

# **Policing the police service: A case study of the rise of “new public management” within an Australian police service**

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Case study

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Strategic Management

Accounting



# Aim of the study

- This paper examines the link between whether accountingization within **NPM** ideals has been introduced **to legitimize** or economic rationalization purposes such as improving **efficiency** towards organizational goals
- *The relationship between public sector reform, external institutional factors and the design of accounting and accountability systems within the context of an Australian state police service.*

# Theoretical background (I)

- (I) **Technical-rational choice model**: decision-making processes of the public sector organizations can be improved through the introduction of new accounting tools and techniques
- the presence of lower levels of trust between the community and the government have required enhanced managerial accountability and performance (NPM tools)

# Theoretical background (2)

- (2) Legitimacy = organizations adopt certain systems, policies and procedures to demonstrate conformity with institutionalized rules, thereby legitimizing it, to assist in gaining society's continued support
- NPM is not a tool of management but just another type of administration
- police services may be undergoing reforms not to achieve managerial efficiency but for legitimizing themselves to the electorate, ordinary citizens, and other constituents such as government and media

# Theoretical background (3)

- legitimacy theory is explained through two isomorphic processes – coercive and mimetic processes
- **Coercive** isomorphism has been described as the formal or informal pressures of political influences to achieve legitimacy
- **Mimetic** isomorphism on the other hand, results from uncertainty. When organizations face uncertainty they are likely to imitate or model themselves on other organizations in their industry that are perceived to be legitimate

# Methodology

- Interviews
- Questions: the changes to the organizations, the drivers of change, NPM, government legislation, and management control systems – particularly accountability structures, budgeting, and performance measurement
- Secondary sources: documentation, manuals, operating statements and paraphernalia relating to police service accountability and financial reporting systems were collected.

# The case

- The empirical investigation undertaken is two-tiered in approach
- The corporate police station QPS
- The individual police station EPS







# Strategic change of the QPS

- QPS's aims include the detection, investigation and disciplining of corruption and unethical behavior; and the development and maintenance of systems to reduce such behavior. QPS's primary objective is to serve the community by promoting a safe and secure environment
- The employment of efficient and effective management systems, which provide optimal support to personnel, has been identified as one of four guiding principles (State Government, 1999a).
- that national and global pressures such as the spread of NPM, public sector reform and community expectations demand the QPS to become more accountable for achieving set goals and meeting community expectations.





# Institutional pressures for change

- Legitimacy theory suggests that external parties to the QPS have an influence on the nature of services it provides and the content and form of financial information it reports. For example, such external pressure is exerted on the QPS by:
  - unions and its workforce;
  - government;
  - community;
  - regulators and legislators;
  - media; and
  - creditors and suppliers.



# Accountability and governance framework

- Accountability in the public sector has been seen as making public servants responsible for their actions and accountable to an authority and the public at large.
- it has been found that there exists clearly established lines of delegated authority and the focus is now on the efficient and effective use of scarce resources.
- the accountability framework of the QPS is **rigid** and includes being accountable to superiors, the commissioner of police, the minister for police and corrective services and to parliament and the community; \_do more with less\_



# Accountability and governance framework

- The treasury holds the QPS accountable for allocative and productive efficiency by requiring the achievement of predefined outputs
- the government and the QPS have accountability for delivering long-term outcomes and outputs in the public interest



# Output budgeting – towards managing for outcomes

- “managing for outcomes” + a fully integrated planning, budgeting and performance framework
- Such an initiative represents **coercive institutionalism**, as accounting virtues are imposed in an attempt to legitimize the activities of the budget sector
- **Outcome management** within the QPS is a process of preparing outcome statements and identifying outcome performance indicators congruent with the strategic priorities of the government.
- The welfare and safety of the community illustrates how strict adherence to efficiency within the public sector may be detrimental to the effectiveness of the QPS
- **fostering a safer community with an awareness of costs.**



# Performance evaluation

- QPS performance evaluation is now based on **outputs** in relation to **outcomes** rather than on programs
- A state government budget report indicates that at the whole-of-government level, the **Government** identifies the **outcomes** it wants to achieve
- outputs of the QPS are funded on the basis that they **efficiently** and **effectively** achieve government's desired outcomes and priorities
- QPS is responsible for achieving outputs that are consistent with **social and government priorities** and that enable the effective delivery of policing services to community
- Performance indicators allowed the QPS to self-monitor its performance in terms of the **quantity** of specific services provided and the **quality** and **effectiveness** of service delivery.

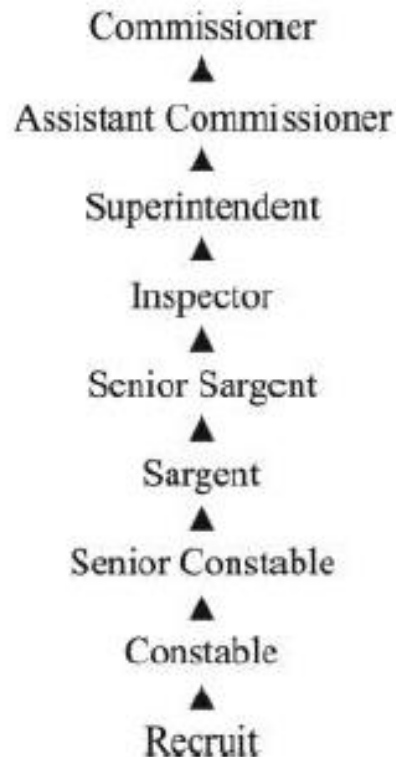
QPS Output name	Strategy	Performance indicators
(1) General duty – proactive, problem oriented policing	Provide a visual presence throughout the community	No. of community programs
	Identify problems and community expectations	No. of problem oriented policing initiatives
	Encourage relationships between government departments and the community	Percentage change in rate/no. of reported offences
(2) General duty – crime detection, investigation, and prosecution	Encourage the community to support the detection of crime	Level of calls for service
	Provide timely responses to incidents	No. of offences reported (neighborhood watch)
	Ensure police use information appropriately	Public satisfaction with police response
(3) Preservation of public safety	Forward planning and allocating resources for particular	Level of deployment of specialized squads
	Train police and the community to manage crisis	Level of public satisfaction with police in dealing with public good order problems
(4) Combating major and organized crime	Adopt methods to detect and prosecute criminals	No. of offences reported
	Monitor suspicious characters	Public satisfaction with police response
(5) Traffic policing, speed management and camera operations	Provide visible and directed traffic enforcement	No. of targeted traffic operations
	Plan with the community appropriate traffic monitoring responses	No. of life endangering driving offences detected
	Develop education and prevention programs	Level of compliance with road safety initiatives by road users
(6) Ethical standards and public accountability	Ensure ethical standards are maintained	No. and type of proactive initiatives undertaken related to ethical behavior
	Monitor and evaluate management practices and systems	No. of, and changes in, complaints against police
		Public perception of police professionalism and image

**Source:** Adapted from state budget 1999-2000 minister for police and corrective services



## EPS's accountability structure

- 27x12 km, 50,000 citizens from 8am to 4 pm
- Police stations within the police service follow formalized lines of (rigid) accountability, for every action







# Institutional pressure for change (I)

- The **state treasury influences** the operations of the EPS by affecting its funding and accounting systems
- The **community** demands the EPS to quickly respond to call-outs and complainants and applies pressure for updated case information.
- “[We are] constantly under public watch, public pressure, expectations. To be at their beck and call, be there, do what they want you to do.”
- The **Criminal Justice Commission** also overlooks the performance of every police officer (disciplinary actions).



## Institutional pressure for change (2)

- Other **external pressures** include the Coroner requesting coronial files and insurance companies
- the government identifies and endorses key policy objectives to meet community needs, which influences the outputs selected by the EPS, as they must be based on the approved outcomes of the government.
- This ensures the EPS's activities are congruent with the goals of the QPS; community needs are met; and enables greater accountability of those responsible for implementing the goals.



## Internal controls at EPS

- Accounting daily duties. Each person have to be accountable fot the day-to-day operations of EPS that include:
  - following up on witness statements (for traffic accidents or other complaints);
  - preparation of coronial files;
  - chasing payment of warrants;
  - the completion of paperwork.
- *Job card* = requires police officers to follow a procedure for every job attended every day + to report their results on the IMS system

# Job card progression



Complain requiring  
police action

Details obtained & Job Card completed

Unit dispatched  
Details given to crew

Unit attends  
Provide verification and result

Job Card then completed (either by RCR  
staff or attending crew)



Job Card handed to Officer in Charge  
of Station

Officer in Charge assesses police response  
then transfers details to 'Occurrence Sheet'

Occurrence Sheet forwarded to Stations  
Administrator & District Officer (and other  
interested Sections, e.g. C.I.B.)

Copy of Occurrence Sheet filed at Station  
level (& sometimes District Office level)





## Internal controls at EPS (2)

- The constraint on government funding has required the EPS to do more with less, to the extent that it is expected to serve outside its jurisdiction.
- Regardless of the amount of funding provided by the government, they were still expected to deliver the same amount of service to the community



# Public sector reform - NPM implications

- The EPS is now focusing on managing for **outcomes**, which has been the result of public sector reform
- The department is setting performance indicators and has changed the focus of operational aspects of the department's duties to align with **budget outputs**.
- Performance indicators are being devised to measure and evaluate the **performance and accountability of police officers**.
- The department is becoming more **customer-focused**, by viewing the **community** as customers, and attending to the needs of the community more effectively and efficiently through working with the community.



## Public sector reform - NPM implications

- The EPS has limited funding. It is becoming more fiscal with spending and justifies how money has been spent.
- This shift in accountability enables the EPS to accommodate both the **external** institutional demands of government, acting on behalf of the electorate and ordinary citizens, and the **operational** requirements of performing the policing function





# Budgeting at the police station level

- The budgetary process **lacks participative** elements at the lower ranks.
- The **senior sargent** is responsible for preparing a budget estimate for the next financial year, which is then collated with the Elsewhere region's budget and presented to the State Treasury.
- When deriving the budget, the department also considers services provided and **historical accounting**, economic and statistical information such as population growth and staffing levels.
- EPS budgets for items such as fuel expenses, wages, vehicles, consumables, overtime and telephones.



# Department performance evaluation

- The basis of these measures includes quality, quantity, timeliness, cost, and location of services.
- From the technical rational perspective, it can be suggested that the information provided enables financial information users such as parliament to observe whether the police department has been effective and economical in the use of resources for the year based on financial operations.
- The state treasury assesses the achievement of agreed performance measures within the EPS on a three-monthly basis.
- It also evaluates the effective use of resources within the EPS and ensures that money allocated for a specific purpose (e.g. upgrading services) is spent only on that predefined function.



# Individual police officers's performance evaluation

- Similar to a (private) business person, each police officer (from constable to sargent) is required to set the **goals** and **objectives** that they wish to achieve within the financial year (evaluated every 6 months)
- If goals have not been achieved within this time, **disciplinary** measures are enforced. (Sanctions include written warning and financial penalties)
- An officer's performance is constantly evaluated throughout his/her life as a police officer based on examination performance and also through field **training** (such as firearms tests conducted every six months).
- The community also evaluates the EPS's performance. For example, if the officers attend a house-break-in, the complainant is asked if they are satisfied with the response of the officers. This response is recorded on an incident report.

# Conclusions

- The study has revealed that the subject police organizations are currently implementing managing for outcomes, a **budgeting/accounting** system
- This has changed the **strategy** of the organizations by shifting the focus from funding for programs to funding for outputs and outcome management.
- NPM initiatives are worthy if implementation is not to the detriment of fostering a safe and equitable environment
- **Reforms in the police service had a dual purpose: legitimizing the police service to the electorate, while encouraging efficiencies of resource use.**

# Police service vs Other public sector entities

	Police services	Other public sector entities
Environment	Dynamic, risky and dangerous	May be stable and predictable
Services	Protection of the community and promotion of safety	To provide a community service (e.g. health and education)
Objectives	To minimize costs and reduce the demand for expenditure	To recover costs (to an extent) by adopting a user-pays strategy
Revenues	State government funding	Fees, charges, taxes, donations and government funding

# References

- Zahirul Hoque Sharee Arends Rebecca Alexander, (2004), "Policing the police service", Accounting, Auditing & Accountability Journal, Vol. 17 Iss 1 pp. 59 – 84

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