



**Professional Examination 3
2003**

25 June

FINANCE AND MANAGEMENT CASE STUDY

Time allowed - ½ hours

From 12.40 p.m. to 1.10 p.m.

Candidates will be allowed five minutes reading time from 12.35 p.m. to 12.40 p.m.

All questions must be answered.

The case study has been prepared on the assumption that candidates will not necessarily have a detailed knowledge of the type of organisation to which it refers. No additional merit will be accorded those candidates displaying such knowledge.

The weightings for each question are indicated in the parentheses at the end of the question.

Candidates will be allowed to submit, as part of their script, work performed in the morning session, but they should distinguish clearly between work supporting their script and that which is to be considered a part of it.

NOTES TO CANDIDATE

- (i) Answers to be prepared as on 25 June 2003 by Bo More, VFM & Projects Officer at Maltshire Police Authority.
- (ii) The questions below are intended to test the candidate's understanding of the situation in the case.

QUESTIONS

1. Draft a briefing note for the ACO (Finance) in response to the attached memorandum. (20%)

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MALTSHIRE POLICE AUTHORITY

From ~ ACO (Finance) – Glen Livet

Date ~ 25 June 2003

To ~ VFM & Projects Officer – Bo More

Workshops

A few days ago I passed you a letter from James Grant, the President of Highland Park Golf Club, which appeared to me to raise wider issues than just the renewal of a lease. This morning, the Chief Constable passed to me the attached letter from the Health & Safety Manager at Maltshire Council, which again raises concerns about Elgin Workshop and potential audit issues.

On the basis of discussing the Aberfeldy lease situation, I have now arranged to meet with the ACO (Resources), the Facilities Manager and the Fleet Manager this afternoon, but I now intend to use this meeting primarily to raise these wider issues. I should be grateful, therefore, if you let me have a briefing note before lunch on the following two main issues. In view of my revised agenda, your emphasis should be firmly on the first of these.

1. Potential Audit Implications

- ❖ Your interpretation of the potential audit implications of the two letters received from –
 - the President of Highland Park dated 18 June 2003, and
 - the Health & Safety Manager at Maltshire Council (attached);
- ❖ From your analysis of workshop running costs, visits and other relevant documentation, a note of any additional potential audit issues which arise and an overall evaluation of these.

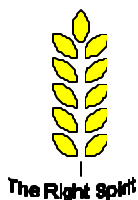
2. Aberfeldy Workshop

- ❖ A note of the background to the Golf Club lease and its terms;
- ❖ A note of the options to be considered and a comparison of the revenue effects of each (that is, rent or notional interest on any potential capital receipts);
- ❖ An evaluation of the results and any other relevant issues;
- ❖ Conclusions and a recommendation of the preferred option.

Assume that all outgoings remain the responsibility of the tenant. The ACC (Operations) has indicated to me that the continued use of the Aberfeldy Workshop grounds at the Golf Club for public order training is desirable but not essential. He does have other options.

Glen Livet

ACO (Finance)



MALTSHIRE COUNCIL

SHIRE HALL ~ BARLEYTOWN ~ WH1 5KY

Chief Executive ~ Rose Bank

The Chief Constable
The Distilleries
Mash Tun Road
Barleytown
WI5 5CE

24 June 2003

Dear Mr Tuckie-Bourbon

Elgin Vehicle Maintenance Workshop

I carried out the annual Health & Safety visit to the above workshop on Monday, 23 June 2003 and, as usual, my visit was unannounced. The workshop was extremely quiet and there was only one vehicle in the workshop being serviced.

On arrival and during my inspection, I observed a number of clear breaches of regulation and I am obliged to write to you formally on the following issues.

1. When I arrived the Workshop Manager, Tel Lisker, was stood by the petrol pump using his mobile telephone;
2. The Foreman was using the pump to fill a plastic canister with petrol which did not meet the regulation standards;
3. The Stores Officer was stood by him smoking a cigarette;
4. The workshop itself was extremely untidy, with tyres, exhausts and other spares stacked unsafely against most walls;
5. At the side of the workshop (outside), two mechanics were fitting a new wing to an old car without police markings, using welding equipment without the required protective clothing. The car was supported on piles of bricks;
6. Two other mechanics were steam cleaning an unmarked lorry with a hose connection that was leaking steam and could have failed at any time.

I will be making a return visit to the Elgin Workshop within three months and I trust that you will give these matters your most urgent attention.

Yours sincerely

T Totaller

Health & Safety Manager



**Professional Examination 3
2003**

25 June

FINANCE AND MANAGEMENT CASE STUDY

Time allowed - 3 hours

From 2.00 p.m. to 5.00 p.m.

Candidates will be allowed five minutes reading time from 1.55 p.m. to 2.00 p.m.

All questions must be answered.

The case study has been prepared on the assumption that candidates will not necessarily have a detailed knowledge of the type of organisation to which it refers. No additional merit will be accorded those candidates displaying such knowledge.

The weightings for each question are indicated in the parentheses at the end of the question.

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NOTES TO CANDIDATE

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- (ii) The questions below are intended to test the candidate's understanding of the situation in the case.

QUESTIONS

- 2. Draft a report for the Chief Constable reviewing the operation of vehicle maintenance workshops and the implications of closing one of the five workshops from 31 December 2003 to meet the requirements set out by the ACO (Finance) in his memorandum dated 2 June 2003 (page 16). (40%)
- 3. Draft a short report for the Workshop Quality Workgroup on the three quality and service related issues identified by the Workgroup in accordance with the memoranda from the ACC (Operations) dated 17 June 2003 (page 22) and from the ACO (Resources) dated 23 June 2003 (page 28). (40%)

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