



HENDERSON LOGGIE

**Tayside Joint Police Board**

**Report to Members and the  
Controller of Audit**

**2006/2007**

**External Audit Report No: 2007/05**

**Draft Issued: 1 September 2007**

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# Executive Summary

## 1.1 Financial

- 1.1.1 The audit of the 2006/07 financial statements has been completed within the timescale advised by Audit Scotland. Our opinion on the financial statements is unqualified. The statements have been properly prepared in accordance with the Local Government (Scotland) Act 1973.
- 1.1.2 On 28 August 2007 we issued to the Board's Audit Sub-Committee our audit report no. 2007/03, ***Report to those charged with Governance on the Audit of Tayside Joint Police Board***. The report provides audit comment on the key issues and audit opinion arising from the audit of the financial statements and of the financial systems of internal control.
- 1.1.3 The Board's Income and Expenditure Account shows a deficit for the year of £28.649 million. After adjusting for amounts required by statute and non-statutory proper practices to be debited or credited to the General Reserve Balance, the Board reported an increase in the General Reserve Balance for the year of £0.489 million.
- 1.1.4 We are pleased to report that there are no recommendations or action plan arising from this year's audit.

## 1.2 Governance

- 1.2.1 Members of the Board and the Audit Sub-Committee are drawn from the three constituent authorities. As a result of the May 2007 elections, a number of Councillor Members have been replaced with new Councillors. Training for new Councillor Members was arranged to ensure they are knowledgeable of the Board's responsibilities.

- 1.2.2 The change in the political makeup of the constituent councils post the May 2007 elections will require a build up of relationships to ensure the Board is effective in delivering its statutory and corporate objectives.
- 1.2.3 The Board is responsible for a number of key aspects including budget setting, appointment of chief officers and scrutiny and challenge of Force performance. Officers provide the Board and the Audit Sub-Committee with reports and statistical data to enable Members to make informed decisions and to raise challenges where appropriate.
- 1.2.4 The Board took part in the National Fraud Initiative (NFI) in Scotland during 2006/07. No frauds or errors have been found.

## 1.3 Performance

- 1.3.1 Strategic planning is set out in the Force's three-year Strategic Plan 2006/09. Under the leadership of the Force Executive each service area is involved in on-going performance management and reporting through the service improvement plans arrangements.
- 1.3.2 The 2006/07 return to Audit Scotland for SPIs was made by the 31 July 2007 deadline. We concluded that the systems in operation for the production and publication of the SPIs were reliable for all indicators.
- 1.3.3 The HMIC Primary Inspection of Tayside Police due to be carried out in 2006/07 was suspended to allow HMIC to carry out a review of their inspection process. The new programme of reviews has not been published.



# Introduction

## 2.1 Introduction

- 2.1.1 We are pleased to submit our first annual report, covering significant matters arising during the course of our audit of Tayside Joint Police Board (the Board) for the year ended 31 March 2007.
- 2.1.2 The framework under which we operate under appointment by Audit Scotland is as outlined in our *Risk Assessment, Annual Plan and Fee Proposal for 2006/07* (Report 2007/01 issued on 7 March 2007). The respective responsibilities of Board members, officers and the auditors are set out in Appendix I to this report.
- 2.1.3 Broadly the scope of our audit was to:
- provide an opinion on the financial statements in accordance with the standards and guidance issued by the Auditing Practices Board;
  - review and report on the Board's corporate governance arrangements in relation to systems of internal control, the prevention and detection of fraud and irregularity, standards of conduct, prevention and detection of corruption, and the Board's financial position;
  - review and report on the Board's arrangements to manage its performance, as they relate to economy, efficiency and effectiveness in the use of resources and in securing Best Value; and
  - review and report on whether the Board has made adequate arrangements for collecting, recording and publishing prescribed performance information.
- 2.1.4 Our audit approach focused on the identification of strategic business risks and operational and financial risks impacting on the Board.

## 2.2 Basis of Information

- 2.2.1 External auditors do not act as a substitute for the Board's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used efficiently, economically and effectively.
- 2.2.2 To a certain extent the content of this report comprises general information that has been provided by, or is based on discussions with, management and staff at the Board. Except to the extent necessary for the purposes of the audit, this information has not been independently verified.

## 2.3 Acknowledgement

- 2.3.1 Our audit for this year has brought us in contact with a wide range of staff within the Force. We would like to take this opportunity to place on record our appreciation of the co-operation and assistance extended to us by staff in the discharge of our duties.



## 3.1 Audit Completion and ISA 260 Report

- 3.1.1 The target date for submission of the 2006/07 audited accounts of the Board was 31 August 2007. We are pleased to report that the target date for the audit completion and certification of the annual accounts was met.
- 3.1.2 In accordance with International Standard on Auditing (ISA 260) we issued our *Report to those Charged with Governance on the Audit of Tayside Joint Police Board 2006/07* (Report 2007/03 issued on 21 August 2007) which was considered at the Audit-Sub Committee meeting on 28 August 2007. This report included our proposed audit certificate and detailed the agreed adjustments to the draft accounts arising from our audit.

## 3.2 Accounts Certification

- 3.2.1 On 31 August 2007 we issued our audit report expressing an unqualified opinion on the financial statements of the Board for the year ended 31 March 2007. We set out below a summary of the audit certification issues:
- ❑ the financial statements present fairly, in accordance with applicable laws and regulations and the 2006 SORP, the financial position of Tayside Joint Police Board at 31 March 2007 and its income and expenditure for the year then ended; and
  - ❑ the financial statements have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

- ❑ We were not obliged to make any adverse comment on the Board's Statement on the Systems of Internal Financial Control. This confirmed that the content of the Statement was not inconsistent with information arising from our audit work.

## 3.3 Financial Position

- 3.3.1 In accordance with the changes in the 2006 SORP the Board included an Income and Expenditure Account and a Statement of Movement on the General Reserve Balance in the financial statements.
- 3.3.2 The Board's net operating expenditure of £109.784 million exceeded the income from government grants and constituent authorities' contributions, resulting in a deficit for the year of £28.649 million reported in the Income and Expenditure Account.
- 3.3.3 This reported deficit is carried into the Statement of Movement on the General Reserve Balance and is then adjusted for items required by statute and non-statutory proper practices to be credited to the General Reserve of £29.138 million. This results in an increase in the General Reserve Balance of £0.489 million for the year, increasing the General Reserve Balance carried forward to £6.181 million as at 31 March 2007.
- 3.3.4 Details of the adjustments made are reported in the notes to the accounts on page 23. These adjustments are due to the Board being required to consider funding elements of expenditure on a different accounting basis, including capital investment which is accounted for as it is financed rather than when the fixed assets are consumed, and retirement benefits that are charged as amounts which become payable to pension funds, and pensioners, rather than as future benefits earned.

# Financial

## 3.4 Financial Performance

- 3.4.1 Financial performance is measured against the financial budget set by the Board in January 2006 for 2006/07. The Board reported a small underspend for the financial year of £0.489 million against a budgeted break-even position. This positive outcome was achieved through close monitoring by both the Finance Team and the Budget Holders.
- 3.4.2 The main reasons for this underspend is an increased amount of interest on revenue balances received and a decrease in loans interest paid in the year, compared to the budgets set. This resulted in a repayment to the constituent authorities of requisitions overpaid for the year which are based initially on the budgeted figures.

## 3.5 Pensions

- 3.5.1 The Board accounts for two defined benefit pension schemes; the Local Government Superannuation Scheme (LGPS) administered by Dundee City Council and the Uniformed Police Services Scheme. In accordance with FRS 17 reporting requirements the estimated pension liabilities provided by the Actuary at 31 March 2007 exceeded its share of assets in both schemes.

**Table 1 – Pension liabilities**

Estimated pension liabilities	2006/07	2005/06	Movement
<b>Pension Scheme</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Local Government	5.780	8.991	(3.211)
Police	503.766	489.468	14.298
<b>Pension liabilities at</b>			
<b>31 March 2007</b>	<u>509.546</u>	<u>498.459</u>	<u>11.087</u>

- 3.5.2 Changes in the regulations that allow larger lump sum entitlements in the LGPS have altered the actuarial assumptions and led to a small decrease in the estimated liability at 31 March 2007 in this scheme.
- 3.5.3 The Uniformed Police Officers Pension Scheme is administered by the Dundee City Council in accordance with the Police Pensions Regulations 1987 and the Police Pensions Act 1976, as amended and is an unfunded scheme in that there are no assets. The liabilities for the scheme represent the best estimate of the Board's future commitments to pay retirement benefits to existing pensioners and serving officers who will become pensioners in due course. The Actuary assessed the FRS 17 valuation as at 31 March 2007 for this scheme using the financial assumptions disclosed in the notes to the accounts at note 11.
- 3.5.4 The full actuarial valuation of the Tayside Superannuation Scheme was carried out as at 31 March 2005. This highlighted a deficit requiring an average increased employer contribution rate of 275% of employee contributions for 2006/07. The Actuary provided the FRS 17 valuation as at 31 March 2007 of the Board's share of the LPGA using the financial assumptions disclosed in the notes to the accounts at note 11.
- 3.5.5 The increased pension liability has resulted in a negative net assets position in the Board's Balance Sheet. This is normally seen as an indicator of a body's inability to continue as a going concern. However, as per Practice Note 10 'Audit of financial statements of Public Sector Entities in the United Kingdom' issued by the Auditing Practices Board (APB), it is not uncommon for public sector bodies to have an excess of liabilities over assets and in these circumstances, auditors should consider the circumstances in which a body may cease to continue in operational existence.



## 3.5 Pensions (cont'd)

- 3.5.6 Given that FRS 17 is concerned only with pensions accounting and does not, in itself, impact on the cash-flows or funding of the Board, the going concern basis is considered appropriate for the preparation of the accounts.
- 3.5.7 We are aware that the issue of future funding of Police Officers' pensions is being addressed at a national level.

## 3.6 Reserves and Balances

- 3.6.1 All Boards hold reserves which consist of earmarked amounts set aside to support future years' expenditure and contingencies for unexpected events or emergencies. At 31 March 2007 the General Reserve held by the Board totalled £6.181 million. The balance has been increased by £0.489 million in 2006/07 as a result of the adjusted surplus for the year.
- 3.6.2 An amount of £4.076 million has been earmarked against the General Reserve for pension commutations for those officers eligible to retire on or before 31 March 2007 who have continued in post.
- 3.6.3 The remaining element of the General Reserve amounts to £2.105 million. An additional £0.857 million has been earmarked for various projects and a further £0.827 million (1% of the GAE) for contingencies in line with the Board's policy. This leaves a balance of £0.421 million uncommitted. This is well within the 5% maximum statutory threshold.

## 3.7 Capital Expenditure and Funding

- 3.7.1 Capital expenditure is determined by the Board, based on the specific Scottish Executive (SE) grants, capital receipts and Prudential borrowing, if required.
- 3.7.2 The total available funding for the capital programme was £2.969 million, made up of the SE capital grant allocation of £2.272 million, other specific SE grants received of £0.437 million and capital receipts of £0.252 million, which included receipts brought forward from the previous year of £0.166 million, and small capital contributions totalling £0.008 million provided by various sponsors.
- 3.7.3 The total capital expenditure for the year amounted to £2.717 million and was spent on operational land and buildings £0.570 million, operational vehicles £1.973 million, radio and telecom equipment of £0.160 million and other equipment of £0.014 million. Unspent capital receipts of £0.252 million are available to help fund capital expenditure in 2007/08. Borrowing was therefore not required.
- 3.7.4 Regular capital expenditure monitoring reports against the plans have been submitted to the Board Members during the year. Details of the main movements on Fixed Assets for the year and the appropriate capital accounting entries are fully disclosed in the notes to the accounts.
- 3.7.5 We were satisfied with the Board's capital expenditure planning and reporting arrangements for 2006/07

# Governance

## 4.1 General

- 4.1.1 The Board and the Audit Sub-Committee met regularly during 2006/07 and both comprised of Members from the three constituent local authorities in Tayside. The Board is responsible for key aspects of governance including budget setting, appointment of chief officers and scrutiny and challenge of Force performance.
- 4.1.2 We have observed the operation of the Audit Sub-Committee. Members generally understand the issues they consider and officers are held to account for implementation of recommendations made by audit to improve internal control systems. Regular updates on Strategic Best Value reviews carried out by the Force are reported to this committee.
- 4.1.3 The Board has a Local Code of Corporate Governance adopted in January 2005. The Chief Constable has specific responsibility for overseeing the implementation and monitoring of the Code and reporting annually to the Board on compliance. His annual Statement of Corporate Governance is included in the Chief Constable's Annual Performance Report 2006/07. He concluded that *"Accepting that further work will be undertaken in 2007/08,.....our corporate governance arrangements are adequate and operating effectively."*
- 4.1.4 The Code requires the Chief Internal Auditor to undertake an annual independent review of the adequacy, effectiveness and compliance. In the Chief Internal Auditor's report to the Board and the Chief Constable she concluded that *"Notwithstanding the fact that full compliance with the Local Code had not been achieved during 2006/07, it is my opinion that arrangements underpinning the Board's governance processes are sound and, based on my audit work and Force Executive assurances that these arrangements are working in an efficient and effective manner."*
- 4.1.5 Areas that still require some work at 31 March 2007 to ensure full compliance with the Code include the development of a risk management strategy, further development of business continuity management arrangements, approval and dissemination of anti-fraud and corruption policy, further development of the scheme of delegation for responsibility from the Chief Constable to other officers of the Force Executive, and further expansion of the business change programme to ensure that all key audit recommendations are incorporated and reported upon.
- 4.1.6 Although we are not required to audit compliance with the Board's Code we review this statement and the Board's processes to inform our view of the governance arrangements in place. We are satisfied with the Board's processes and that it has identified the key areas where work is still required to ensure full compliance.
- 4.1.7 The Treasurer reported in the Statement on the Systems of Internal Financial Control included in the Board's accounts that he was satisfied the Board has in place sound systems of internal financial control with no material weaknesses identified. (Refer to paragraph 3.2.1 above)
- 4.1.8 Our financial systems evaluation work reported in our *Financial Statements Audit Plan 2006/07* (Report 2007/02 issued on 30 May 2007) also concluded that for the main financial systems reviewed, with the exception of fixed assets, the expected key controls appear to be in place and no material weaknesses were identified that would impact significantly on our year-end audit testing. Our detailed testing on fixed assets and other main areas during our year-end audit did not identify any material errors or weaknesses in any area. We concur with the Treasurer's assessment that the systems of internal financial control are sound.



## 4.2 Member Information

- 4.2.1 Revenue and Capital budgets and expenditure monitoring information is routinely presented to the Board throughout the year. Other reports to committees are made in a standard format that includes financial implications of any decision that will be made and generally make it clear what Members are asked to do in terms of noting or decision making.
- 4.2.2 Officers submit detailed performance information on key operations to each cycle of meetings and a commentary is provided so that Members can focus on key data and trends.
- 4.2.3 The Board held a New Members' Information Session in June and approved attendance for all Members of the Board at the national training event for police authority members arranged by the Scottish Police Authorities Conveners' Forum in June 2007. Further training will be provided where a need is identified.

## 4.3 Audit Committee - Effectiveness

- 4.3.1 The Audit Sub-Committee has continued to function well, particularly in the run up to and following the May 2007 elections when membership of this committee changed considerably. Newly elected Members are aware of the Audit Sub-Committee's remit, their governance responsibilities and scrutiny role.
- 4.3.2 Members consider the outputs from both internal and external audit work and information from other sources. As with meetings of the Board, management provide more detailed information to the Audit Sub-Committee on matters such as Strategic Best Value reviews.

- 4.3.3 Responsible officers attend the meetings to answer Members' questions. This is designed to generate discussion with Members and to increase their involvement with the development of Strategic Best Value reviews.

## 4.4 Internal Audit

- 4.4.1 To minimise audit duplication we liaise with internal audit during our planning to identify areas of their work that we can place reliance on. For 2006/07 we agreed to place reliance on work covering the review of the Board's Budgetary Control, Payroll & Pensions, Performance Management, Corporate Procurement and Corporate Governance Annual Audit (assurance statements only). Following review of the files relating to these reports, we concluded that we could place reliance on the work and findings of internal audit.
- 4.4.2 The Board does not have an internal audit service in house. Angus Council provides the internal audit service for the Board under a service level agreement. The Council's internal audit service has out-sourced this provision to Scott Moncrieff who were appointed on 1 February 2007 to carry out the audit fieldwork. They report to the Council's Chief Internal Auditor who retains responsibility for the delivery of internal audit services and reporting to the Board's Audit Sub-Committee.
- 4.4.3 We reviewed the internal audit services provision in the Board and concluded that we could rely on their work.

## 4.5 National Fraud Initiative

- 4.5.1 In 2006/07 the Board again took part in the National Fraud Initiative (NFI) in Scotland. The exercise is undertaken as part of the audits of the participating bodies. NFI brings together data from Councils, Police and Fire and Rescue Boards, Health Bodies and other agencies, to help identify and prevent a wide range of frauds against the public sector. These include housing benefit fraud, occupational pension fraud and payroll fraud. The NFI has generated significant savings for Scottish public bodies (£27 million to 2005) but, if fraud or overpayments are not identified by a body, assurances may be taken about internal arrangements for preventing and detecting fraud.
- 4.5.2 The NFI 2006/07 results (data matches) were made available to audited bodies on 29 January 2007 via a new secure web-based application. Participating bodies follow up the matches, as appropriate, and record the outcomes of their investigations in the application. We monitored the Board's involvement in NFI 2006/07 during the course of our audit.
- 4.5.3 The Board submitted the mandatory data for the matching exercise on time and began to investigate the potential matches with a reasonable timescale. The web-based application was used to record outcomes and progress. No returns were therefore required.
- 4.5.4 Like other Police Boards, the Board received very few matches for the mandatory datasets. The majority of these related to a minor issue of potential incorrect National Insurance numbers. All matches were appropriately investigated and Board employees have taken a positive attitude to this exercise. No frauds or errors have been found.
- 4.5.5 Further non-mandatory datasets could be submitted if participating bodies so chose and for the Board the only relevant dataset would be creditors data. However the Board was advised by its creditor system provider, Dundee City Council, that this exercise was not required.

# Performance

## 5.1 Strategic Planning

- 5.1.1 Strategic planning is undertaken through the Force's three-year plan which links the Strategic Plan for each of the division/service areas to the corporate Annual Delivery Plan. This was reviewed during 2006/07 and progress against the objectives is subject to regular reporting to the Board and the Force Executive.
- 5.1.2 Budget Holders are asked to prepare annual budgets for their areas which include the budget requirements in line with the work priorities and objectives. As part of this process, each area is asked to detail any plans for efficiency gains, reviews or savings and bid for additional monies to fund growth.

## 5.2 Performance Management

- 5.2.1 Ongoing performance management is undertaken in a framework that involves officers in the divisions and services, the Force Executive and Members. Annual Performance Plans and the Chief Constable's Annual Performance Reports are published and are available on the website; [www.tayside.police.uk](http://www.tayside.police.uk).

## 5.3 Efficient Government

- 5.3.1 All public sector bodies in Scotland are involved with the Scottish Executive's Efficient Government initiative. The initiative is designed to achieve cash and time-releasing savings over a five-year period through elimination of waste, bureaucracy and duplication.

- 5.3.2 The Board considers its Efficient Government activities within the budget setting processes. In addition, efficiency gains and changes in service provision have been identified from recent Best Value reviews. The efficiencies have been included in the savings recently reported to the Association of Chief Police Officers in Scotland (ACPOS) and will play a significant role in supporting ACPOS to meet future efficiency savings targets set for the next two years.
- 5.3.3 The actual savings for 2006/07 against the targets set for the year are detailed in Table 2 below.

**Table 2 – Efficiency Savings**

	<b>Target 2006/07 £m</b>	<b>Actual 2006/07 £m</b>
Cash Savings	0.304	0.642
Non Cash Savings	2.652	2.149
<b>Total Savings</b>	<b>2.956</b>	<b>2.791</b>

- 5.3.4 The additional cash savings have been achieved through the following measures:
- Procurement savings;
  - Transfer of duties from police officers to support staff;
  - Use of video conference facilities to reduce travel costs; and
  - Reduction in postage costs.



# Performance

## 5.4 Risk Management

- 5.4.1 In the Chief Constable's annual statement of corporate governance risk management is seen as one of the five key processes used to discharge the principles of its Local Code across the Force's divisions and departments. While accepting that further work will be undertaken in 2007/08 the Force is committed to developing a Corporate Risk Register and improving business continuity processes.
- 5.4.2 A Corporate Risk Register was adopted by the Board during 2006/07 and work is continuing to identify specific risks at service and divisional level. Development of a Risk Management Strategy was identified as an improvement area during the compliance review of the Local Code and will be addressed in 2007/08.
- 5.4.3 In 2006/07 the Force was heavily involved in planning for replacement of the electrical switchgear within its Headquarters. This work, viewed as a considerable risk to business continuity by the Force, was successfully completed in April 2007 by adopting a detailed planning regime. From a review of the risks posed by this work the Force recognises the need to carry out further work in this area in tandem with risk management in 2007/08.

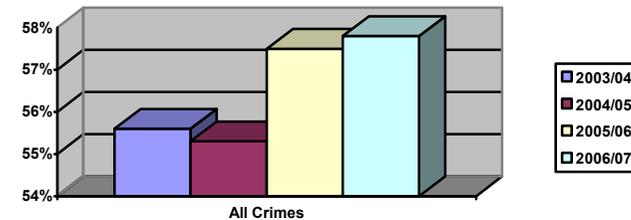
## 5.5 Statutory Performance Indicators (SPIs)

- 5.5.1 The 2006/07 return to Audit Scotland for SPIs was made by the 31 July 2007 deadline. We concluded that the systems in operation for the production and publication of the SPIs were reliable for all indicators.

- 5.5.2 The Board's reported performance through the SPIs is summarised as follows:

### *Percentage of crimes cleared up*

This percentage has increased by 0.3% from 2005/06 to 2006/07 to 57.8%, which is the highest percentage over the last four years. This is also higher than the national 2005/06 average for the last 3 years of 56.8%.



The most noticeable movements in the year are as follows:

- ❑ The percentage of housebreakings cleared up has increased by 19.5%, from 266 to 318. However the total number of housebreakings has increased from 927 to 1,001 giving a percentage increase of 8%.
- ❑ The percentage of car crimes cleared up has increased by 4% to 34.5%. The total number of car crimes fell from 2,238 in 2005/06 to 1,925 in 2006/07.



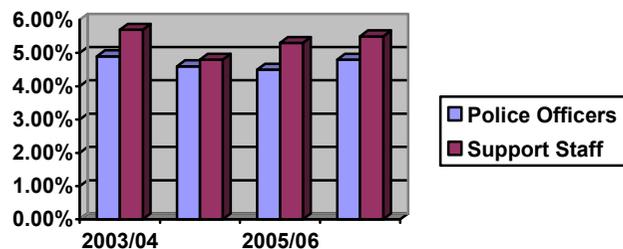
## 5.5 Statutory Performance Indicators (SPIs) (Cont'd)

### *Proportion of 999 calls answered within ten seconds*

In 2005/06 the Board was able to answer 90.6% of all 999 calls within 10 seconds, which exceeded the national 2005/06 average of 88.5%. In 2006/07 performance has increased slightly, with the Force answering 90.7% of all 999 calls within 10 seconds, which also exceeds the Scotland average.

### *Proportion of working time lost due to sickness absence*

The level of sickness absence for both police officers and support staff has increased slightly compared to previous years, although both are still below the 2005/06 national averages of 4.5% and 5.1% respectively, as shown below:



### *Number of complaints per 100 members of the police force*

The number of complaints has increased in comparison with previous years from 14.3 in 2005/06 to 17 in 2006/07. This is in excess of the 2005/06 national average of 10.8.

### *Drug Offences*

Drug seizures have increased substantially in comparison to previous years with the weight of 'class A' drug seizures increasing from 8.66kg in 2005/06 to 28.14kg in 2006/07. The number of tablets has increased from 10,518 in 2005/06 to 35,158 in 2006/07 and the volume decreasing from 409ml in 2005/06 to 151ml in 2006/07. The number of drug offences has also increased by 26% to 322.

This is due to far larger quantity of drugs on the streets than previous years, far more users/ dealers and law enforcement agencies have improved procedures for recovering drugs and prosecuting offenders.

### *Number of people killed or seriously injured as a result of road accidents*

National targets were set for a reduction in those killed or injured as a result of road accidents in 2005/06, using figures from 1994 to 1998 as a baseline. As at 2006/07, the Board has made some progress in meeting these targets with:

- a 14% reduction in the number of people killed or seriously injured (target 33%)
- a 14% reduction in the number of children killed or seriously injured (target 40%)
- a 29% reduction in slight injuries (target 10%)

### *Police Reports to the Children's Reporter and the Procurator Fiscal*

A national target of 10 working days after caution/ charge has been set for the time taken to submit police reports to the Children's Reporter. A target has also been set by the Crown Office and Procurator Fiscal Service and Association of Chief Police Officers Scotland that Forces should aim to report 80% of reports to the Procurator Fiscal within 28 calendar days.

## 5.5 Statutory Performance Indicators (SPIs) (Cont'd)

The Board significantly increased its performance in this area over the last year, as follows:

- ❑ Police Reports to the Children's Reporter decreased from 84.3% to 80.7%, which is below the 2005/06 national average of 82.1%.
- ❑ Police Reports to the Procurator Fiscal increased from 64.9% to 72.0%, well in excess of the 2005/06 national average of 55.3%.

## 5.6 Best Value Audits

- 5.6.1 The Force has developed a sound approach to the Best Value review process and is committed to continuous improvement. In the last two years, it has underpinned the Best Value programme by deploying service improvement plans for each division and department.
- 5.6.2 Regular reports on Best Value Audits are submitted to the Audit Sub-Committee updating the Members on their findings and progress made in implementing recommendations from these reviews.

## 5.7 HM Inspectorate of Constabulary for Scotland (HMIC)

- 5.7.1 The HMIC Primary Inspection of Tayside Police due to be carried out in 2006/07 was suspended to allow HMIC to carry out a review of their inspection process. The new programme of reviews has not been published.
- 5.7.2 The inspection will change following the completion of the review and is likely to involve a more detailed self-assessment type of methodology.
- 5.7.3 The Force Executive have advised Board Members of the suspension of the review and will continue to inform them of any further developments.

## Appendix I – Respective Responsibilities

### Respective Responsibilities of Members, Officers and Auditors

Each public sector body is accountable for the way in which it has discharged its stewardship of public funds. Stewardship is a function of both executive and non-executive management and, therefore, responsibility for effective stewardship rests upon both Members and officers of a public sector body.

That responsibility is discharged primarily by the establishment of sound arrangements and systems for the planning, appraisal, authorisation and control over the use of resources and by the preparation, maintenance and reporting of accurate and informative accounts.

It is our responsibility to undertake an independent appraisal of the discharge by management of its stewardship responsibilities, to enable us to give an assurance that those responsibilities have been reasonably discharged.

The Board and the Treasurer's responsibilities for the Statement of Accounts are set out in section 10 of the annual statement of accounts. Our responsibility is to form an independent opinion, based on our audit, on the abstract of accounts and report that opinion to you.

We are required to review whether the Board's Statement on the System of Internal Financial Control complies with the requirements of the Code of Practice for Local Authority Accounting in the United Kingdom 2006, a Statement of Recommended Practice (the 2006 SORP) and report any exceptions. We are also required to review the statement and report if it is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to give an opinion on the effectiveness of the Board's internal financial controls.

