



Proposed Management responses to External Audit Auditor's Annual report

Recommendation 1:



Financial sustainability

Recommendation 1

The Force to develop longer term strategy to focus on developing recurrent savings to replace the short term measures taken and then protect and rebuild reserves beyond 2023/24.

Why/impact

While the PCC and Force have closed the gap on the 2023/24 with a combination of short term savings and some recurrent savings there is still work to do to both ensure the longer term gap is plugged and that the reserves are properly replenished to be able to tackle future financial challenges. That longer term financial position is extremely challenging and with diminishing reserves this could prove unachievable without a longer term plan for savings and sustainable reserves.

Summary findings

The Force should revise its Reserves Strategy and review at least every two years

Management Comments

TBC

Management Response: We recognise the need to continue to identify recurrent savings and part of this work started with the budget build for 2023/24, through our annual Priority Based Budgeting process. As the Force designs and implements operating model changes, savings and benefits will form part of the discussions.

Recommendation 2

Improvement recommendations



Financial sustainability

Recommendation 2

The Force should review the potential for shared service opportunities for Back Office services as a way of achieving cost reductions

Why/impact

The increased pressure on finances means that all options for cost reduction should be considered. With a new CFO who has experience of working in a shared services environment there is an opportunity for the Force.

Summary findings

Given the continuing financial pressures on the Force, the arrival of a Director of Commercial Services with experience of running a shared services, the Force should seek to maximise the potential of shared services opportunities.

Management Comments

TBC

Management Response: The Force will continuously keep under review joint arrangements, including providing services for other forces or partners. For example, we are currently in the early stages of considering fleet maintenance opportunities with regional partner. Delivering the savings requirements of our medium term financial plan will bring forward options for both income generation and service efficiencies.



Recommendation 3

Improvement recommendations



Governance

Recommendation 3

The Force should seek to reduce the time lag in the financial information presented to SPCB.

Why/impact

In a volatile macroeconomic climate where costs are increasing and financial forecasting is difficult, it is important to have the latest financial forecasts available to SPCB to give them assurance that financial management is sound.

Summary findings

It is good practice to ensure that the financial forecasts presented to SPCB are less than one month old. This will allow them to be fully apprised of the latest position and financial pressures facing the Force.

Management Comments

TBC

Management Response: Financial information is produced and shared monthly with the Executive Team, both the force and OPCC CFO's and Heads of Departments. There are occasions due the timing of SPCB meetings, that the latest financial information cannot be presented in the report, however verbal updates are provided to accompany the report. We are due to go live in June 2023 with our Qlik reporting, this will move us away from a manual and time consuming exercise to a more automated process, with live dashboards. This will significantly reduce the time taken to produce our month end financial information.