING SYSTEMS	
<p>Are you satisfied with the force’s cost and activity recording systems?</p> <ul style="list-style-type: none"> • What improvements could be made to ABC activity recording processes? What obstacles are there? • At BCU level how do you check compliance with the processes? • To what extent are you satisfied that the IT supports the activity recording processes? 	

Group interview of PCs, DCs and sergeants

The purpose of this session is to identify awareness and knowledge of ABC at ground level, particularly focusing on activity recording (do not expect knowledge of the costing model), which will provide a reality test of how force policy on ABC activity recording has been disseminated to those responsible at the front line. It should also provide some indications of whether frontline officers have been aware in general terms of why they are undertaking activity recording and the robustness of the controls over the process. After an introduction on the purpose of the review, the session will provide:

- a brief run-through of a sample of ABC activity recording undertaken in 2004/05 to gauge the level of understanding of ABC manual of guidance requirements. At the end of the questions, talk through the answers and explanations; and
- discussion of the themes below, probing the extent to which officers have been trained, are supervised or supervise (where applicable for the sergeants) and are subject to ongoing review of their ABC activity recording.

NB questions in bold are the ones which the auditor needs to understand the answer for, sub questions are suggestions.

ACCOUNTABILITY AND LEADERSHIP	Evidence
<p>Do you see ABC sample recording as an important part of your job?</p> <ul style="list-style-type: none"> • Are you held to account for the quality of ABC recording? How? • Are you reviewed on the quality of your ABC recording during the course of the sample period? • What has the force done to help you deal with ABC sample recording? 	
<p>Have senior officers informed you about ABC and why you are undertaking activity recording?</p> <ul style="list-style-type: none"> • What have you been told about ABC? • Have you been told that ABC is important? • Have you been told why ABC is important? • Have the sergeants had any specific briefing on what their role is in supporting 	

<p>ABC?</p> <ul style="list-style-type: none"> • How do managers/leaders demonstrate support of ABC compliance to you? • What role does the police authority play in promulgating the need for and support of ABC? • 	
<p>What support have you had from central/local management teams?</p> <ul style="list-style-type: none"> • Have you been chased up to complete ABC time recording reports, or had any reports corrected? • Have central HQ staff been involved in training and briefing? • Have results been fed back to explain how ABC is making a difference to decision making? 	
POLICY AND ADMINISTRATION	
<p>Have you seen the force policy/guidance on activity recording for ABC?</p> <ul style="list-style-type: none"> • Are you able to access it for reference? • What do you do when you have problems with ABC time or activity recording? • Is there a system to deal with queries, from operational staff, on ABC activity or time recording issues? • Do you have any support documentation on ABC recording, such as pocket guides? • Do you have any views or problems with ABC activity or time recording? 	
STAFF TRAINING, KNOWLEDGE AND AWARENESS	
<p>Have you received any training on ABC activity recording?</p> <ul style="list-style-type: none"> • Have you had training specifically on ABC? • How are you informed about any outcomes from your recording of ABC activity recording? • How is good practice identified and promulgated with regards to activity recording? 	

SUPERVISORY CHECKS AND ACCOUNTABILITY	
<ul style="list-style-type: none"> • Are you aware of checks that might be undertaken on your activity recording? • Who performs these checks? • Are you aware of any feedback? 	
TIME AND ACTIVITY RECORDING PROCESS	
<p>Do you understand the force’s time and activity recording processes?</p> <ul style="list-style-type: none"> • Can you explain to me the sample time/activity recording process in the force? • What improvements could be made to this process? What obstacles are there? • Is sufficient detail provided on activities you can record your time against? 	

Appendix 5: Audit tool for follow up work

This tool is designed to help the auditor assess the progress the authority / force has made in implementing last years action plan.

Auditors should look for an overview from the force lead on ABC and consider the agenda and minutes from any project group / board. Alternative approaches to the example plan provided in the guidance may have been adopted and this is acceptable but should be explained and justified. Please note that the Home Office has not asked for an action plan to be produced for 2004/05 but forces have been advised to produce one for their own local arrangements and good practice.

Evidence from last years review suggests that some of the implementation plans may have been drafted to meet Home Office and Audit Commission requirements rather than for use in house. Follow up may reveal slippage in some areas that might indicate limited commitment to or understanding of specific tasks. It may also indicate issues with delegation of responsibilities and levels of accountability and ownership.

Questions auditors may wish to consider	Evidence	Conclusion
<ul style="list-style-type: none"> • What progress has the force/authority made in addressing the recommendations made in the 2004 work on ABC? • How many recommendations have been implemented satisfactorily to date? How many high priority recommendations are still outstanding? 		
<ul style="list-style-type: none"> • Are SMART action plans in place that are being effectively monitored, reviewed at an appropriate level within the force and reported regularly to the authority? • Are slippages against the action plan identified and followed up? • Is the implementation plan regularly updated to reflect changes in action plans? 		
<ul style="list-style-type: none"> • Does the force/authority have effective monitoring 		

Questions auditors may wish to consider	Evidence	Conclusion
arrangements in place and is it able to provide a comprehensive assessment showing changes over time and improvement to systems and processes?		
<ul style="list-style-type: none"> • Has the force set in place arrangements for future years that build on the lessons learned from last year? 		
<ul style="list-style-type: none"> • Was a Home Office follow-up conducted at this force? (offered to all weak forces only but other forces were free to request a visit and many did). Did the force take up this offer? What was the impact of the visit? What action/changes followed? • Some forces declined the visit which may indicate a lack of commitment to the delivery of ABC in a consistent and comparable manner to other forces. 		
<ul style="list-style-type: none"> • Ascertain what key issues have arisen during the implementation of the action plan for the second year of ABC. • How has the force sought to address these and adjust and amend plans for future years? 		
<ul style="list-style-type: none"> • Is there recognition that effective planning is essential for the continued delivery of ABC which includes producing an action plan for 2004/05 review? 		

Appendix 6: Audit tool for assessing the accuracy of force costing model

The focus of the work on the costing model is on accuracy and compliance of the costing submission to the Home Office and the tables in Appendices 6 and 7 address the:

- key question to be answered;
- possible sources of evidence;
- issues for auditor consideration; and
- questions for assessing compliance.

Auditors will need to make a judgement as to the appropriate level of work that they will need to undertake in order to form a conclusion on the accuracy of the costing model and its compliance with the manual of guidance. In making that judgement the auditor will need to consider the sources of evidence available including prior year work and the management arrangements module as the risk of non-compliant and inaccurate submission is low if the authority is able to demonstrate a robust control environment.

The auditor will have to undertake some testing of the control environment to confirm its operation, but the level of this testing will be discretionary and dependent on the risk assessment. The auditor may also need to undertake work to address gaps in knowledge or known areas of weakness before forming a conclusion on the accuracy of the submission and compliance with the manual of guidance.

Key question	
Force costing model is accurate and complies with the manual of guidance	
Sources of evidence	
Interviews: <ul style="list-style-type: none"> • ABC Lead • Finance staff • BCU and other managers • Training manager 	Other sources: <ul style="list-style-type: none"> • Sample testing (see appendix 8) • Management arrangements work • Information request return • Statement of Accounts (including SIC) • Local manuals and guidance
Issues for auditor consideration	
<p>Compliance with the ABC manual of guidance.</p> <ul style="list-style-type: none"> • What issues or potential problems with the costing model have been identified through the data analysis, follow up and information review? • Can the force explain these either through accepted divergence from the guidance or as a result of legitimate explanation <p>ABC model compatibility with general ledger: Many forces have heavily revised their general ledger structure to meet the needs of ABC. Others have simplified and condensed the cost centre structure but still require a significant amount of manipulation to meet the needs of ABC. In some cases individual BCU's and departments are a cost centre. This would require a great deal of calculation and work to break down the cost centre into costs and activities compatible with the model and is likely to lead to too many assumptions being made.</p> <ul style="list-style-type: none"> • What approach has been taken by the force to ensure that the general ledger cost structure is compatible with that required for the ABC model? • Where spreadsheets or other means are used to provide an element of conversion, the force should be requested to provide sufficient information to allow the auditor to ascertain the accuracy and validity of the approach taken. Consider whether all cost centres have been included in any conversion process and have been allocated appropriately. Is there a medium / long term plan to ensure that direct compatibility is achieved? • Are cost centre structures broadly compatible with the ABC model? (i.e. can be aggregated rather than disaggregated to get to the 	

correct level)

- Are there any weaknesses in the methods used to apportion costs between cost centres?

Staff costs

- What approach has the force taken to deriving staff costs? Have staff groups been identified in accordance with the manual?
- Forces that have some admin functions within BCU's and specialist departments will have business support costs. Some forces failed to separate out these costs last year.

Have all the relevant costs been included in the reference cost submission in accordance with national guidance, and do they reconcile to the final accounts?

- Have all costs been included as per the manual?
- Ascertain the approach taken with regard to FRS17 pension costs - should be for both officers and civilians (no superannuation allowed this year).
- Possible other areas to explore include:
 - Income; and
 - Provisions.
- Review reconciliation of submission to the final accounts.
- Is there evidence of continual reconciliation at all stages of the costing process to ensure that all costs are included as per the manual and that costs can be matched to relevant domains and final accounts?
- Is there a clear audit trail showing the reconciliation between the submission and the final accounts? Note: the costing software may produce reconciliations of inputs to outputs automatically from the system.
- Do the totals on each of the submission statements (templates 2 to 5) reconcile to the totals on template 1: Overall Reconciliation of costs to Net Budget Requirement?

Cost allocations

- Has the force used the cost drivers as specified at Section 17 of the manual of guidance for the allocation of central business support costs to BCUs / units? Can any deviations be adequately explained? Is the cost driver data accurate and up to date?
- What steps has the force / authority taken to ensure that the costs are correctly aligned to the relevant data / activities when entering data into and obtaining outputs from the costing software?

Sources of activity information and rationale for non-activity sampling returns.

- Section 10 (ABC manual) has a decision flowchart, used for determining whether activity sampling is necessary or not. This can be used to assess the rationale applied by the force.

Costing of major incidents and events. Events will be dependant on the nature of the force area (major football teams etc.)

- Major incidents and events should have records of officers involved and duration of the incident allowing accurate activity costs to be extracted. Forces without devolved resource management have difficulty with this.
- In some forces they are able to separate the cost of vehicles, specialist equipment and premises costs for major incidents.
- Where forces do not have adequate methods of capturing costs they have been forced to use costs based on assumptions about the average duration and staffing for incidents/events.

The National Costing Model for Police Training is specified in the manual of guidance and departures from the methods and conventions used are not permitted. The model is prescriptive in order to reduce calculational variability between forces. However, please note that the use of the model was not mandatory for 2003/04 – the Home Office allowed an exemption because some forces did not have appropriate local arrangements in place. The Cost of Training Model needs to be done based on actuals this year (04/05) for use in the main ABC costing model. Forces were asked to use a data validation set to evidence that they had used the correct methodology. Auditors' should be able to use results of this to help evaluate compliance

- Discuss the approach adopted at the force and seek evidence of compliance with the model in the light of any additional guidance provided by the Home Office ABC Project Board. Whilst not mandatory in year 1, it is expected that forces follow the model in 2005.

Is there any evidence to demonstrate that the submission files have been validated & reviewed prior to submission?

See section 25 manual of guidance for recommended validation checks that the force should have undertaken prior to submission to the Home Office. These checks overlap with some of the checks undertaken during the initial assessment of the return both centrally and locally and findings of this work should be linked to a review of checks that the force has undertaken.

Questions for assessing compliance	Evidence	Conclusion
<p>Does the force comply with manual of guidance (overall compliance can only be assessed by compliance in all the other areas identified)?</p>		
<ul style="list-style-type: none"> • There is clear evidence that the force has sought to follow the manual of guidance as closely as possible? • Is any deviation from the guidance documented, understood and further guidance or advice has been sought from the Home Office or through the regional practitioners groups? • There is a record of any enhancements to the apportionment methods from last year and the force is aware of how this has changed the models output? • Where cost centres need to be broken down to meet the level of detailed required by the model the force has documented the assumptions made in splitting costs up and can provide clear evidence to ensure that they are reasonable and do not distort costs? 		
<p>Is ABC costing model and the general ledger compatible?</p>		
<ul style="list-style-type: none"> • Does the approach taken by the force ensure that the general ledger cost structure is compatible with that required for the ABC model? • Where spreadsheets or other means are used to provide an element of conversion, has the force provided sufficient information to allow the auditor to ascertain the accuracy and validity of the approach taken? Consider whether all cost centres have been included in any conversion process and have been allocated appropriately. Is there a medium / long term plan to ensure that direct compatibility is achieved? • Are cost centre structures broadly compatible with the ABC costing 		

<p>model? (i.e. can be aggregated rather than disaggregated to get to the correct level)? Are there any weaknesses in the methods used to apportion costs between cost centres?</p>		
<p>Have staff costs been calculated correctly?</p>		
<p>All staff groups are required to be included as per paragraph 6.7.1 of the manual i.e.</p> <ul style="list-style-type: none"> • by cost centre and rank/grade, where activity data is required (sampling or actual); • by cost centre and role, if 100% dedicated to an incident/activity e.g. Custody Officer; • by cost centre, where cost centre is 100% dedicated to an incident code e.g. Fraud Squad; • by cost centre, where wholly Business Support e.g. General Admin staff; and • by cost centre/staff group, where estimates of the proportion of time spent are used. <p>For a given staff group the costs should be calculated using the following:</p> <ul style="list-style-type: none"> • For Police Officers: <ul style="list-style-type: none"> - Annual Salary - Employers National Insurance - Employers Pension Charge (based on Current Service Cost) - Rent Allowance/Housing Allowance/Compensatory Grant/South East Allowance/London Allowance - CRTP /SPP /Bonus Payments - Plain Clothes Allowance - Employers Liability Insurance 		

<ul style="list-style-type: none"> • For support staff: <ul style="list-style-type: none"> - Annual Salary (including London Allowance, Fringe Allowances) - Employers National Insurance - Employers Superannuation Charge - Uniform (if provided) - Employers Liability Insurance 		
<p>Have all the relevant costs been included in the reference cost submission in accordance with national guidance, and do they reconcile to the final accounts?</p>		
<ul style="list-style-type: none"> • Have all costs been included in accordance with the manual of guidance? Can finance staff demonstrate how all relevant costs feed through from the general ledger and are included? • Ascertain through interview the approach taken with regard to FRS17 pension costs. Is this in compliance with the manual and the standard? Review for reasonableness to ensure that the balancing entries are included in the overall reconciliation of force costs. • Review that the submission does reconcile with the final accounts. • Identify the nature and amount of any discrepancies and quantify the differences. • Is there any remaining discrepancy between the control total and the final accounts after allowing for any valid exclusions? 		
<p>Are reconciliations undertaken?</p>		
<ul style="list-style-type: none"> • The force has a comprehensive working paper file, with clear audit trail, showing build up from BCU costs to Net Operating Expenditure. • There is a robust continuous reconciliation process at all stages of the costing process is required to ensure all costs are covered and are 		

<p>matched to relevant services / activities.</p> <ul style="list-style-type: none"> • Is there a clear audit trail showing the reconciliation between the submission and the final accounts? Review the reconciliation completed by the organisation. Note: the costing software may produce reconciliations of inputs to outputs automatically from the system. • Do the totals on each of the submission statements (templates 2 to 5) reconcile to the totals on template 1: Overall Reconciliation of costs to Net Budget Requirement? 		
<p>Are cost allocations in line with the manual?</p>		
<ul style="list-style-type: none"> • Guidance should be followed for consistency and any deviation noted and agreed by project manager / board. • Any cost driver data should be up to date and accurate and reflect the current operational use. • Have costs been analysed between operational support, business support and sustaining overheads using the minimum standards set out in the guidance? Have these been correctly split in accordance with the manual. Review and discuss the approach with staff. • Compare the force analysis of support costs with Appendix L of the guidance and note any discrepancies for which there are not reasonable / adequate explanations. 		
<p>Do sources of activity information and rationale for non-activity sampling returns comply with the manual?</p>		
<p>Review non-activity sampling returns from a sample of cost centres (for example fraud squads, marine/underwater units) to test:</p> <ul style="list-style-type: none"> • the rationale for activity analysis and cost allocation for units not subject to the normal two-week activity sampling; • the reasonableness of the assumptions used; and, 		

<ul style="list-style-type: none"> • implications from costing inputs. • Check that newly introduced role codes RR (police protection), RT (Family Liaison) and RA (national policing) have been populated and whether there are specific teams assigned to these roles (no need for sampling) or if other, more flexible arrangements are in place. • Has senior officer time been captured effectively for the two partnership codes (split into RC for crime and disorder reduction partnerships and RD for casualty reduction for this year)? • Do any weaknesses explain or partially explain apportionment anomalies across domains? For example an inability to capture senior officer commitment to partnership activity or a failure to capture local intelligence work will influence Domain 1 and could spread these costs over other domains. 		
<p>Is the costing of major incidents and events compliant with the manual?</p>		
<ul style="list-style-type: none"> • Interview finance/performance and other staff to ascertain the approach taken to ensuring all relevant has been captured to enable the accurate recording and costing of major incidents and events. • Walk through the capture of data and calculation of costs. See sections 5.2.5 & 6.12 of the manual for more detail. Pay particular attention to whether the force have ensured the capture of all costs and not just the additional direct costs (overtime) as this may otherwise lead to a significant understatement of the costs of major incidents. • Has the force met the minimum level of detail required? i.e.: <ul style="list-style-type: none"> - the number of staff; - their costs per cost centre per rank, and the; - number of hours spent on the particular incident or non incident- linked activity. 		

<ul style="list-style-type: none"> • Has the force been able to identify non-staff costs associated with the incident/event? • Has the force correctly assigned the cost to the host BCU and not to any BCU's providing mutual aid? 		
<p>Does the submission include training costs that are in line with the national costing model for police training?</p>		
<ul style="list-style-type: none"> • The National Costing Model for Police Training is specified in the manual of guidance and departures from the methods and conventions used are not permitted. The model is prescriptive in order to reduce variability between forces. Has the force adhered to this guidance? • Discuss the approach adopted at the force and seek evidence of compliance with the model. • Is there evidence that central training courses have been correctly classified? • How have external training costs and subsistence/expenses costs been allocated? Does this meet or exceed minimum standards? (see MOG 6.9.2) • How has local (BCU or Unit) training been captured (where material)? Is this only through the abstractions in the two-week sample or are there more sophisticated methods used throughout the year? 		
<p>Is there any evidence to demonstrate that the submission files have been validated & reviewed prior to submission?</p>		
<ul style="list-style-type: none"> • Review the validation status of each template. • If the force has used an auto populate function of a costing system to produce the files, determine whether or not they have carried out any checks to ensure that the files have been populated correctly. • Has the force outsourced the ABC model build and population to a 		

<p>third party (one of the ABC software suppliers)? If so what assurances have they that this has been done correctly?</p> <ul style="list-style-type: none"> • Review all changes made after the submission deadline and obtain explanations for material changes prior to final submission. • Have the submissions files been appropriately authorised / reviewed? Personal sign off provides additional evidence of commitment and the profile of ABC within the force. This is now a requirement of the ABC manual. 		
<p>Has the force got robust checks where they have outsourced the costing model (e.g. prepared by facilities management, consultants etc)?</p>		
<ul style="list-style-type: none"> • Has the force reviewed and checked accuracy of aggregation of campaign data. • Has the force reviewed and checked that activity for units is correctly aligned with costs. • Review whether the force is able to explain what is done 'in the black box' i.e. within the software. • Ask the force to demonstrate to you that operational support costs have been correctly identified. • Get evidence of how these and business support costs have been allocated. 		

Appendix 7: Audit tool for sample testing of activity information sources

Key issue	
The activity data used in the ABC submission is accurate and valid	
Sources of evidence	
<p>Interviews:</p> <ul style="list-style-type: none"> • ABC Lead • BCU staff • Finance staff • ABC team 	<p>Other sources:</p> <ul style="list-style-type: none"> • Sample testing • Management arrangements work • Information request return • Local manuals and guidance
Issues for auditor consideration	
<p>This section seeks to assess the accuracy and validity of the activity data used in the ABC submission. The aim is to gain assurance that internal controls have been effective and to identify possible weaknesses in the internal control arrangements that should be rectified.</p> <p>The auditor should consider the following key questions:</p> <ul style="list-style-type: none"> • does sample re-performance of the ‘force controls’ provide evidence to support the accuracy and validity of the data? • are staff able to confirm through interview that there were arrangements in place for training, validation and monitoring / control? • has the force maintained sufficient and appropriate documentation and audit trails? <p>The auditor may need to test a sample of activity data for a selected range of units/grades in accordance with the methodology adopted at the force and as outlined below:</p> <ul style="list-style-type: none"> • the aim is to establish whether the resulting activity data is sufficiently robust to meet ABC needs and make recommendations for reinforcement and improvement as necessary. • the auditor should look to triangulate evidence wherever possible. Forces are required to have controls set in place and 	

undertaken their own assessments to ensure the accuracy of the information (see Appendix 8: Review area 1). The auditor should assess the approach the force has adopted in this area and re-perform for an appropriate sample. This can then be compared to feedback from staff (frontline and central).

- For additional background information see section 5.4.3-4 in the manual of guidance.

Suggested sample testing for two week sampling:

- Walk through the process of central validation with ABC /other staff.
- Re-perform the central tests for a sample of records. Sample size will need to be selected based on the method used within the force and the auditor's assessment of risk. A cross reference to command and control (electronic or via specific reports) may necessitate a larger sample size than a check to individual pocket books. It is likely that the auditor will need to be assisted by force staff in undertaking this sample validation.
- If it is apparent that no central controls are in place, the auditor should seek to undertake a check of between 10 and 20 records (activity sample cards or equivalent) to the command and control system.
- Any check to pocket books should be limited to between 5 & 10 officers' records.
- In all cases the auditor is seeking to have force staff undertake the check with you in attendance to validate the approach.

NB Sergeants and Liaison officers cannot check cards that are electronically submitted. Checks against pocket books and Incident systems can be done centrally and quickly, particularly if it is a small force.

Activity collection for those operational units not subject to the 2 week sampling exercise.

In particular consider testing where data collection methods:

- have been delayed and the nature of that units work suggests that a full years data is desirable, or;
- do not appear to be in line with the manual of guidance.

Review data returns from these units and discuss:

- validation undertaken by first line supervision;
- central validation used to ensure that the limited data supplied is representative of the whole year and any corrections made

including calculations used to extrapolate information; and

- consider interviews with unit heads if appropriate.

Questions for assessing compliance and accuracy	Evidence	Conclusion
<p>Is there accurate completion of activity surveys?</p> <p>In order to ensure that staff are completing the surveys correctly and to verify other sources of activity information, internal monitoring should be carried out. Examples of this might include:</p> <ul style="list-style-type: none"> • checks against command and control records; • checks against duty management systems; • checks pocket books/diaries; • cross check against expenses and overtime; and • verifying that the Liaison Officer is carrying out the appropriate checks at a local level; <p>The force should check a random sample of officers and units; this process is most effective when it is built in to a sampling plan and when officers are aware that verification will take place. Each force should consider which mechanisms are both most appropriate and acceptable.</p>		
<p>Is there cross referencing with command and control (if possible)?</p>		
<ul style="list-style-type: none"> • Some forces have poor/old systems and incident workloads are only partly indicative of overall workloads. Investigations, court appearances etc. will result in incidents over a much longer timeframe than the sample period. Command and Control will therefore only be useful where a search by officer identity is possible and will be limited to cross referencing the 		

<p>start of an incident with incidents logged on the activity sample card. (note that because the sample is done every 15 min there will not necessarily be full correlation).</p> <ul style="list-style-type: none"> • More modern systems might retain records of officers becoming available for despatch to incidents, when arrests are made, court appearances, meal breaks etc. 		
<p>Random or targeted samples of pocket books (or other appropriate source evidence) against activity card data.</p>		
<ul style="list-style-type: none"> • This might have been done by front line supervision, liaison officers or centrally. As a result there will be a broad range in the availability of audit trails. A hierarchy of checks on a random or targeted basis with records retained in the centre would represent good practice. There is also a wide variation in pocket book record keeping between forces', making this approach more or less successful depending on the level of detail recorded. • Comparison across teams with same role and/or direct comparison with previous years sample to identify potential anomalies. 		
<p>Activity collection for those operational units not subject to the 2 week sampling exercise</p>		
<ul style="list-style-type: none"> • The collection of activity data for specialist/central teams not subject to the main two-week sample should have been agreed and set up prior to the main sample in order for these teams to be excluded from it. However this does not imply that the method for obtaining activity data from those units excluded had been agreed at that stage. • The force should have established which units were identified for alternative data collection prior to the main sampling 		

<p>exercise and identify when alternative data collection methods were agreed, implemented and tested for robustness.</p> <ul style="list-style-type: none">• Validation methods appropriate to the collection approach should be evident.		
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Appendix 8: Audit tools for assessing management arrangements

The tables in this appendix set out the:

- possible sources of evidence;
- the issues to look out for; and
- the suggested criteria for the auditor to form their judgement against the four assessment categories of excellent, good, fair, or poor.

This appendix is an audit tool not an audit programme and therefore the auditor should only undertake the appropriate level of work needed to form their judgement.

This appendix mirrors the audit guide section on management arrangements in that it covers each of the review areas:

- Review area 1: assessing the effectiveness internal controls for managing activity sampling (page 91);
- Review area 2: assessing the effectiveness of the force's high level reviews of reasonableness of ABC information (page 97) ;
and
- Review area 3: assessing the effectiveness of arrangements to embed ABC (page 100).

Guidance on use of the criteria:

The criteria described in this appendix are provided for each of the management arrangements themes in this review from three perspectives: the force, the BCUs, and the police authority. While some themes are more relevant to corporate rather than BCU arrangements, all three perspectives are provided to allow for auditors to use them flexibly according to local circumstances and needs. It is not a requirement to answer each theme from all three perspectives, but the auditor should form one conclusion on each theme based on the relevant perspectives.

The purpose of the criteria is to provide a framework for auditors within which they apply their professional knowledge and judgement in making assessments, based on the broad descriptions set out in the table below. The criteria do not provide a definitive framework for categorising a force or police authority, particularly for the 'fair' and 'good' categories. The extremes of 'poor' and 'excellent' are more definitive by default, but it will be possible to find aspects of the 'poor' criteria in forces that are largely 'good' or 'excellent', and

vice versa. The 'fair' category sets out the minimum requirements for each of the themes of the review. Performance cannot be assessed as 'excellent' without clear evidence of innovation, and good practice which can be shared with others.

Category descriptions

POOR	FAIR	GOOD	EXCELLENT
<p>Below minimum requirements - inadequate performance. No, or little, activity to address the key issues in a sustainable way. Predominantly 'poor' characteristics are evident</p>	<p>At minimum requirements - adequate performance. The force/authority is aware of key issues, with emerging approaches to address them, although little implementation so far. More 'poor' characteristics, or tending towards 'poor' than 'good', or tending towards 'poor' overall.</p>	<p>Consistently above minimum requirements - performing well. The force/authority has well developed plans to address key issues, with significant implementation. Plans appear sustainable. More 'excellent' characteristics or tending towards 'excellent' than tending towards 'fair'.</p>	<p>Well above minimum requirements - performing strongly. Clear evidence of innovation, and good practice which can be shared. Possibly evidence of extraordinary performance. The force/authority has implemented plans to address key issues, and is further developing the service in a sustainable way. Predominantly 'excellent' characteristics are evident.</p>

The tables set out for each theme:

- the minimum requirements, described in the 'fair' category. Below this level, performance will be 'poor';
- the additional requirements for the 'good' and 'excellent' categories.

Review area 1: Assessing the effectiveness of the force’s internal controls for managing activity sampling

Force internal controls for managing activity sampling

Key issue

The force has in place effective controls for recording and managing activity ABC sampling

Sources of evidence

Interviews:

- Finance/performance lead
- Authority lead
- BCU
- General interviews

Other sources:

- force process maps;
- guidance;
- policy documents;
- performance information in relation to call handling service standards;
- force website;

Issues for auditor consideration

The auditor should consider the following key questions:

- does the force have arrangements in place that have ensured the accuracy and reliability of the sampled data used in the ABC submission?
- does the force have arrangements in place that have ensured the accuracy and reliability of the management information used in the ABC submission?

The work from the planning phase should identify areas for more detailed investigation. This may include:

- review of line manager and liaison officer checks; and/or
- review of data input validation approach.
- Consider further investigation if:

- the force has no history of sampling prior to or previous sampling exercises have resulted in poor returns and/or poor quality;
- the return just exceeds the 90% target and/or the validation of the return is close to 95%. This might be indicative of difficulties that have been overcome through relaxation of validation approach;
- there are unexplained discrepancies between BCU's in the activity data supplied for a selection of specialist units and operational Sergeants.
- No meaningful cost and activity information will be produced if this is undertaken as a pure financial/performance exercise. What arrangements have the force set in place to ensure [non-sampling] data (management information) being collected for the purposes of ABC is timely, accurate and representative? Has the outcome been reviewed by the head of the team / section / department concerned. Auditors may wish to consider:
 - who has been involved in the collection process;
 - what input have they had and how well planned was it;
 - is there any evidence to support their involvement (e.g. notes of meetings, project plan, interviews);
 - are there any areas for which there has been no professional involvement in the collection process; and
 - what is the experience of users.

Criteria		
Fair	Good	Excellent
Corporate		
<ul style="list-style-type: none"> • Little ongoing communication and liaison between finance and activity / performance staff with a limited understanding of each other roles and responsibilities in relation to the management of the activity sampling process. 	<ul style="list-style-type: none"> • Ongoing communication and liaison between finance and activity / performance staff with a good understanding of each other roles and responsibilities in relation to the management of the activity sampling process. 	<ul style="list-style-type: none"> • Regular ongoing communication and liaison between finance and activity / performance staff with a broad understanding of each other roles and responsibilities in relation to the management of the activity sampling process.

Fair	Good	Excellent
<ul style="list-style-type: none"> • Project plans are in place but are not regularly reviewed. • Reactive arrangements are in place to respond to questions on sampling but there is little evidence of widespread proactive visits. • Force is partially able to demonstrate the validity of the activity sample data given the potential for officer error. • First line checks are backed up by central monitoring however it appears to be conducted in isolation rather than in partnership. • Processes are in place to ensure that cards are completed by the end of every shift and as close to every 15 mins as operational conditions allow but this is seen more as an ambition than achievable. 	<ul style="list-style-type: none"> • Project plans are in place and are being monitored and reviewed on a regular basis. • During the activity sampling exercise central ABC team members or experienced local liaison officers are available to ensure that any early misunderstandings are rectified as quickly as possible. • Forces are able to supply checklists and analysis showing which teams had poor returns and/or poor quality. • First line checks are backed up by central monitoring which is seen as a partnership exercise to get it right first time. • Processes are in place to ensure that cards are completed by the end of any shift and as close to every 15 minutes as operational conditions allow (some forces have supplied plastic folders to allow cards to be taken out of the station without making them difficult to scan. 	<ul style="list-style-type: none"> • Project plans are shared and agreed across the force and involve both finance staff and operational staff to ensure joint ownership. • During the activity sampling exercise central ABC team members or experienced local liaison officers make visits and spot checks to ensure that any early misunderstandings are rectified as quickly as possible. • Force is able to demonstrate the validity of the activity sample data given the potential for officer error. • Force is able to supply checklists and analysis showing that teams had consistently high return rates of good quality. • 'Getting it right' first time is the aim of the force when operating processes. Quality is paramount.

Fair	Good	Excellent
<ul style="list-style-type: none"> • Accountability of those undertaking the exercise is unclear and random/targeting testing is carried out but not risk focussed • The percentage of activity cards returned is 90%. • At the end of the sampling period it is not always possible to account for the time of all officers sampled, including hours/days of training or sickness. A monitoring sheet has not been used for this purpose. • All activity cards returned are not always validated. • For errors that the validation software cannot cope with, professional judgement has been used to enable most to be corrected. 	<ul style="list-style-type: none"> • Those taking part in the sampling are aware that they are likely to be held accountable for the quality and accuracy of the activity cards and will be subject to random/targeted checks at local and central level. • The percentage of activity cards returned is over 90%. • At the end of the sampling period it is possible to account for the time of all officers sampled, including hours/days of training or sickness. A monitoring sheet is be used for this purpose. • For errors that the validation software cannot cope with, the professional judgement of an activity analyst who understands police processes has been used to enable most of the errors to be corrected. 	<ul style="list-style-type: none"> • Processes are in place to ensure that cards are completed by the end of any shift and as close to every 15 minutes as operational conditions allow and the force is proactive in seeking good practice and technological solutions to be able to achieve this. • Those taking part in the sampling are aware that they are held accountable for the quality and accuracy of the activity cards and will be subject to random/targeted checks at local and central level. • The percentage of activity cards returned is near 100%. At the end of the sampling period it is possible to account for the time of all officers sampled, including hours/days of training or sickness. A monitoring sheet is used for this purpose. • All activity cards returned are validated. • For errors that the validation software cannot cope with, the professional judgement of an activity analyst who both understands police processes <i>and is experienced in dealing with the types of errors thrown up by an activity sampling campaign</i> has been used to correct virtually all of them.

Fair	Good	Excellent
<ul style="list-style-type: none"> • Where completed cards are in error and can not be corrected they are not always rejected. • Rejected cards do total more than 5% of all cards returned. • A supplementary sample has not been taken when the error rate exceeds 5%. • Plans are in place to involve users in process design and improvement. 	<ul style="list-style-type: none"> • Where completed cards are in error, or if cards are completely spoilt, those cards are rejected. • In order to ensure that a valid sample is obtained rejected cards total no more than 5% of all cards returned. • If the final rejection rate, after the process of validating cards, exceeds 5% a supplementary sample has been taken. 	<ul style="list-style-type: none"> • Where completed cards are in error they are returned to participants for correction and if the data still cannot be used, or if cards are completely spoilt, those cards are rejected. • In order to ensure that a valid sample is obtained rejected cards total less than 5% of all cards returned. • If the final rejection rate, after the process of validating cards, exceeds 5% a supplementary sample has been taken.
BCU		
<ul style="list-style-type: none"> • There is some evidence that shift Sergeants and Liaison officers are conducting initial checks of activity cards for completeness. • Some staff understand the processes they need to operate and their responsibilities. 	<ul style="list-style-type: none"> • There is evidence that shift Sergeants and Liaison officers are conducting initial checks of activity cards for completeness and accuracy against known workload. 	<ul style="list-style-type: none"> • There is evidence that shift Sergeants and Liaison officers are conducting initial checks of activity cards for completeness and accuracy using recognised methods of checking.

Fair	Good	Excellent
	<ul style="list-style-type: none"> • Signing off of monitoring forms does reflect ownership. • Timely local checks of accuracy (checks against pocket books, incident systems etc.) are undertaken at a local level to ensure immediate correction of errors during the sampling period. 	<ul style="list-style-type: none"> • Clear audit trails of checking, findings and correction are available. • Timely local checks of both quality (correct use of codes etc.) and accuracy (checks against pocket books, incident systems etc.) are undertaken at a local level to ensure immediate correction of errors during the sampling period.
Police Authority		
<ul style="list-style-type: none"> • The police authority has an emerging approach to holding the force to account for the design, operation and improvement of key processes. • The authority realises it needs to ensure users and staff are engaged in process design and improvement and has plans to extend its influence. • The processes by which the authority holds the force to account are developing. 	<ul style="list-style-type: none"> • The police authority is aware of significant milestones, exceptions and the implementation of any improvements that are a result of last years audit. • The processes by which the authority holds the force to account are clear. • The authority's influence on ensuring users and staff are engaged in process design and improvement is developing. • The processes by which the authority holds the force to account are beginning to have influence on force activity. 	<ul style="list-style-type: none"> • Authority is working with the force to ensure that ABC data is integrated into performance data presented to it by the force. • The police authority holds the force to account for the design, operation and improvement of key processes. • The authority ensures users and staff are engaged in process design and improvement.

Overall assessment			
Poor	Fair	Good	Excellent
Comments			

Review area 2: Assessing the effectiveness of the force’s high level assessment of the reasonableness of their ABC results

Key issue	
The force and authority undertake effective high level work to assess the reasonableness of the ABC costing model	
Sources of evidence	
Interviews: <ul style="list-style-type: none"> • ABC Lead • Finance staff 	Other sources: <ul style="list-style-type: none"> • Reports which contain reasonableness checks within the force and authority • Action plan
Issues for auditor consideration	
<p>The auditor should consider the following key questions:</p> <ul style="list-style-type: none"> • has the force undertaken a comparison of activity sampling versus costing results? • has the force undertaken a comparison of ABC results with previous years? • what conclusions were reached and is there evidence of progress on action plans? and • has the force conducted any analysis of the results to assess reasonableness? <p>Comparison of activity sampling versus costing results e.g. review the main areas of activity for one BCU per the sampling exercise and compare to the areas where resources are utilised per the costing results.</p> <ul style="list-style-type: none"> • has there been a comparison of results between BCUs within the force? • can the force explain significant variations through known factors? • are changes predictable? • has there been a comparison between forces (activity data and/or costed data)? • regional networks are widespread and forces tend to openly share this information - is the force actively involved? 	

Criteria		
Fair	Good	Excellent
Corporate		
<ul style="list-style-type: none"> • Undertaking a comparison of activity sampling versus costing results. • Undertaking a comparison of results between BCUs which known variations in resource utilisation. • Undertaking first comparison of ABC results with previous years or such comparison highlights significant variations from last year which have not been investigated. 	<ul style="list-style-type: none"> • Comparison of activity sampling versus costing results. • Comparison of results between BCUs. This highlights both known and unknown variations in resource utilisation. • Comparison of ABC results with previous years undertaken and variations followed up on and can be explained by improvements or other reasonable explanation. • Undertaking comparison between forces does identify potential anomalies worthy of further investigation. 	<ul style="list-style-type: none"> • Undertaking comparison with other forces to inform reasonableness of own profile and actively seeking to bench mark performance. • Comparison of results between BCUs. This highlights both known and unknown variations in resource utilisation. Such variations are investigated and reported and result in a (proposed) review of utilisation. • Comparison of ABC results with previous years' undertaken and reveals little variation where data quality arrangements judged previously as good or variations are always investigated
Fair	Good	Excellent
Police Authority		
<ul style="list-style-type: none"> • The authority is aware that the force undertakes some reasonable checks but these are not reported to them nor actively monitored. 	<ul style="list-style-type: none"> • The authority receives reports on reasonableness checks. • The authority holds the force accountable for investigating variations. 	<ul style="list-style-type: none"> • The authority considers the outcomes of the reasonableness reviews in considering the reliability of ABC information in decision making.

Fair	Good	Excellent
		<ul style="list-style-type: none"> The authority is keen to review internal and external performance in order to inform decision making and use of resources.

Overall assessment			
Poor	Fair	Good	Excellent
Comments			

Review area 3: Assessing the effectiveness of arrangements to embed ABC

Arrangements in this area are assessed from a corporate BCU and police authority perspective, covering five themes of:

- accountability and leadership (page 100);
- policy, IT and administration (page 106);
- staff training, knowledge and awareness (page 110); and
- resourcing (page 115).

Key issue	
There is a strong leadership and a robust framework of accountability for ABC in the authority and force.	
Sources of evidence	
<p>Interviews:</p> <ul style="list-style-type: none"> • Force ACPO lead officer for ABC • Finance staff • BCU commander • Group interviews • Police authority portfolio holder for ABC 	<p>Other sources:</p> <ul style="list-style-type: none"> • organisational chart • job descriptions (JDs) • personal development reviews (PDRs) • written ABC policies • memoranda • minutes of relevant meetings (e.g. ABC user group, finance reports) • BVPP • force website • corporate media function, corporate newsletters, force newsletters etc • public newsletters / newspapers • police authority minutes

Issues for auditor consideration

Officers should be fully aware of how ABC is led and managed – from senior police officer to PCs, DCs and support staff.

- Each officer up the chain of command should know that they are responsible for ABC in accordance with the manual of guidance and that inaccurate or poor recording of costs and activities is not tolerated.
- Managers should explain how they hold staff to account and staff should confirm this. Job descriptions and PDRs should provide further evidence to confirm this is happening.
- The relationship between the police authority and the force is one delineated in law and also involves the Home Office, referred to as the 'Tripartite relationship'. The PA has the responsibility for ensuring an efficient and effective police force and the Chief Constable has responsibility for operational matters and the day-to-day management of the force.
- To ensure it can rely on the data it uses in its performance management function, and to discharge its responsibilities for ensuring an effective police force, the PA should be involved in scrutinising and monitoring the force plans and decision making relating to the implementation of ABC.
- The auditor should have evidence that clear messages on the importance of ABC and how it should be done have not only been transmitted from the top but heard by the bottom. Good force-level intentions can easily be diluted to little or nothing by the time they are received at the end of the line of communication.
- Check with the Chief Officer on what statements have been made, what documentation issued, and how the ABC has been promulgated to staff on the ground. The BCU commander should explain how he/she has kept staff informed of ABC. Ground-level staff should attest to how they heard about ABC, and whether they have received sufficient notification, documentary support, and training. There should be feedback to frontline staff on how the activity sampling returns have informed decision making.
- A single announcement will not be enough. The message must be continuously reinforced, until the changes have been adopted in practice. This must be reinforced by further announcements and requests from management for updates from their staff on what they have to do to ensure ABC compliant.
- Finance/performance staff should be fully locked into the working of the force, and have channels of communication for discussing issues, resolving problems, developing services, disseminating changes or good practice. In contrast, ineffective finance function staff would be 'peripheral', unknown, and with little impact on what is happening both on the ground and strategically.
- Evidence that they are 'known', play an important communication role, and are having an impact will come mainly from ground level interviews. Interviewees should report that they are aware of the role of finance/performance staff with regard to ABC.

Criteria		
Fair	Good	Excellent
Corporate		
<ul style="list-style-type: none"> • Some ACPO officers and senior managers promote ABC and regard it as important. They are not yet viewed as leaders and role models of the benefits of ABC. • There is a framework of accountability for ABC. • The corporate framework for assessment of individual performance does not take into account ABC. • The finance/performance function is mostly autonomous in relation to decisions about ABC. • Discussions about ABC are mostly inwardly focused, concentrating on barriers. • Some see ABC compliance as competing with other priorities, and is considered low priority. • There has been some progress on the recommendations from Year 1 and Year 2, but there is more still to do. • Some plans or processes are not sustainable. • The force is a reluctant participant in 	<ul style="list-style-type: none"> • Most ACPO officers and senior managers promote ABC and regard ABC as important. Most actively broker solutions and tackle obstacles. • There is an emerging transparent and robust framework of accountability for ABC. • The finance/performance function is autonomous in relation to decisions about ABC. • There is robust evidence to show some outcomes are improving. • There are emerging links between ABC and performance assessment. • Data quality is a developing theme in corporate risk management. • Senior managers are informed about progress and key barriers. • The recommendations from Year 1 and Year 2 have been embraced and a programme of work developed with substantial progress made in achieving the objectives set. • There is robust evidence to show outcomes are improving. • Plans and processes are sustainable. 	<ul style="list-style-type: none"> • ACPO officers and senior managers proactively lead and role model the behaviours that champion the uses/benefits of ABC. • There is a transparent and robust framework of accountability for ABC. • Senior managers know key messages of ABC on use of resources. • Users and staff will identify the same areas as senior managers consider important for ABC. • The force is demonstrably risk aware and data quality is embedded in corporate risk management. • ABC information is used to inform sustained outcomes in decision making and driving improvement. • The force acts as a champion for ABC promoting it and sharing best practice regionally and nationally. • The force has a formal and comprehensive internal audit /review programme for ABC which focuses not only on inputs but also on outcomes.

Fair	Good	Excellent
<p>regional and national ABC events.</p> <ul style="list-style-type: none"> The force is developing a formal and comprehensive internal audit /review programme for ABC. 	<ul style="list-style-type: none"> The force actively participated in regional and national ABC events. The force has a formal and comprehensive internal audit /review programme for ABC. 	

Fair	Good	Excellent
BCU		
<ul style="list-style-type: none"> Some BCU managers promote ABC and regard it as important. They are not yet viewed as leaders and role models that champion the uses of ABC. There is a framework of accountability for ABC. The framework for assessment of individual performance does not take into account ABC compliance. Discussions about ABC are mostly inwardly focused, concentrating on barriers. Some see ABC compliance as competing with other priorities, and is considered low priority. There is robust evidence to show some outcomes are improving. There has been some progress on the recommendations from Year 1 and 	<ul style="list-style-type: none"> Most BCU managers promote ABC and regard ABC as important. Most actively broker solutions and tackle obstacles. There is an emerging transparent and robust framework of accountability for ABC. There are emerging links between ABC and unit performance assessment. There is robust evidence to show outcomes are improving. Senior managers are informed about progress and key barriers. Plans and processes are sustainable. 	<ul style="list-style-type: none"> BCU managers proactively lead and role model the uses/benefits of ABC. There is a transparent and robust framework of accountability for ABC. Senior managers know key messages from ABC on how resources are used Users and staff will identify the same areas as senior managers consider important for ABC. ABC information is used to inform sustained outcomes in decision making and driving improvement.

Fair	Good	Excellent
<p>Year 2, but there is more still to do.</p> <ul style="list-style-type: none"> Some plans or processes are not sustainable. 		
Fair	Good	Excellent
Police Authority		
<ul style="list-style-type: none"> The authority receives monitoring reports, but does not have a clear and consistent vision for what it wants to achieve in relation to ABC. There is an emerging framework of accountability for ABC. Some members do not regard ABC as important and do not support the force executive in complying with the manual of guidance. Data quality is not a recognised risk. The capability for the authority to hold the force to account is emerging. ABC compliance is seen by most members as competing with other priorities and has been given a lower priority. The authority and the force are beginning to work together to improve outcomes. Some plans are unsustainable. The authority is a reluctant participant in regional and national ABC events. 	<ul style="list-style-type: none"> The authority has an emerging vision for what it wants to achieve in relation to ABC and has plans in place to achieve objectives. Accountability is clear at all levels. The authority and the force are developing their relationship, working in partnership to improve data quality and utilisation. Most members are informed about progress and key barriers. Data quality is a developing theme in corporate risk management. There are emerging links between ABC and performance assessment. There is robust evidence to show outcomes are improving. Learning from audits and reviews is used to update policy. Plans are sustainable. The authority actively participates in regional and national ABC events. The authority is developing its capability 	<ul style="list-style-type: none"> The authority has a vision for what it wants to achieve in relation to ABC and has long term sustainable plans in place to achieve objectives. There is a transparent and robust framework of accountability for ABC. Members actively broker solutions and tackle obstacles. Members' decisions are informed by key messages from ABC on how resources are used. There are clear and robust links between ABC and overall performance assessment. The authority is demonstrably risk aware about data quality issues. The authority and the force work in partnership to develop and sustain data quality and utilisation of the data. The authority acts as a champion for ABC promoting it and sharing best practice regionally and nationally. The authority is able to scrutinise force

Fair	Good	Excellent
<ul style="list-style-type: none"> The authority has a developing approach to scrutiny of ABC compliance to enable independent conclusions to be drawn from. 	and / or capacity to form an independent opinion about performance.	ABC compliance and challenge performance, holding the force to account for performance.

Overall assessment			
Poor	Fair	Good	Excellent
Comments			

Policy, IT and administration

Key issue

The force is fully committed at senior level to ABC, and has policies in place to support that commitment.

Sources of evidence

Interviews:

- Force ACPO lead officer for ABC
- Police Authority representative
- Finance function ABC lead

Other sources:

- written 'position statements' on ABC, '
- force ABC policy
- guidance documents
- job descriptions
- force information systems, e.g. intranet accessed documents
- force website

Issues for auditor consideration

- Implementation of ABC is being driven from the top. This should be evidenced by position statements, reports and other documents issued through the force.
- But paper evidence is not enough. The auditor should also look for commitment / enthusiasm / determination from the force ACPO lead officer for ABC and the finance/performance lead to ensure ABC is fully implemented, demonstrated by sustained efforts to keep it on the agenda and explore how it can be used to drive improvement.
- Modern IT enables a force-wide intranet that allows all staff to access all policies whenever they need to. Also the force can ensure that policies and guidance are up-to-date. However, not all forces may make information available in this way.
- How do staff access policies? How does the force ensure this information is up-to-date?
- The force should have ensured that the message on ABC has been successfully communicated, and should have checked that it has been understood and supported. Or has the force merely posted policy and guidance on an intranet or other corporate communications system with the expectation that staff will spend time at their discretion reading and absorbing the material?

Criteria		
Fair	Good	Excellent
Corporate		
<ul style="list-style-type: none"> • Policies for ABC are compliant with the manual of guidance. • Policies are regularly reviewed and updated. • Some policies for ABC are inconsistently applied. • The force has not ensured corporacy exists in relation to local policies and may be unaware of local policies. • Guidance on policies is available to staff and most access them. • There is some response to audit findings and / or performance monitoring. • Costing system in place that requires disaggregation of cost centres. 	<ul style="list-style-type: none"> • The policies are comprehensive and support ABC compliance. • ABC policies are consistently applied. • Guidance on policies is readily available to staff. • Access to policies and guidance is supported by IT. • There is monitoring of staff understanding and / or support for ABC. • Costing system in place that requires only aggregation rather than disaggregation of cost centres. 	<ul style="list-style-type: none"> • The force has ensured corporacy exists in relation to local policies and ensures local policies are ABC compliant. • Policies for ABC are consistently applied and the force is looking to go beyond compliance and extend activity capture. • The force is responsive to audit findings and / or performance monitoring. • Costing system in place is compatible with the general ledger and requires neither aggregation nor disaggregation of cost centres.
BCU		
<ul style="list-style-type: none"> • There is an identified BCU champion for ABC who has yet to influence outcomes. • Local policies for ABC are aligned with manual of guidance. • Some local policies are not comprehensive in relation to ABC and incident management. • Some local policies are not regularly 	<ul style="list-style-type: none"> • There is an identified BCU champion for ABC whose influence is emerging. • Most local policies are comprehensive and support ABC in relation to the manual of guidance. • Local policies are regularly reviewed and updated. • Most local ABC policies are consistently 	<ul style="list-style-type: none"> • Local policies are comprehensive and support ABC in relation to compliance with manual of guidance. • Local ABC policies are consistently applied. • The BCU is responsive to audit findings and / or performance monitoring.

Fair	Good	Excellent
<p>reviewed and updated.</p> <ul style="list-style-type: none"> • Some local policies for ABC are inconsistently applied. • Some local policies are non-compliant for ABC. • Guidance on policies is available to staff, some of whom ignore it. • There is limited response to audit findings and / or performance monitoring with no cogent reason for not addressing outstanding issues. • There is limited evidence of planning to comply with ABC, including changes, or improve performance. • There is some monitoring of staff understanding and / or support for ABC. 	<p>applied.</p> <ul style="list-style-type: none"> • Most local ABC policies are compliant. • The BCU has ensured corporacy exists in relation to local policies. • Guidance on policies is readily available to staff most of whom take notice of it. • Access to policies and guidance is supported by IT. • The BCU is responsive to most audit findings and / or performance monitoring with cogent reasons for not addressing outstanding issues. • There is evidence of planning to comply with ABC, including changes. • There is monitoring of most staff understanding and / or support for ABC. 	
Police Authority		
<ul style="list-style-type: none"> • There is an identified portfolio holder for ABC (although they have yet to influence outcomes). • The authority has an emerging supportive stance on ABC. • There is some response to audit findings and / or performance monitoring in feeding into policy development. • There is some evidence of planning 	<ul style="list-style-type: none"> • There is an identified portfolio holder for ABC. • There is a comprehensive response to most audit findings and / or performance monitoring feeding into policy development with cogent reasons for not addressing outstanding issues. • Plans have been implemented to comply with ABC, including changes, or improve performance. 	<ul style="list-style-type: none"> • The authority has a clear and publicised positive stance on ABC. • There is corporacy between the authority and the force about ABC. • There are plans to address any gaps identified in staff understanding or support.

Fair	Good	Excellent
to comply with ABC, including changes, or improve performance. <ul style="list-style-type: none"> • There is some monitoring of ACPO and staff understanding and / or support for ABC. 	<ul style="list-style-type: none"> • There is monitoring of ACPO and staff understanding and / or support for ABC. 	

Overall assessment			
Poor	Fair	Good	Excellent
Comments			

Staff training, knowledge and awareness	
Key issue	
Staff involved in ABC have the appropriate level of knowledge and competences.	
Sources of evidence	
Interviews: <ul style="list-style-type: none"> • Finance/Performance lead & staff • Group interview 	Other sources: <ul style="list-style-type: none"> • results of the costing model review and management arrangements investigation on activity sampling • list of training courses • guidance to staff • minutes of relevant meetings (e.g. ABC group) • attendance levels at training events • feedback surveys on training
Issues for auditor consideration	
<p>There are different types of training that are applicable:</p> <ul style="list-style-type: none"> • the training of activity sampling staff on how to conduct a survey and use the activity sampling software; • the training of officers in the completion of an activity sampling survey; • the training of finance staff in the manual of guidance and the costing software; and • The training and support relating to the use of either activity or costed data. <ul style="list-style-type: none"> • This approach should highlight whether forces have provided the training or where there is an over reliance on the use of consultants. However the auditor will also need to factor in the existing skills of the practitioner. Someone new to the area or with poor returns last year will need more training than someone who has done the job for a number of years. Equally, where there is more than one person skilled in the area, there will be less need to use external training. • Guidance should be accessible. That means not simply posting the information on the force intranet, which may be difficult to see for many officers. • There is evidence that staff understand the appropriate level of ABC activity sampling, costing or both. 	

- What do new staff receive by way of training and awareness? Is it appropriate for their role?

Criteria		
Fair	Good	Excellent
Corporate		
<ul style="list-style-type: none"> • Some relevant staff have completed the Centrex e-learning package and attended the associated workshops. • Some relevant staff have successfully completed training courses provided by the suppliers of software used in the ABC processes. • Most staff are trained for completing the survey in how they should supply the data. • Some efforts have been made to communicate to staff why they are collecting this information. • Where special codes are used, it is not clear from training how they should be filled in / selected. • Training plans are not documented and some do not demonstrate future support for ABC. • Training for ABC is not evaluated and necessary changes are not made to packages. 	<ul style="list-style-type: none"> • Most relevant staff have completed the Centrex e-learning package and attended the associated workshops. • Most relevant staff have successfully completed training courses provided by the suppliers of software used in the ABC processes. • Staff are trained in how they should supply the data, which in most cases will involve filling out an activity card for each day of the campaign. • With appropriate training and communication, detailing not only how to complete a survey but also why it is necessary. • Where special codes are used, it should be clear how they should be filled in / selected. • Staff trained for conducting a survey in how they should supply the data, which in most cases will involve filling out an activity card for each day of the campaign. • Where special codes are used, it 	<ul style="list-style-type: none"> • All relevant staff have completed the Centrex e-learning package and attended the associated workshops. • All relevant staff have successfully completed training courses provided by the suppliers of software used in the ABC processes. • The finance/performance lead and their staff are key to delivering and developing training. • Staff are fully trained for conducting activity sampling. • Staff are not only regularly and clearly informed why they are undertaking sample collection but the results are also fed back to them along with lessons learnt to improve data collection. • Appropriate training and communication on the details of how to complete a survey, why it is necessary and the benefits that the force will receive as a result. • Training plans are documented and demonstrate future support for ABC. • Training for ABC is evaluated and necessary

Fair	Good	Excellent
<ul style="list-style-type: none"> • Training is not resourced. • The awareness of the need to evaluate staff understanding and awareness of ABC is emerging but no plans exist to achieve this. • Training / development for ABC is linked to some staff assessments. • Some audit and performance issues are not addressed through training. 	<p>should be clear from training how they should be filled in / selected.</p> <ul style="list-style-type: none"> • Staff are kept up to date on changes to ABC relevant to their role. • All staff have been trained in relation to ABC relevant to their role. • All staff have appropriate access to guidance and policy on ABC. • Staff are supported in their application of ABC. • Training is resourced. • The finance/performance lead and their staff are key to delivering and developing training. • Audit and performance issues are addressed through training. 	<p>changes made to packages.</p> <ul style="list-style-type: none"> • Staff understanding and awareness of ABC is understood as a priority and gaps addressed. • Training / development for ABC is linked to staff assessment. • Audit and performance issues are addressed through training. • Training is provided on how ABC can be used to inform decision making.
BCU		
<ul style="list-style-type: none"> • Most staff have been trained in relation to ABC relevant to their role. • Most staff are trained in conducting/completing the survey in how they should supply the data. • Appropriate training and communication, details do not cover why it is necessary and the benefits that their unit will receive as a result. 	<ul style="list-style-type: none"> • Staff are kept up to date on changes to ABC relevant to their role. • Staff are supported in their application of ABC. • All staff have been trained in relation to ABC relevant to their role. • Staff trained for conducting a survey in how they should supply the data, which in most cases will involve filling out an activity card for each day of the campaign. 	<ul style="list-style-type: none"> • The Finance lead and/or their staff are key to delivering and developing training. • BCU training plans are documented and demonstrate future support for ABC. • Staff trained for conducting a survey in how they should supply the data, which in most cases will involve filling out an activity card for each day of the campaign. • Appropriate training and communication, details not only how to complete a survey but also why it is necessary and the benefits that

Fair	Good	Excellent
<ul style="list-style-type: none"> • Where special codes are used, it is not clear from training how they should be filled in / selected. • Most staff have access to guidance and policy on ABC. • Staff are kept up to date on changes to ABC relevant to their role. • Some staff are not supported in their application of ABC. • Some audit and performance issues are not addressed through training. 	<ul style="list-style-type: none"> • Appropriate training and communication, details of how to complete a survey and also why it is necessary. • Where special codes are used, it is clear from training how they should be filled in / selected. • All staff have access to guidance and policy on ABC. • Staff are supported in their application of ABC. • BCU training is resourced. • The finance lead and/or their staff are key to delivering and developing training. • Audit and performance issues are addressed through training. • Staff show awareness of yr 2 audit and improvements made since then. 	<p>their unit will receive as a result.</p> <ul style="list-style-type: none"> • BCU training for ABC is evaluated and necessary changes made to packages. • Staff understanding and awareness of ABC is deeply understood and gaps addressed. • Audit and performance issues are addressed through training.
Police Authority		
<ul style="list-style-type: none"> • The authority is developing its approach to holding the force to account for levels of ABC training, staff awareness and understanding. • The authority has acknowledged that it needs to provide training for members/staff on ABC and how it 	<ul style="list-style-type: none"> • The authority is challenging the force and beginning to hold the force to account for the standard and levels of ABC training, staff awareness and understanding. • The authority provides training for members/staff on ABC. • The authority has plans in place to 	<ul style="list-style-type: none"> • The authority has held the force to account for levels of ABC training, staff awareness and understanding. • The authority provides training for members/staff on ABC and how it can be used to inform decisions and drive improvement. • The authority ensures training is resourced.

Fair	Good	Excellent
<p>can be used to inform decisions and drive improvement.</p> <ul style="list-style-type: none"> The authority recognises the need to resource training fully but has yet to deliver improvements. Audit and performance issues are seldom addressed through training. 	<p>resource training.</p> <ul style="list-style-type: none"> Audit and performance issues are often addressed through training. 	<ul style="list-style-type: none"> ACPO officers are held to account for the standard and level of training in relation to ABC. Audit and performance issues are addressed through training. Training is provided on how ABC can be used to inform decision making.

Overall assessment			
Poor	Fair	Good	Excellent
Comments			

Resourcing

Key issue

The ABC process is adequately resourced to function properly.

Sources of evidence

Interviews:

- Force ACPO lead officer for ABC
- Finance lead
- Police Authority lead
- BCU commander; Group interview

Other sources:

- Best value and any other reviews
- HMIC reports

Issues to look out for

- Assessing whether a force is adequately resourcing ABC requires the auditor to draw on wider evidence than interviewing as asking staff in interviews if they have enough resources to do the job will not produce useful data.
- Is there evidence that the prime reason for a force failing to have effective management arrangements or a compliant and accurate costing model is because the force has simply not provided adequate resources to do the job?

Resourcing can be considered in terms of:

- Activity Sampling – there is resourcing of the central staff who organise and process the survey and the resourcing in a BCU in terms of the Liaison officer and supervisory roles. In assessing this, the auditor will need to take account of the size of the force e.g. a bigger Force will need to have more BCU resources to support a campaign than a smaller force. Also where data is submitted on the intranet, there will be little support required from the BCU. Is there more than one person familiar with the process and software?
- Costing – is the costing person also doing the activity sampling or the main financial accounts? How much time do they have to do the job? Is there more than one person familiar with the process and software? If a consultant is used, how much input is there from the force – is it sufficient to ensure the accuracy of the modelling?
- Reporting – how is this resourced? Does the force see this as key to getting the data used?
- Software – resourcing could also be applied to the provision of software e.g. is the costing done on an excel spreadsheet? Is it the software capable of dealing with the volume of data?

Criteria		
Fair	Good	Excellent
Corporate		
<ul style="list-style-type: none"> Plans exist to ensure the collection and validation / audit roles are adequately resourced. There are plans to improve ABC sampling performance. The force recognises that resources are not matched to the demands of ABC at the level where service delivery is corporately resourced or decisions are made. There is some proactive management of developing force capacity to meet demand. 	<ul style="list-style-type: none"> The collection and validation of ABC / audit roles are fully resourced. Plans are being implemented to address resourcing gaps and improve service to within recognised / stated standards. There is developing proactive management of force resources to meet demands of ABC. 	<ul style="list-style-type: none"> Resources are matched to demand at the level where service delivery is corporately resourced or decisions are made. ABC data is being used to inform resource allocation decisions. There is proactive management of force resources to meet demands of ABC.
BCU		
<ul style="list-style-type: none"> Plans exist to ensure that the collection/validation and audit roles are adequately resourced. There are plans to improve BCU ABC recording performance. The BCU recognises that resources are not matched to demand at the level where service delivery is corporately resourced or decisions are made. There is some proactive 	<ul style="list-style-type: none"> Plans have been implemented to ensure the validation / audit roles are adequately resourced. BCU ABC recording performance is good. Plans are being implemented to improve data collection. Resources are matched to the demands of ABC at the level where service delivery is BCU resourced or decisions are made. 	<ul style="list-style-type: none"> There is proactive management of developing BCU capacity to meet demand. People are held to account for ensuring adequate resources are maintained in accordance with local policies. ABC is being used to help inform decisions about the allocation of resources. Supervisory and management capacity is linked to performance in managing resources.

Fair	Good	Excellent	
management of developing capacity to meet demand. • There are plans to enhance supervisory and management capacity.	• There is proactive management of developing force capacity to meet demand.		
Police Authority			
• The police authority has recognised its role in developing police resources, and is developing its ability to influence plans. • The authority is struggling to exert any influence on matching resources to demand.	• The police authority is beginning to influence whether the force matches resources to meet the demands of ABC. • The police authority is aware of resourcing issues at the corporate and / or BCU level.	• There is proactive management of force capacity to meet demands of ABC. • ABC is used to help inform decisions about the allocation of resources.	
Overall assessment			
Poor	Fair	Good	Excellent
Comments			

The police authority role			
Key issue			
The police authority is proactive in monitoring force data quality and holds the chief officer to account for ensuring that effective arrangements are in place.			
Sources of evidence			
Interviews:		Other sources:	
<ul style="list-style-type: none"> Police authority officer ABC lead Finance lead Police authority ABC portfolio holder 		<ul style="list-style-type: none"> Police authority minutes BVPP Police authority website 	
Issues to look out for			
<ul style="list-style-type: none"> The relationship between the police authority and the force is one delineated in law and also involves the Home Office, referred to as the 'Tripartite relationship'. The PA has the responsibility for ensuring an efficient and effective police force, and the Chief Constable has responsibility for operational matters and the day-to-day management of the force. To ensure it can rely on the data it uses in its performance management function, and to discharge its responsibilities for ensuring an effective police force, the PA should be involved in scrutinising and monitoring the force plans and decision making relating to the implementation of ABC. High quality ABC implementation is delivered from the top, which should be evidenced by position statements, letters and other documents setting out the police authority's role. 			
Criteria for judgement			
Detailed under the themes above			
Overall assessment			
Excellent	Good	Fair	Poor
Comments			

Criteria for judgement		
Fair	Good	Excellent
Corporate		
<ul style="list-style-type: none"> The results of the costing exercise have been presented to the force. There is evidence that comparisons with previous exercises have been made. The force is planning to use the data in future planning and improvement activity. Any issues raised about data accuracy through internal or external review are reflected in any interpretation of the results. 	<ul style="list-style-type: none"> Contextual information and links to corporate priorities have been made when presenting the data. Activity data is presented as soon as it is available to allow early comparisons to be made. The activity data is presented with trend data from other activity exercises and has contextual information that attempts to identify reasons behind changes. Use of ABC data is evident in Best Value and other reviews. There is evidence that the national database of the 2003-04 ABC submissions has been used to provide additional support to local analysis. There is a requirement for service unit leads and BCU commanders to respond positively to the data with local analysis and action plans. Standard two-week surveys are backed up with more detailed surveys in areas of interest. 	<ul style="list-style-type: none"> The costing and activity data are an integral part of the performance management and business planning processes. Business plans are costed using ABC data and the models architecture. There is clear evidence that the force is using the data carefully, taking into account workload changes and other data integrity issues. The ABC data is integrated into planning review and business improvement activity and there is evidence that the data has driven as well as informed improvement activity. The force actively collaborates with other forces and has made use of the national data from 2003-04 to further enhance understanding of its own data. Other analytical methods are deployed to enhance the cost and activity data (process mapping, surveys, benchmarking etc).
BCU		
<ul style="list-style-type: none"> BCU management have received timely feedback on ABC and have had 	<ul style="list-style-type: none"> BCU management has actively responded to the data with changes in 	<ul style="list-style-type: none"> BCU and service unit leads use ABC data in policy making and in responding to

Fair	Good	Excellent
<p>the opportunity to seek clarification and further information.</p> <ul style="list-style-type: none"> • Activity data is used as well as the costed data to allow for speedier use of the information. • Front line staff are aware of findings from previous exercises. 	<p>working practice and resource deployment.</p> <ul style="list-style-type: none"> • There is awareness of changes within the service units ABC from previous years and the management team are able to provide an explanation based on changing work patterns and workload. • Front line staff are aware of findings and changes in resourcing or policy that are related to the findings from this data. 	<p>central management.</p> <ul style="list-style-type: none"> • Data is used in business case submissions with confidence. • There is now evidence that shows that previous changes to policy and resource deployment that were driven by ABC have been assessed using latest data and other analysis. • Management are actively involving front line staff in the analysis of the data and proposed changes that result from such analysis. • BCU management uses the data from support departments to hold them to account for support and to review service level agreements.
Police Authority		
<ul style="list-style-type: none"> • The authority has received presentations on the results of ABC exercises. • The authority monitors action plans and initiatives that have been driven by or informed by ABC data. 	<ul style="list-style-type: none"> • The authority actively participates in the assessment of the ABC data and comparison with its family of forces. • It is clear from interviews and documents that the authority have the skills and capacity to interpret the data and assess work patterns against policing priorities and request additional contextual information, further analysis and explanation. 	<ul style="list-style-type: none"> • The authority is actively using ABC data that has been shown to be robust in their planning and scrutiny roles. • There is clear evidence of the ABC data influencing policy development and/or review. • The authority has used the national database and BCU/force family comparisons to challenge current force performance against national and local objectives.

Overall assessment			
Excellent	Good	Fair	Poor
Comments			

Appendix 10 – Auditor judgement tool

Summary of results

This tool allows the auditor to present the results of the review of the Activity Based Costing undertaken in 2005/06.

1. Summary

Investigation	Conclusion
AUTHORITY & FORCE ASSESSMENT	<i>Overall conclusion based on position in chart below – see analysis section of the audit guide for detail.</i>
Authority and Force direction of travel assessment	<i>Quality of Data – improving/not improving (from 2004 review to 2005 review)</i> <i>Arrangements and utilisation – improving/not improving (from 2004 review to 2005 review)</i>
Key messages	
Good practice	
Barriers to progress	

Quality of data	Excellent	
	Good	
	Fair	
	Poor	
	Fair	Good Excellent
	Management arrangements & Utilisation	

2. FIELDWORK results

Overall results

Theme	Assessment	Conclusions
<p>Orange: A theme that informs arrangements and utilisation judgement. Purple: A theme that informs the quality of data judgement.</p>	<p>Excellent/Good/ Fair/Poor</p>	
<p>Follow up of 2004 ABC review findings.</p>		
<p>Compliance of the costing model with manual of guidance.</p>		
<p>Compliance with sampling guidance confirmed by sample testing of activity information sources.</p>		
<p>Effectiveness of the force's internal controls for managing activity sampling.</p>		
<p>Effectiveness of the force's high level assessment of the reasonableness of their ABC results.</p>		
<p>Effectiveness of management arrangements to embed ABC.</p>		
<p>Effectiveness of the Police Authority in holding the force accountable for quality ABC data.</p>		
<p>Effective utilisation of Activity Based Costing data.</p>		

The action planning template tool is set out below. This is designed to assist auditors in recording their recommendations. The auditor should refer to paragraph 36 of the code of audit practice for the principles of making recommendations.

	Issue to be addressed / Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
1.	Review of issues arising from the follow up of 2005 ABC review findings.					
2.	Compliance of the costing model with manual of guidance.					
3.	Compliance with sampling guidance confirmed by sample testing of activity information sources.					
4.	Effectiveness of the force’s internal controls for managing activity sampling.					
5.	Effectiveness of the force’s high level assessment of the reasonableness of their ABC results.					
6.	Effectiveness of management arrangements to embed ABC.					
7.	Effectiveness of the Police Authority in holding the force accountable for quality ABC data					
8.	Effective utilisation of Activity Based Costing data.					

Appendix 11 – 2005/06 audit days based on 2004 judgement

Force	2004 Judgement				Supplier	2005/06 days
	Reliable systems & processes in place, accurate data.	Reliable systems & processes in place, but weaknesses in accuracy of data.	Weaknesses in systems & processes, but not affected data accuracy.	Weaknesses in accuracy of data and systems & processes		
Avon & Somerset			Avon & Somerset		RSM	12
Bedfordshire	Bedfordshire				Central region	8
Cambridgeshire				Cambridgeshire	PwC	16
Cheshire				Cheshire	Northern region	16
City of London			City of London		PwC	12
Cleveland		Cleveland			Northern region	12
Cumbria				Cumbria	Northern region	16
Derbyshire	Derbyshire				KPMG	8
Devon and Cornwall	Devon and Cornwall				Southern region	8
Dorset	Dorset				Southern region	8
Durham				Durham	Northern region	16

Dyfed Powys	Dyfed Powys				WAO	8
Essex				Essex	PwC	16
Gloucestershire	Gloucestershire				Southern region	8
Greater Manchester	Greater Manchester				Northern region	8
Gwent			Gwent		WAO	12
Hampshire	Hampshire				Southern region	8
Hertfordshire	Hertfordshire				Central region	8
Humberside	Humberside				Northern region	8
Kent	Kent				PwC	8
Lancashire				Lancashire	Northern region	16
Leicestershire			Leicestershire		Central region	12
Lincolnshire				Lincolnshire	Central region	16
Merseyside	Merseyside				Northern region	8
Metropolitan				Metropolitan	London region	16
Norfolk		Norfolk			Central region	12
North Wales	North Wales				WAO	8
North Yorkshire				North Yorkshire	Northern region	16

Northamptonshire				Northamptonshire	KPMG	16
Northumbria	Northumbria				Northern region	8
Nottinghamshire				Nottinghamshire	Central region	16
South Wales				South Wales	WAO	16
South Yorkshire	South Yorkshire				Northern region	8
Staffordshire	Staffordshire				PwC	8
Suffolk				Suffolk	Central region	16
Surrey				Surrey	Southern region	16
Sussex Police	Sussex Police				Southern region	8
Thames Valley	Thames Valley				Southern region	8
Warwickshire				Warwickshire	Central region	16
West Mercia				West Mercia	PwC	16
West Midlands				West Midlands	KPMG	16
West Yorkshire			West Yorkshire		PwC	12
Wiltshire			Wiltshire		Southern region	12

Summary

Supplier	Reliable systems & processes in place, accurate data.	Reliable systems & processes in place, but weaknesses in accuracy of data.	Weaknesses in systems & processes, but not affected data accuracy.	Weaknesses in accuracy of data and systems & processes	Total days	Average days	Total sites
Central region	2	1	1	4	104	13.00	8
KPMG	1			2	40	13.33	3
London region				1	16	16.00	1
Northern region	5	1		5	132	12.00	11
PwC	2		2	3	88	12.57	7
RSM			1		12	12.00	1
Southern region	6		1	1	76	9.50	8
WAO	2		1	1	44	11.00	4
Grand Total	18	2	6	17	512	8.98	43