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Date : 13th June 2023

To: ALL MEMBERS OF THE JOINT AUDIT COMMITTEE

- i. David Daw, Jude Ferguson (Chair), Zoe Rice, Martin Speller
- ii. Chief Constable ("CC"), CFO for CC and Relevant Officers
- iii. The Police & Crime Commissioner ("PCC")
- iv. The CFO and CEO for the PCC
- v. External and Internal Auditors

Dear Member

NOTICE OF MEETING

You are invited to a meeting of the **Joint Audit Committee** to be held in **The Conference Room** at Police HQ at **11:00** on **21st June 2023**. Please note that there will be a 30 minute lunch break at 12:30 and lunch will be provided.

The agenda for the meeting is set out overleaf.

Yours sincerely

Alaina Davies
Office of the Police and Crime Commissioner

INFORMATION ABOUT THIS MEETING

(i) Car Parking Provision

Visitor vehicular access is via the south gate using the left hand lane. Signage will direct visitors to a dedicated parking area in the south car park where there is ample visitor parking, including three disabled visitor bays.

Once on site, signage will direct visitors to proceed to main reception to sign in, obtain a visitor's lanyard and to be met by their host.

(ii) Wheelchair Access

Please contact the meeting host in advance if the disabled spaces allocated in visitor parking are unsuitable so that alternative arrangements can be made.

The Meeting Room has access for wheelchair users. A ramp will give you access to reception, a lift is available to the 1st floor.

(iii) Emergency Evacuation Procedure

The attention of Members, Officers and the public is drawn to the emergency evacuation procedure:

- Leave the building by the nearest exit
- Close all doors behind you
- Do not use lifts
- Do not stop to collect personal belonging
- Use the directional signage around the site to locate the nearest assembly point
- Do not re-enter the building until you are told to do so

(iv) If you have any questions about this meeting, require special facilities to enable you to attend. If you wish to inspect Minutes, reports, or a list of the background papers relating to any item on this agenda, please contact:

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Portishead
BS20 8JJ

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Email: JAC@avonandsomerset.pnn.police.uk

(v) REPORT NUMBERS CORRESPOND TO AGENDA NUMBER

AGENDA

21st June 2023, 11:00 – 15:30

Lunch break 12:30 – 13:00

Timings are listed below as a rough guide only

- 1. Apologies for Absence**
- 2. Emergency Evacuation Procedure**
The Chair will draw attention to the emergency evacuation procedure in the Information About This Meeting above.
- 3. Declarations of Gifts/Offers of Hospitality**
To remind Members of the need to record any personal interests or any **prejudicial interest** relating to the agenda and disclose any relevant receipt of offering of gifts or hospitality
- 4. Public Access**
(maximum time allocated for this item is 30 minutes)

Any member of the public wanting to attend a JAC meeting must submit a written application and secure written agreement of the JAC Chair. Statements and/or intentions to attend must be received no later than 12.00 noon on the working day prior to the meeting and should be emailed to JAC@avonandsomerset.pnn.police.uk

The JAC Chair reserves the right to refuse or suspend access if there is any security risk to the public or a member of the public's behaviour is disruptive in any manner. A member of the public may only address the meeting, for a maximum of five minutes, where a statement has been previously provided to the JAC Chair and prior sanction has been granted.

- 5. Minutes of the Joint Audit Committee Meeting held on 15th March 2023 (Report 5) 11:00**
- 6. Office of the Police and Crime Commissioner Strategic Risk Register (Report 6) 11:10**
- 7. Constabulary Strategic Risk Register (Report 7) 11:25**
- 8. Annual Accounts and Governance Statement (Report 8) 11:40**
 - a) Informing Risk Assessment – review and approval [circulated to JAC Members with the papers for this meeting.](#)
 - b) Draft Annual Accounts and Governance Statement
 - c) Joint Audit Committee Member Questions and Answers
- 9. External Audit (Report 9) 12:00**
 - a) Progress Report
 - b) Joint Audit Plan

10. **Business from the Chair (Report 10) 12:10 (lunch break at 12:30)**
 - a) **JAC Chair Recruitment**
 - b) **Governance and Scrutiny Board (Verbal Update)**
 - c) **Update on IOPC Investigations (Verbal Update)**
 - d) **Joint Audit Committee Annual Report**

11. **Internal Audit (Report 11)**
 - a) **Internal Audit Annual Opinion and Report 2022/23 13:00**
 - b) **SWAP Quarterly Update 13:20**
 - c) **Wellbeing Audit 13:40**

Part 2

Items for consideration without the press and public present

12. **Exempt Minutes of the Joint Audit Committee Meeting held on 15th March 2023 (Report 12) 14:00**

MINUTES OF THE JOINT AUDIT COMMITTEE (JAC) MEETING HELD ON WEDNESDAY 15TH MARCH 2023 AT 11:00. MEETING HELD IN THE CONFERENCE ROOM AT POLICE HQ.

Members in Attendance

Jude Ferguson (Chair)
Martin Speller
David Daw
Zoe Rice

Officers of the Constabulary in Attendance

Sarah Crew, Chief Constable
Nikki Watson, Deputy Chief Constable
Nick Adams, Constabulary CFO
Michael Flay, Governance and Risk Manager

Officers of the Office of the Police and Crime Commissioner (OPCC)

Alice Ripley, OPCC Chief of Staff
Paul Butler, OPCC CFO
Ben Valentine, OPCC Senior Performance and Governance Manager
Alaina Davies, OPCC Finance and Commissioning Manager

Also in Attendance

Mark Shelford, Police and Crime Commissioner
Juber Rahman, SWAP
Charlotte Wilson, SWAP
Jackson Murray, Grant Thornton

1. Apologies for Absence

Louise Hutchison, Director of People and Organisational Development

2. Emergency Evacuation Procedure

The Chair drew attention to the emergency evacuation procedure in the Information About This Meeting section of the agenda.

3. Declarations of Interest / Gifts / Offers of Hospitality

None.

4. Public Access

There were no requests for public access received before the 12.00 noon deadline the working day prior to the meeting.

5. **Minutes of the Joint Audit Committee Meeting held on 24th January 2023(Report 5)**

RESOLVED THAT the minutes of the meeting held on 24th January 2023 were confirmed as a correct record and will be signed by the Chair:

Action update:

- | | |
|----------------------|--|
| Minute 10c | Members have received the Criminal Justice Follow Up Report. Close action |
| Minute 22 | The action was for the Constabulary to make clear, in the dialogue within the Constabulary Strategic Risk Register, the reasons for the increased volume of police misconduct cases. This was included in the report for Item 7 on the agenda. Close action |
| Minute 23a | A meeting will be scheduled on an annual basis (after 31 st March) prior to the production of the JAC Annual Report to review the contents and training updates. This action was on hold pending the recruitment of a new JAC Chair. |
| Minute 24d | SWAP have sent the OPCC CFO the schedule of national issues which was requested as part of the discussion around the internal audit of the IT Service Desk. Close action |
| Minute 34(ii) | The OPCC is reviewing the Joint Governance Framework and have volunteered to join a national APACE working group, the first of which was held last week. The OPCC has commissioned some resource to support its own review. The OPCC CFO will continue to provide updates on this ongoing piece of work at JAC meetings. |
| Minute 37d | The Constabulary CFO has provided a written response to this action for the Constabulary to consider if they should have a legacy responsibility for officers and staff leaving the organisation due to PTSD, injury on duty etc. Close action |
| Minute 54 | The status of mitigating actions will be included in future Constabulary Strategic Risk Register reports. Close action |
| Minute 57 | Member feedback on the External Audit Annual Report at the last meeting of the JAC was fed back to the external auditors and requested amendments have been made. Close action |

6. Office of the Police and Crime Commissioner (OPCC) Strategic Risk Register (Report 6)

Strategic Risk (SR)1 – Governance Failure

Changes have been made to the Governance and Scrutiny Board (GSB). This meeting will take place every month and will be split into two parts to allow sufficient time for both: governance and scrutiny. There will now also be a pre-meet held to make the processes around the governance section more efficient and effective.

The recent volunteer recruitment campaign was successful.

SR2 – Failure to deliver the Police and Crime Plan

This is affected by the financial situation and moving into the 5 year forward planning cycle. A new performance dashboard has been agreed and the first of these will be presented at the May GSB. Members were advised that they can view quarterly performance reporting on the PCC's website and the new performance dashboard can be shared with them when it is available.

SR3 – Financial incapability or ineffectiveness

The precept increase was approved at the Police and Crime Panel. It was noted that the report should read that the MTFP is “only balanced in year 1 (2023/24) using £3.7 million reserves”.

SR4 – Failure to engage with the public and other stakeholders

It was noted that the Performance and Accountability Board (PAB) has now moved to being a monthly meeting for thirty minutes. The platforms for streaming this now include Facebook. The first of this new format of PAB meetings was held last week.

SR6 – Lack of capacity, capability, or poor wellbeing within the OPCC

Interviews for the remaining two vacant full-time posts within the new OPCC structure have taken place and offers have been made to preferred candidates.

SR7 – Failure to deliver commissioned services

A new draft Commissioning Strategy was agreed at OPCC Management Board (OMB) which is being taken forward by the Policy, Partnerships and Commissioning Team. The final version will be shared with JAC Members when available.

RESOLVED THAT the OPCC will share the new performance dashboard with the JAC Members when it is available.

7. Constabulary Strategic Risk Register (Report 7)

The Constabulary Governance and Risk Manager met with JAC members prior to this meeting to give a demonstration of how Qlik is used to manage risk in the organisation. Members found this insightful and discussed how this

information could be reported regularly to the JAC to keep up to date with emerging and escalating risks.

Corporate Risk 1 – Governance

The mitigated risk score remains at 9. The Constabulary have implemented the changes recommended from the Leapwise review. The third Assistant Chief Constable (ACC) has been appointed which will mitigate the capacity risk within the Chief Officer Group (COG).

Corporate Risk 2 – Finance

This risk has increased this quarter as a reflection of the MTFP position which assumes the 2023/24 budget being balanced through the use of reserves. Costs are outstripping funding even after the precept increases assumed across the MTFP period. The Constabulary go through robust processes to ensure the forecast is as reliable as possible and benchmark against other forces. The identification and realisation of savings across the 5 year plan is going to be key and this will include a reduction in the police staff headcount – targeted in the first instance at areas of existing vacancies in an effort to avoid the need for redundancies and disruption to the service provided to the public.

A consultation is expected shortly on reviewing the police funding formula but the Government are yet to release timescales for this. It was noted that Avon and Somerset is historically an underfunded police force and if the current funding formula was applied correctly this would mean an additional £10-20m annually. It is not known whether the impact on Avon and Somerset's funding position would be positively or negatively affected by a review of the police funding formula.

Members discussed concerns around election timings impacting on funding decisions. It has been indicated that the third year (2024/25) of the funding announced would be honoured.

Members queried why the Finance Heat Map in the report is not red given the risks discussed. The heat map is a reflection of the financial controls in place to discharge the financial framework.

Corporate Risk 3 – Service Delivery

This risk remains the same. The link to Corporate Risk 4 – People, was highlighted. An increase in complaints and a high level of officers suspended is being seen at the moment.

The Constabulary highlighted the large proportion of officer and staff time being taken up by non-crime demand – Members commented that this was evident on their recent visit to the Communications Centre where they saw a high demand relating to Mental Health. The Constabulary are looking at other forces to see what they are doing to address this and how non-crime demand on the police can be reduced. The Chief Constable highlighted that the HMICFRS assessment is due for publication on Friday and this will be an important time to reassess. It was noted that the new ACC's portfolio includes performance, strategic planning and engagement.

Corporate Risk 5 – Information Governance, Digital and Data

The current mitigated score remains the same but the Head of Legal Services advises that the position might be improved and as such will be conducting a review of this area of business looking at three areas: Information Governance, data quality, and the digital road map and risk assessment.

Members queried physical security around information governance and data. There is no reference in the risk register to physical security but through testing issues have been identified. Members were assured that through the Gold Group and Silver Leadership Group issues are being looked at.

The security risks associated with the use of some types of technology were discussed. The procurement process was discussed and how a government decision would be needed on the procurement rules and regulations if any changes were to be made in relation to risks being discussed nationally.

Corporate Risk 6 – Infrastructure and Assets

It was noted that while the mitigated score remains the same the unmitigated score has increased to 16 as a reflection of financial risk factors.

Members sought assurance on the reasoning for stepping outside of the national police framework and utilising other procurement methods available to secure fleet. The Constabulary CFO highlighted the procurement process and the reasoning for the course of action taken, which includes supply chain issues and changes made to the specification of the vehicles.

RESOLVED THAT consideration should be given to the best way to brief Members on the emerging and escalating risks seen in Qlik on a regular basis.

8. Business from the Chair (Report 8):

a) Governance and Scrutiny Board (GSB) Update

Members have received the minutes of the GSB meetings held on 16th January 2023 and 2nd February 2023. The OPCC CFO gave a summary of the discussions at the GSB on 7th March 2023:

- The Chief Constable update focused on culture and public confidence, organisational “growing pains”, and economic impacts of inflation.
- Identifying disproportionality update.
- LSU business case was presented – additional posts agreed.
- Performance against the Police and Crime Plan – the PCC asked that internal communications around summer demand be improved this year. Work is already underway on this with support from Corporate Communications.
- Assurance report on response calls for service. Risk in this area is the sickness level in the communications department – lots of wellbeing work being undertaken to improve this.
- Major projects updates included Estates.

b) Update on Independent Office of Police Complaints (IOPC) Investigations

The DCC highlighted that there are circumstances where a referral to the IOPC is mandatory but that the force will often refer themselves to the IOPC to review a case – often these self-referred cases are returned to the force.

It was noted that there are currently 16 investigations which affect 22 officers and 9 members of police staff. Themes of these investigations include: death or serious injury cases where there has been recent police contact e.g. missing person; excessive use of force; abuse of position for sexual purpose, complaint regarding service or delay to service; allegations regarding interference with evidence; and inappropriate use of Whatsapp.

It was noted that the Chief Constable has taken the opportunity to explain the process for misconduct hearings to the public during recent BBC and Channel 4 interviews as well as at the most recent PAB. It is not widely understood by the public that only a small number of misconduct cases (3-4 per year), where there is incontrovertible evidence, are heard by the Chief Constable. The majority of misconduct cases are heard by a panel which is headed up by a Legally Qualified Chair (LQC). The process is already detailed on the Constabulary website but Members suggested that the process also be published on the PCC's website for the public to view.

It was noted that the Constabulary have been engaging with a company making a documentary on the complaints system and the challenges within it. It is not known when this documentary will air.

RESOLVED THAT the process for Misconduct Hearings be published on the PCC's website to help increase public awareness.

c) Joint Audit Chair Recruitment

The current JAC Chair formally finishes her term today but has agreed to stay on for the next JAC meeting in June as the recent recruitment exercise to appoint a new Chair was unsuccessful. The OPCC are running the recruitment again. The JAC Chair thanked the Constabulary for the honest and open dialogue over the years.

9. Internal Audit Reports (Report 9):

a) Proposed Audit Plan for 2023/24

SWAP has moved away from a 12 month Audit Plan to a more agile risk based approach. The new 6 month plan will be revisited after 6 months and reviewed quarterly. Regular meetings are planned with the OPCC and Constabulary S151 Officers, as well as the DCC and OPCC CoS. The plan includes a summary of the local, regional and national risks assessed. It was noted that

internal audit is just one source of assurance to be considered alongside other sources of assurance.

The coverage does not include collaboration but it was noted that this will be included in regional audit activity, which there are days set aside in the audit plan for. Scoping of an audit looking at the Regional Organised Crime Unit (ROCU) and assurance of its value has been requested.

Members were assured that items are included in the pipeline to keep in view for the assurance piece as a whole and this list can be added to. Following the briefing on emerging and escalating risks, prior to the JAC meeting, Members highlighted the following areas to potentially be added to the pipeline: workforce planning; information governance and security of the Estate; and tutoring. Members recognised that JAC would not wish to duplicate other governance and assurance processes already in place.

RESOLVED THAT the following areas, as highlighted by Members, be considered for inclusion in the Internal Audit Plan pipeline: workforce planning; information governance and security of the Estate; and tutoring.

b) SWAP Quarterly Update

All audits for 2022/23 are now complete and the internal audit opinion will be reported to the next meeting of the JAC in June 2023. Two regional audits will be reported in quarter 1 of 2023/24.

c) Police Detective Numbers

A high reasonable assurance level has been given regarding the steps taken to reach the target number of detectives by 2024. No recommendations have been raised.

Members were given an overview of the intake routes and how successful these have been to date. The Degree Holder Apprenticeship Programme (DHEP) route has been successful with a commitment to becoming a detective being made at recruitment stage. It was noted that under the Police Constable Degree Holder Apprenticeship (PCDA) route the officer must complete three years before they can formally start on the detective pathway, after which they can become accredited within 12 months. Other entry routes with smaller numbers coming through include Detective Now and Staff Investigator to Detective Constable conversion. It is too early to say which of these routes is the most successful. The Chief Constable commented that she has had some positive feedback internally regarding the quality of the new detectives.

Salary was highlighted as the biggest risk to recruitment and retention.

The work to improve culture was discussed, which includes some work on rebranding the directorate which will be launching soon and ensuring staff are valued through the introduction of targeted variable payments.

The impact on individuals of working in investigations was discussed and how wellbeing is supported. Some Trauma Informed work is being undertaken. Need to ensure the right wellbeing check-in points are identified and the right frameworks and interventions are in place.

Cohort numbers and drop out rates were discussed as well as the rates of people leaving Investigations and the reasons for leaving – the majority leave due to retirement.

d) Assurance Mapping

A reasonable assurance opinion was given. The opinion is limited to Key Performance Questions (KPQs) specifically which is only one of the performance frameworks in place, others include the Police and Crime Plan and Risk Register. No formal recommendations have been made but two actions have been raised around categorising the sources of assurance into one of the three suggested lines and the assurance map being shared with the Joint Audit Committee regularly.

e) Clinical Governance within Custody Follow Up

This follow up report on Clinical Governance within Custody confirmed that actions agreed from the audit have been implemented.

10. External Audit Report (Report 10):

a) Progress Report

The planning work for the 2022/23 audit is now underway. It was noted that some dates on the delivery timetable are listed as to be confirmed and the external auditors are working with Constabulary Finance to schedule these.

The timetable for producing the draft and final audit statement of accounts was highlighted. The draft accounts should be published by the end of May 2023 or a note to say they are not available. The final audited statement of accounts should be published by end of September 2023 or a note to say they are not available.

The external auditor highlighted the challenges with this timescale. The OPCC and Constabulary CFOs also flagged the conflicting priority they face this year in terms of delivering ERP and asked that the external auditors ensure this is considered in their delivery planning – ERP is business critical and will therefore be the priority for Avon and Somerset Police.

Grant Thornton will confirm the audit team for next year as soon as possible.

b) Annual Report

The final draft will be included in the JAC papers for this meeting. The Constabulary CFO highlighted that the report needed amending to read “the 2021/22 revenue outturn was a breakeven position, after taking into account year-end adjustments such as reserve contributions, provisions and planned

contributions to capital totalling £6.8m”, rather than £16.8m originally stated in the report.

The report includes a follow up on recommendations and the external auditor confirmed no significant areas of weaknesses were identified.

11. Audit Progress Review (Report 11)

Overall outstanding recommendations are 175. Open recommendations are 42 and 16 are overdue. Of the overdue recommendations 14 are complete and awaiting Chief Officer sign off. An update on the status and due dates for the open actions was given. Members requested that a brief explanation on the reasoning be provided when a revised deadline for a recommendation has been set.

RESOLVED THAT a brief explanation on the reasoning be provided when a revised deadline for a recommendation has been set.

Part 2

Items for consideration without the press and public present

12. Exempt Minutes of the Joint Audit Committee Meeting held on 11th October 2022 (Report 12)

SEE EXEMPT MINUTES

The meeting concluded at 14:00

CHAIR

ACTION SHEET

MINUTE NUMBER	ACTION NEEDED	RESPONSIBLE MEMBER/ OFFICER	DATE DUE
Minute 23a Draft JAC Annual Report	A meeting should be scheduled on an annual basis (after 31 st March) prior to the production of JAC Annual report to review the contents and training updates.	OPCC Senior Performance and Governance Manager	Prior to the July 2023 JAC Meeting

19th July 2022			
Minute 34 (ii) OPCC Strategic Risk Register 11th October 2022	The final revised version of the Joint Governance Framework should be shared with JAC Members and the OPCC CFO should confirm the timescales for when this will be available as soon as possible.	OPCC CFO	TBC – update 21 st June 2023 JAC
Minute 6 OPCC Strategic Risk Register 15th March 2023	The OPCC will share the new performance dashboard with the JAC Members when it is available.	OPCC Senior Performance and Governance Manager	TBC – May 2023
Minute 7 Constabulary Strategic Risk Register 15th March 2023	Consideration should be given to the best way to brief Members on the emerging and escalating risks seen in Qlik on a regular basis.	Constabulary Governance and Risk Manager	21 st June 2023
Minute 8b IOPC Update 15th March 2023	The process for Misconduct Hearings be published on the PCC's website to help increase public awareness.	OPCC CoS	Immediate
Minute 9a Internal Audit: Proposed Audit Plan for 2023/24 15th March 2023	The following areas, as highlighted by Members, be considered for inclusion in the Internal Audit Plan pipeline: workforce planning; information governance and security of the Estate; and tutoring.	SWAP	Immediate
Minute 11 Audit Progress Review 15th March 2023	A brief explanation on the reasoning be provided when a revised deadline for a recommendation has been set.	Constabulary Inspection and Audit Lead	20 th September 2023

MEETING: Joint Audit Committee	DATE: 21st June 2023	AGENDA NO: 6.1
NAME OF PAPER: OPCC Strategic Risk Management Update	AUTHOR: Ben Valentine	PURPOSE: Information and Discussion

1. PURPOSE OF REPORT AND BACKGROUND

This report provides members of the Joint Audit Committee (JAC) with an overview of any significant changes to the Office of the Police and Crime Commissioner (OPCC) Strategic Risk Register (SRR), and other points related to the management of risk, in the period of time since the last JAC meeting held on 15th March 2023.

2. POINTS OF NOTE

The Strategic Risk Register was reviewed by the OPCC Management Board on 22nd May 2023. There was one change to the risk scoring: see SR7 below.

SR1 – Governance Failure

New performance dashboard was used for the first time to inform questions at May 2023 GSB. This product will be further developed for August 2023 with the intention to feed into Constabulary governance as well.

SR2 – Failure to deliver the Police and Crime Plan

The most significant risk to this is caused by the financial situation which will require the police to make cuts to staff levels which will impact on service delivery. Next milestone in the process is the Strategic Planning Meeting in June 2023.

SR3 – Financial incapability or ineffectiveness

There is a reduced risk of the Constabulary needing to use reserves to balance the budget 2023/24.

SR4 – Failure to engage with the public and other stakeholders

SR5 – Lack of public confidence in or awareness of OPCC

Planning for the PCC 'roadshow' has begun with this to commence in quarter 2 of 2023/24.

The new Community Engagement & Stakeholder Manager will help mitigate both of these risks and this will be further strengthened when the apprentice is recruited.

SR6 – Lack of capacity, capability, or poor wellbeing within the OPCC

Remaining roles in the new OPCC structure are being filled, with the new Scrutiny & Assurance Manager and Community Engagement & Stakeholder Manager both taking up their posts in June 2023 following lengthy notice periods and/or vetting processes. The Comms & Youth Engagement Apprentice role is currently being advertised.

Due to the capacity issues in the Performance & Accountability Directorate a decision was taken – jointly with the Chairs – to cancel the June meetings of the Independent Scrutiny of Police Powers Panel and the Independent Scrutiny of Police Complaints Panel. Recruitment of staff and induction of a new tranche of volunteers have been prioritised.

SR7 – Failure to deliver commissioned services

Unmitigated probability increased from 4 to 5 bringing the unmitigated risk score to 15. This recognises that without the work the team do the risk would almost certainly materialise. The contracts of the core victims' services end in March 2025 and the team have already started working on the recommissioning process.

SR8 – Failure to deliver effective and efficient collaborations with other forces

An update on the review of SW Forensics is being provided to June's South-west Collaboration Strategic Board.

There has been an amendment to the governance of the South West collaborations, with the Operational Board being split in two to allow greater time for management of different aspects of the collaborations.



Office of the Police and Crime Commissioner for Avon and Somerset

Strategic Risk Register

May 2023 (v2)

A Strategic Risk is anything that might impede the delivery of the organisational objectives. Risk management is the process by which these risks are identified, assessed and controlled. This risk register is the document which records these risks and related information.

Risk is assessed by considering the causes of the risk and the consequences if that risk were to happen. The scoring is therefore based on the likelihood multiplied by the impact. The below grids explain the scoring in more detail. Risk is about planning for the future so when considering the assessment it goes beyond current performance.

Impact	5 Extreme	5	10	15	20	25
	4 High	4	8	12	16	20
	3 Moderate	3	6	9	12	15
	2 Low	2	4	6	8	10
	1 Negligible	1	2	3	4	5
		1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Probability						

Probability	
5 Almost Certain	Likely to occur within a twelve-month time period, or about a 75% probability of occurrence
4 Likely	Likely to occur within a two-year time period, or about a 50% probability of occurrence
3 Possible	Likely to occur within a three-year time period, or about a 25% probability of occurrence
2 Unlikely	Likely to occur within a five-year time period, or about a 15% probability of occurrence
1 Rare	Likely to occur in a ten year period, or about a 5% probability of occurrence

Impact	
5 Extreme	<ul style="list-style-type: none"> • Fatality of any individual • Financial impact greater than £1/2 m • Vote of no confidence from Local Authorities - failed • National media attention • Government/ HO intervention • Total disruption to service • Exceptional/long term reputational damage
4 High	<ul style="list-style-type: none"> • Serious life-threatening injury of any individual • Financial impact greater than £1/4 m • Vote of no confidence from Local Authorities - failed • Regional media attention • Adverse comment by Minister / auditor • Major service disruption/reputational damage
3 Moderate	<ul style="list-style-type: none"> • Serious non-life-threatening injury of any individual • Financial impact greater than £100k • Criticism from the Police and Crime Panel • Local media attention • Significant service disruption • Significant reputational damage
2 Low	<ul style="list-style-type: none"> • Minor injury of any individual • Financial impact up to around £100k • Multiple thematic complaints • Some service disruption • Some negative consequences relating to reputation
1 Negligible	<ul style="list-style-type: none"> • Slight injury of any individual • Low level financial loss • Isolated complaints • Minor service disruption • Minor/contained negative consequences

The unmitigated scores are the assessment based on the current position with no action taken or controls in place. The mitigated scores are based on the success of the controls (anticipated or actual) in reducing the risk.

It should be noted that the OPCC and the Constabulary are separate organisations and therefore each may assess the same risk as being at a different level. This is most evident in the risk of failure to deliver the Police and Crime Plan. This exists on both Strategic Risk Registers but may score differently. One of the main reasons for this is that the OPCC assess delivery of the plan as a whole which relies on agencies, other than the Constabulary to fully deliver e.g. the CPS and Courts. Whereas when the Constabulary assess this risk they need only consider the parts of the plan they are expected to deliver. A difference may also be caused whether considering the risk in the short, medium or long term.

RISK			ASSESSMENT			
Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk	
Governance Failure	SR1	Chief of Staff	5	4	20	
			Mitigated Probability	Mitigated Impact	Mitigated Risk	
			3	4	12	
			Mitigated Risk change:			↔
Cause		Impact				
<ul style="list-style-type: none"> Joint Governance Framework overdue for review and some areas of uncertainty. New duties and expectations of PCCs arising from the national review. PCCs appear to have extra responsibility but without additional 'levers' to support delivery. Taking on any new responsibilities means there are more likely to be governance failures whilst the team learn. Proposed amendments to the Policing Protocol Order could impact PCC governance. OPCC failure to engage on the design element of the '3 Ds' ways of working. Failure to ensure effective risk management and support the delivery of service. Information governance failure. Ineffective scrutiny and oversight of services and outcomes delivered by the Constabulary including SPR. Ineffective scrutiny and oversight of the OPCC Equality Duty. Failure to ensure adequate transparency of the OPCC and/or the Constabulary. Failure to ensure Chief Constable sets appropriate culture, ethics and values. Lack of control/influence over Criminal Justice agencies or other partners. Lack of governance over initiation of collaborations or performance of collaborations. PCC election taking place in May 2024 – need to ensure OPCC staff adhere to their politically restricted terms and that the OPCC remain neutral but provide suitable information to candidates. 		<ul style="list-style-type: none"> Lack of oversight and scrutiny of the Constabulary. Failure to deliver the Police & Crime Plan (SR2). Financial loss (SR3). Damaged reputation and reduced public confidence (SR5). Failure to deliver OPCC statutory requirements. The Constabulary and/or OPCC will be inefficient/ineffective. Failure to deliver the Beating Crime Plan. Damaged relationship with Constabulary, commissioned services or partners. Government criticism or penalties. Panel criticism. Sub-standard performance results and poor inspection outcomes. Risks not managed. Failure to improve the delivery of the broader Criminal Justice Service. 				
MITIGATION						
Controls	Review date	Owner	Commentary / Controls updates			
<ul style="list-style-type: none"> OPCC Management Board (OMB) - allows greater oversight of performance, risks and issues and provides a formal decision making mechanism for non-Constabulary business. Joint Governance Framework to be kept under review to ensure up-to-date and fit for purpose OPCC policies and procedures being reviewed. OPCC self-assessment of compliance with their Equality Duty. Oversight Boards - Performance & Accountability and Governance & Scrutiny. PCC and Chief Constable 1:1s OPCC attend CMB and other strategic meetings (open invitation from the CC). Joint Audit Committee, External Audit, Internal Audit and annual governance statement. JAC Chair/member recruitment Police and Crime Panel meetings. COG attendance at weekly OPCC SLT. Compliance with statutory reporting requirements. Victim Services appointed and managed by the OPCC Commissioning Team. Independent scrutiny panels for complaints, use of police powers & OOC. Transparency Checklist OPCC Information Governance Group oversees compliance with GDPR and DPA 2018. Management of the OPCC and ASP interaction with the PCC election process and candidates PCC chairs the Local Criminal Justice Board 	Jul-23	Director of P&A	<ul style="list-style-type: none"> Highlight report needs to be refreshed/reinvigorated to reflect new Police & Crime Plan and Business Plan. OPCC and ASP have carried out a light-touch update. ASP feedback has also been sought for in-depth review. OPCC now supporting APACE group set up to provide guidance across E&W. 			
	Jun-23	CoS CFO	<ul style="list-style-type: none"> New policies and procedures have now started being published (internally) and will be released in tranches. Legal review of policies and procedures carried out to ensure legal compliance. OPCC has decided to expand this work to include APCC self-assessment on equality and race. Initial assessment circulated to SLT. Prioritisation plan under development to identify areas of highest concern; and any quick wins. 			
	Jun-23	Head of HR & BS	<ul style="list-style-type: none"> Revisions to Oversight Boards in progress to improve strategic governance and oversight functions. Performance monitoring product has been designed and is now in use as of May 23. 			
	Jul-23	CoS	<ul style="list-style-type: none"> Formalised OPCC attendance at Strategic Planning Meeting (from Jan 22). The internal audit report on governance concluded that the PCC and CC have an adequate and effective framework for risk management, governance and internal control. 			
	Jun-23	CFO	<ul style="list-style-type: none"> JAC members agreed to second (3 year) term. Agreed to recruit two new members. Existing members have agreed to take on Chair responsibilities on an annual rotating basis. 			
	Jul-23	PCC CoS CoS Director of PP&C Director of P&A	<ul style="list-style-type: none"> Amended Specified Information Order - quarterly performance report published and complaints overview on PCC website. Recruitment for volunteer panel members yielded 19 successful applicants who are now being processed. CoPaCC transparency award received for many years (not running 2022). 			
	Jun-23	Head of HR & BS CFO CoS	<ul style="list-style-type: none"> First Election Board held in May 23. OPCC Project management staff appointed to support the work. The governance process is working well, and the PCC and his office are strengthening links with partners, but with limited levers to influence outcomes. 			
	Jun-23	PCC				
	Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver the Police and Crime Plan	SR2	Chief of Staff	5	4	20	

			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		↔

Cause	Impact
<ul style="list-style-type: none"> Plan is broad and ambitious. Lack of oversight of improvement activity and related outcomes. Underpinning the delivery risk of all of this is the financial uncertainty and the increased public expectation from the additional funding that policing has received both through central government grant and local taxpayers' increase in precept funding. Prevention is hard to measure/evidence and needs more than the police to deliver. Internal police culture and leadership at an operational level. Male violence against women and girls (includes the national rape crisis) carries significant volume and harm. Disproportionate outcomes particularly for Black, Asian, mixed and minoritised communities. Workforce not representative of the communities of A&S; insufficient progress has been made. Lack of capacity/capability within the Constabulary - significant vacancies in CID; inexperienced workforce in Patrol concern about demand and capacity and staff turnover in Comms. Lack of oversight and scrutiny of the Constabulary. Positive Outcomes - not seeing the improvements hoped for. Police response to 'neighbourhood crimes' does not meet public expectations. Court backlogs means justice is not being delivered effectively or efficiently. Lack of control/influence over partnership agencies e.g. CJS. More officers will result in more people going through an already overstretched criminal justice system. Constabulary staff survey results show a decline in 2022. 	<ul style="list-style-type: none"> Loss of legitimacy in the OPCC and Constabulary. Loss of public confidence/trust in the OPCC (SR4) and Constabulary. Undermines the Peelian Principle of policing by consent. Failure to keep people safe. Failure to protect and support vulnerable people. Failure to bring offenders to justice. People will feel unsafe. Police and Crime Panel criticism and/or fail to agree precept increase.

MITIGATION

Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> Police and Crime Plan 2021-25 engagement. Governance and scrutiny arrangements being reviewed. 	Jun-23 Jul-23	CoS CFO	<ul style="list-style-type: none"> Internal roadshow and external communications campaign to launch summer 2023. Revised (monthly) GSB and PAB went live from Mar 23. New quarterly performance dashboard (developed by the OPCC) first used in May GSB. Will be further developed with ASP for joint use in Aug 23. Director of Performance & Accountability working to bring together current OPCC functions to provide more holistic scrutiny. Five strategic aims and key deliverables agreed and published with related workstream tracker. Plan and objectives refreshed for 2023/24.
<ul style="list-style-type: none"> OPCC Business Plan now focusses the work of the OPCC on supporting the Police and Crime Plan 	Jun-23	CoS	<ul style="list-style-type: none"> OPCC attendance at CMB and the GSB which follows this continues to work well in terms of assurance and open dialogue about areas of concern where the plan may not be delivered. OPCC renewed attendance at SPM. Improved visibility of performance and risk through the Constabulary Integrated Performance & Quality Report.
<ul style="list-style-type: none"> Governance and Scrutiny Board (GSB) discusses performance, assurance and risk PCC and Chief Constable 1:1s OPCC attend CMB and other strategic meetings (open invitation from the CC). Audits and Inspections (HMICFRS & SWAP) overseen by Joint Audit Committee Internal assurance mechanisms are in place to evaluate delivery of the Plan's objectives Oversight of all strategic constabulary data through Qlik Contacts analysis 		CoS PCC CoS CFO CFO Director of P&A Director of P&A	<ul style="list-style-type: none"> New Contact Management System (iCase) anticipated end of 2023 and work will then commence to draw down data analysis from the system to assist and steer scrutiny activity.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Financial incapability or ineffectiveness	SR3	CFO	4	5	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk

			4	4	16
			Mitigated Risk change:		↔
Cause			Impact		
<ul style="list-style-type: none"> • Cost increases due to inflation and interest rates - inflation in 2022 significantly higher than expected; also resulting in higher interest rates which make debt more expensive to service. • Pay awards may exceed central government projections and effectively be unfunded. • Over-reliance on reserves to fund the budget deficit through the medium term is a risk. • 3 year settlement from 2022/23 with additional central funding for Op Uplift only. • May not be able to achieve maximum precept increase from 2023/24 onwards; especially considering 'cost of living' crisis already impacting the public. • Time required for the new PCC to establish budget and estates strategies • Risks around pension funds due to wider economic impact. • Increasing pension costs for officers and staff schemes; although this will probably be funded. • Capital budget not fully funded in 2025/26 – borrowing already at prudent levels and diminishing potential for capital receipts. • National work will require local funding with no control over decision making e.g. ESMCP, NPAS, national IT. • Uncertainty of local costs in high value areas: IT and replacement of SAP. 			<ul style="list-style-type: none"> • As officer numbers are protected it may mean using officers in roles currently undertaken by civilians if other savings do not materialise. • Failure to set a sustainable revenue budget or capital plan across the medium term. • The need for further savings after 10 years of austerity presents further challenges. • Failure to meet heightened expectations of stakeholders. • Loss of public confidence (SR5). • Unable to fund adequate or minimum service. • Unable to fund delivery of PCC priorities (SR2). • Unable to afford change. • Revenue budget underspends may undermine support from PCP for sustainable increases to the precept. • Failure to ensure value for money. 		
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"> • Joint work on savings plans being progressed through SPM from autumn 2022. Includes consideration of 'spend to save' plans. • Medium and long term financial planning. • Regular oversight of revenue & capital budget. • Maintain adequate risk-assessed reserves. • Subject to external and internal audit both overseen by the Joint Audit Committee. • Treasury Management strategy in place outcomes reviewed by CFOs. • HMICFRS inspection regime. 		CFO CFO CFO CFO CFO CFO	MTFP after planned savings: 2023/24 balanced (using £3.4 million reserves, although likelihood of requiring significant support has reduced) 2024/25 -£10.0 million 2025/26 -£13.4 million 2026/27 -£16.9 million 2027/28 -£19.0 million <i>Key assumptions for revenue expenditure:</i> <i>Pay – increase of 5.4% in 2023/24, 3.0% in 2024/25 and 2.0% p.a. thereafter</i> <i>Inflation – 4.0% in 2023/24, decreasing to 2.0% p.a. thereafter</i>		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to engage with the public and other stakeholders	SR4	Chief of Staff	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16

		Mitigated Risk change:		↔
Cause		Impact		
<ul style="list-style-type: none"> Limited resources within the OPCC to support proactive engagement, including on Police and Crime Plan engagement. Engagement methods do not always reach a wide audience or different communities or groups; failure to engage with young people. Lack of awareness from the public. 		<ul style="list-style-type: none"> Reputational damage to both the OPCC and Constabulary. Loss of legitimacy in both the OPCC and Constabulary. Lack of public confidence in or awareness of OPCC (SR5). Partnership relationships damaged. Failure to understand people's priorities and issues re policing and crime and which could be biased by only hearing those individuals already proactive/engaged. Police and Crime Plan and delivery not aligned to public concerns and priorities (SR10 & SR2). 		
MITIGATION				
Controls	Review date	Owner	Commentary / Controls updates	
<ul style="list-style-type: none"> PCC - Councillor forums PCC - Constabulary roadshow PCC engagement two days a week. Two new roles created from the review. External PR agency supporting engagement pending recruitment to these. Creation of an overarching strategic approach to communications to work in a more focused way on strategic priorities and objectives. Creation of tactical communications plans for particular workstreams (including public engagement/events) with ownership and delivery allocated to one person who is accountable. OCC/OPCC Corp Comms joint meetings. Calendar of regular media appearances / communications activities which will also link to national days or weeks where relevant. Oversight of Operation Remedy Communications Plan through ongoing meeting structure. Joint working with the Constabulary on EDI portfolio. Revised stakeholder mapping and management. New contact management system. Tackling Disproportionality supported by the OPCC 	Aug-23 Jul-23 Jul-23 Jul-23 Aug-23	Head of C&E Head of C&E Head of C&E Head of C&E Head of C&E Head of C&E Head of C&E Head of C&E Director of P&A Director of P&A	<ul style="list-style-type: none"> 9 forums held between from October 22 - February 23. These will be evaluated ahead of a second series of forums later in 2023. Internal roadshow and external communications campaign to launch summer 2023. New VRU Comms manager started November 2022, with 50% time spent on broader OPCC comms. New Community Engagement & Stakeholder Manager started at the beginning of June 23. Comms and Youth Engagement Apprentice role will be advertised in summer 2023. Strategy has been developed for new PCC with overarching theme focusing on vulnerable and under-represented communities to build trust and confidence. Delayed due to capacity; this will be taken forward by new Engagement & Stakeholder Manager. New system (iCase) anticipated end of 2023. Delivery of this work involves community engagement including an independent scrutiny panel. 	

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of public confidence in or awareness of OPCC	SR5	Chief of Staff	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		
Cause		Impact			

<ul style="list-style-type: none"> ● Failure to deliver the Police & Crime Plan (SR2). ● Governance failure likely to damage confidence in PCC (SR1). ● Sustained negative media attention about the problems in policing in forces across the country (including the Casey Review) - public confidence in the police is falling. As the office that holds the police to account this could impact on confidence in the PCC. ● Failure to deliver outcomes in terms of disproportionality (ethnicity), VAWG or 'green agenda'. ● The increased visibility of performance presents both an opportunity and risk to confidence depending on that performance. ● Limited resources within the OPCC to support proactive engagement. ● PCC engagement will increase contacts and raise expectations which the OPCC are not resourced to deliver. ● Policing failures/adverse incidents (even at an operational level) can impact on the perception of the OPCC also. ● Protests and police handling of them are a very divisive issue and these are likely to be more frequent. ● Failure to engage with the diverse public (especially young people) and other stakeholders (SR4). ● Public expectation of the PCC role may not be matched by available funding or powers of the PCC. ● Failure of the Constabulary to deliver Op Uplift or failure to improve outcomes. ● Court backlogs and national rape crisis reduces confidence in the entire criminal justice system. 	<ul style="list-style-type: none"> ● Reputational damage. ● Loss of legitimacy. ● Failure to demonstrate value for money. ● Could undermine the working relationship between the Constabulary and OPCC. ● Police and Crime Panel failure to support precept increases. ● Low voter turnout in PCC elections. ● Loss of political support for the need for PCCs.
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MITIGATION

Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> ● Police and Crime Plan 2021-25 raises profile of work of OPCC. ● Improve data capture about confidence in the PCC. ● Engagement activity recorded against SR4 is the primary direct mitigation of this risk. ● Discharging good governance (SR1) and delivery of the Police and Crime Plan (SR2) are critical to ensuring confidence in the PCC. ● Gold Groups manage critical issues of public confidence in the police. 	Jul-23	Head of C&E Director of P&A Head of C&E PCC / CoS Head of C&E	<ul style="list-style-type: none"> ● 32.3% of precept survey respondents and 33.3% local survey respondents had confidence in the PCC. ● The OPCC has a standing invite to all Gold Groups.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of capacity, capability or poor wellbeing within the OPCC	SR6	CoS	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		
Cause			Impact		

<ul style="list-style-type: none"> • Vacancies and absence have a significant impact in the small OPCC team, and can contribute to stress and sick absence. • Challenging recruitment environment combined with long vetting timelines make managing normal staff turnover a challenge. Policy and commissioning officer left in June; Policy and commissioning manager due to leave end July. Recruitment is under way for the first; a decision on the second will be made in light of findings of the VRU review. • Capacity/demand an ongoing issue while new incoming staff serve their notice in their existing roles (May 2023). Community engagement vacancy (now filled) has had particular impact given level of PCC and DPP engagement. • The Performance and Accountability directorate has also been further affected by sick absence and death in service. Short-term cover arrangements are drawing resource from across the wider OPCC team. • Increased demand on HR while remaining Review recommendations are being implemented. • Increased government legislation and other activity in policing places greater demands on the OPCC, frequently with short notice making it difficult to manage resource. • Loss of skills and experience including senior roles and four maternity leaves and cover in 2021-23. • Disruption caused by change to OPCC structure and roles as a result of the review commissioned by the PCC. 	<ul style="list-style-type: none"> • Increased likelihood of materialisation of all other strategic risks through delivery failure. • Delivery of work is late or not to standards of quality desired.
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MITIGATION

Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> • Implementation of OPCC review recommendations, aimed at increasing agility and resilience of organisation, and focusing resource on strategic priorities. • New structure allows for team size to flex to meet requirements, including through short-term support. Four new directorate leads manage their directorate resources, bringing any requirements to CoS. Day-to-day resource planning issues can be brought to informal SLT. • Temporary cover sought as matter of course for vacancies or any significant absence. • Additional fixed-term HR support is in place to ensure implementation of wider Review recommendations. • PDR process and regular supervisory sessions. • Annual staff survey, supplemented by pulse surveys, to inform internal policy and delivery. • Skills matrix maintained. • Training and development budget maintained • Wellbeing resources and support offered and promoted, including Health and Wellbeing Passports. • Training opportunities and resources developed and promoted • Salary levels set at a reasonable market rate and in line with other OPCCs. • Regular team meetings to share knowledge and resolve issues. • Values and teamwork embedded. 	June-23	CoS CoS CoS CoS Head of HR & BS CFO Head of HR & BS Head of HR & BS CoS SLT SLT	<ul style="list-style-type: none"> • New organisational structure implemented 1 Nov. • Business Plan and related workstream tracker published. • Several new roles filled internally, and external new starters have joined in June 23. • Agency cover and ASP secondment sought to support P&A directorate, but neither yielded result, with ASP unable to release staff. Staff member now back from sick leave and requirement for short-term cover will be reduced; permanent recruitment for a Contacts and scrutiny officer under way. • New PDR process launched Oct 22. New line management guide launched also. • Full staff survey run in Feb 23. Results discussed with the team and at OMB. Very positive results with 78% staff happy or very happy; the rest were neutral. • Wellbeing and financial support initiatives promoted to the team. • Wellbeing Plan being developed. • Skills matrix refreshed as part of the review with organisational and team requirements identified. Training needs analysis exercise to be carried out in February and will then feed into OPCC Learning & Development Plan.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver commissioned services	SR7	Director of PP&C	5	3	15
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	3	12
			Mitigated Risk change:		
Cause		Impact			

<ul style="list-style-type: none"> Victims Bill may introduce additional duties and demand but without funding to support. Inflationary pressures on these services - some working on the same budget for many years. Increasing demand. Backlogs in Lighthouse (the primary commissioned service). Lack of robust performance framework around commissioned services. Additional demand on victim support services; particularly DA and SV. Significant additional reporting requirements for compliance purposes. Services without sustainable funding and cliff-edge arrangements. Contracts ending in March 23 - sexual violence therapeutic services, BASE and Adult Appropriate Adult services 	<ul style="list-style-type: none"> Failure to support victims particularly vulnerable victims - PCP Priority 1 (SR2). Loss of public confidence in or awareness of OPCC (SR5). Relationship with Constabulary and partners. Reduction or withdrawal of victims grant from Government. Failure to devolve further funding/commissioning.
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MITIGATION

Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> Victim Services recommissioning for 2025/26 Commissioning Strategy being developed for Q4 22/23. Lighthouse victims' service jointly established with the Constabulary; service under joint review. Maintain a sufficiently resourced commissioning team within the OPCC. Victim Services Provider forum and AWP Partnership Board are regular joint strategic meetings with commissioned services. Scan and apply for additional funding as available. New provider of Appropriate Adult services in place 	<p>Aug-23</p> <p>Jun-23</p>	<p>Director of PP&C</p> <p>Director of PP&C</p> <p>Director of PP&C</p> <p>Director of PP&C</p> <p>Director of PP&C</p>	<ul style="list-style-type: none"> Planning work – including needs assessment – has begun. Commissioning Strategy finalised May 23. First phase of the review looked at the Safeguarding aspect if LSU. The increase in these resources may reduce some demand from the commissioned part of the service although this will be further reviewed. PP&C team at full establishment after review process.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations with other forces	SR8	Chief of Staff	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	3	12
			Mitigated Risk change:		
Cause	Impact				

<ul style="list-style-type: none"> ● SWROCU projected to fall short of Uplift target for 31/03/23. ● Challenges with staff retention and capacity in South West Forensics. ● Ineffective governance and scrutiny over existing collaborations. ● Failure to agree effective models for collaboration. ● Ineffective governance and ownership of regional projects and programmes. ● Tension between local forces and collaborations in terms of competing interests and lack of uniformity of people and processes. ● Lack of direct influence/control in order to make changes i.e. everything must be done by (multi-force) committee. ● NPAS is particularly challenging. 	<ul style="list-style-type: none"> ● Governance failure as a duty of the PCC (SR1). ● Failure to deliver value for money. ● Failure to deliver specific services provided by existing collaborations. ● Inefficient compared to other regions/areas. ● Criticism from HMICFRS. ● Government scrutiny/intervention. ● Lack of resilience otherwise provided by a collaboration. ● Forced to accept others' terms from future alliances or mergers.
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MITIGATION

Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> ● External review of SW Forensics has been commissioned. ● South West Regional PCCs are politically aligned and have agreed to collaborate. ● Collaboration Governance. ● SWAP appointed as Internal Auditor (from April 2019) - working in partnership with other regional forces. ● Regional ACC is in place (in line with HMICFRS recommendations). 	Jun-23 Aug-23	CoS CoS CoS CFO CFO	<ul style="list-style-type: none"> ● SW Chief Constables to update at June SW Strategic Board. ● SW Regional Policy and Research Officer started in 2022. ● SW Operational Board split into two to allow greater time for different parts of the collaborations. ● Op Scorpion - regional anti-drugs operation - has taken place three times across 2022-23 with a further operation planned in summer 2023.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations or outcomes with other partners	SR9	Chief of Staff	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	3	12
			Mitigated Risk change:		
Cause		Impact			

<ul style="list-style-type: none"> ● Lack of control/influence over other criminal justice agencies. ● New duties and expectations of PCCs arising from the national review. PCCs appear to have extra responsibility but without additional 'levers' to support delivery. ● Partner funding remains under pressure with financial settlements not keeping pace with inflation and demand. This increases the risk of demand and funding requests moving to the ASC and OPCC. ● Macro-economic factors could have a detrimental effect on partners, particularly Local Authorities. This financial position could cause partners to withdraw or reduce levels of service to partnerships. ● Failure to put in place effective governance and ownership of partnership working. ● Differing priorities and leadership of agencies. ● Changing political and economic landscape can make partnership working more challenging. ● Lack of meaningful 'live' information sharing. ● Lack of OPCC oversight of safeguarding across A&S. ● National review of CSPs 	<ul style="list-style-type: none"> ● Governance failure as a duty of the PCC (SR1). ● Failure to deliver the Police and Crime Plan (SR2). ● Failure to deliver a whole systems approach to crime and continue the 'revolving door' of offending and victimisation. ● Failure to deliver value for money.
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MITIGATION

Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> ● Development of Community Safety Plans (local police and crime plans) for each CSP area. 	Jun-23	Director of PP&C	<ul style="list-style-type: none"> ● Bristol, N Somerset, Somerset & S Glos have had content approved by respective Boards. B&NES waiting approval of full council. OPCC will coordinate design and publication of these. ● Need to improve OPCC oversight of these plans but that has to be considered in the context of the national review. ● PP&C team members held a workshop in Jan 23. Work on hold due to competing demands. ● OPCC have commissioned an external review of VRUs to report Q2 2023/24. ● 5 CDPs (aligned to CSPs) went live in Sept 2022.
<ul style="list-style-type: none"> ● Governance of Community Safety Plans 	Jul-23	Director of PP&C	
<ul style="list-style-type: none"> ● Partnership Strategy being developed for Q4 22/23. 	Aug-23	Director of PP&C	
<ul style="list-style-type: none"> ● Violence Reduction Units (VRUs) ● Combatting Drugs Partnerships ● PCC chairs LCJB and OPCC continue to be represented at CSPs, Children's Trusts, Health and Wellbeing Boards. 	Jul-23	Director of PP&C Director of PP&C CoS	
<ul style="list-style-type: none"> ● Meetings (outside of Boards) with LA chairs/CEOs; CSP Chairs. ● PP&C team have leads for victims, CJS and reducing re-offending. ● PCC is a member of the Fire Authorities for Avon and Devon & Somerset. ● Information sharing relevant to all partnership working; particularly CJ, reducing reoffending and VRUs. 		CoS Director of PP&C CoS Respective Strategic Groups	



MEETING NAME	DATE	AGENDA NO
Joint Audit Committee	01/06/23	7
DIRECTORATE / DEPARTMENT	AUTHOR	COG SPONSOR
Chief of Staff Directorate Portfolio Management Office (PMO)	7975 James DAVIS Delivery Manager - Portfolio	DCC WATSON
NAME OF PAPER	PURPOSE OF THE PAPER	SESSION
Constabulary Corporate Risk Register Report	Information	Open

1. PURPOSE OF REPORT

This report provides the Joint Audit Committee (JAC) members with a summary of the latest Avon & Somerset Constabulary Corporate Risk Register. The content of this report was informed through fieldwork reviews of all corporate risks during May and June 2023. The focus of recent corporate risk reviews have been to understand new mitigating activities in delivery across the Constabulary and their potential impact on mitigated risk values. This report provides the comprehensive detail for JAC members ahead of 21/06/23.

2. QUARTERLY ANALYSIS OF THE ORGANISATIONAL RISK REGISTER

The Constabulary Risk Management process sees the identification and mapping of risk at two levels. The Corporate Risks are informed by Organisational Risks with the latter managed by local Directorates and Departments. As of 01/06/23, the Constabulary has identified 7 x Corporate Risks (see Section 3) and 183 x Organisational Risks. Organisational Risks are managed by the Improvement Consultant cohort working alongside the relevant SLTs. The PMO conducted a review of Organisational Risks in late May 2023 and identified an area for improvement in relation to the timeliness of record management. Where updates are required, this is being addressed through a proactive exercise running throughout June and July.

The visibility of the Organisational Risk Register is maintained through our QLIK platform (Portfolio Application) which allows for live time analysis of risk records by the business. The graphics below show the overall number of risks identified by their risk type (essentially the first 6 x Corporate Risks) based on their mitigated assessment of the likelihood and impact of risk materialising.

Governance

The number of Governance risks has reduced from 18 to 17 since the last JAC but all mitigated values remain either amber (managed at Committees) or green (managed by Directorates).

No. of Risks By Impact and Likelihood

LIKELIHOOD	IMPACT			
	2	3	4	5
4	-	2	-	-
3	-	3	1	-
2	4	1	3	-
1	-	1	1	1

Financial

There have been no changes to the Financial risks mapped at Organisational level since the last JAC.

No. of Risks By Impact and Likelihood

LIKELIHOOD	IMPACT			
	1	2	3	4
3	1	2	1	2
2	-	-	1	1

Service Delivery

The number of Service Delivery risks has increased from 58 to 68 since the last JAC with the number of red RAG risks increasing by 1 to 10.

No. of Risks By Impact and Likelihood

LIKELIHOOD	IMPACT				
	1	2	3	4	5
5	-	1	1	-	-
4	-	4	3	8	-
3	-	5	8	9	1
2	2	4	7	14	-
1	1	-	-	-	-

People

The number of People risks has remained stable since the last JAC at 43 with the number of red RAG risks decreasing by 1.

No. of Risks By Impact and Likelihood

LIKELIHOOD	IMPACT		
	2	3	4
5	2	-	1
4	4	8	3
3	2	7	5
2	2	7	2

Information Governance, Data & Digital

The number of Information Governance, Data & Digital risks has increased by 1 to 30 since the last JAC. There remains only 1 red RAG risk based on mitigated risk assessments.

No. of Risks By Impact and Likelihood

LIKELIHOOD	IMPACT				
	1	2	3	4	5
4	1	2	4	-	-
3	1	-	6	3	1
2	-	2	6	2	1
1	-	-	-	1	-

Infrastructure and Assets

The number of Infrastructure and Assets risks has increased by 1 to 6 since the last JAC. There remains only 1 red RAG risk based on mitigated risk assessments.

No. of Risks By Impact and Likelihood

LIKELIHOOD	IMPACT			
	2	3	4	5
4	-	1	1	-
3	1	-	-	-
2	1	1	-	1

Therefore these “heat maps” indicate marginal changes to the Organisational Risk landscape since the March Joint Audit Committee.

3. CORPORATE RISK - HEADLINES

The Corporate Risk Headlines for the June Joint Audit Committee are as follows.

- The Confidence and Legitimacy Committee identified the requirement for an additional 7th corporate risk to be added to the Corporate Risk Register reflecting Confidence & Legitimacy. The PMO has worked with Chief Officers to develop a first draft of the risk record.
- The Q1 review of Corporate Risks has completed and there are no proposed changes to any of the mitigated risk values which are summarised in the table below.
- The full 7 x Corporate Risk records are attached to this report and include comprehensive updates on mitigating activities which will be highlighted as part of the presentation of the report at JAC on 21/06/23.

Corporate Risk Mitigated Value Assessments		Impact				
		Negligible (1)	Minor (2)	Moderate (3)	Significant (4)	Severe (5)
Likelihood	Very likely (5)					
	Likely (4)			Assets	Information Governance, Data & Digital	Finance
	Possible (3)			Governance	Service	People Confidence & Legitimacy
	Unlikely (2)					
	Very unlikely (1)					

4. RECOMMENDATIONS

There are no specific recommendations to present to the Joint Audit Committee. The report is submitted for information, observations, feedback, and questions.

AVON & SOMERSET CONSTABULARY

Corporate Risk 1 – Finance



Date of register 01/06/2023

Corporate Risk - overview information

Corporate Risk URN	PR000735	Current Mitigated Score	20
Corporate Risk Title	Inability to deliver a sustainably balanced budget	Mitigated Impact Score	5
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Nick Adams, Jon Reilly, Will White, Louise Hutchison, Joanne Hall	Mitigated Likelihood Score	4
		Date of Risk Review	31/08/2023

Corporate Risk Description	<p>Our ability to deliver quality policing services and value for money for residents of Avon and Somerset is dependent of our ability to put the Constabulary on a sustainable financial footing allowing us to invest in the needs of the present without compromising the ability to meet the challenges of the medium to longer term.</p> <p>Prudent financial management and sustainable investment enable the organisation to work towards delivery of its strategic objectives and also those set out in the Police and Crime Plan.</p>
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Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	25
Unmitigated Impact Score	5
Unmitigated Likelihood Score	5

Rationale	<p>The PCC has set a budget of £373.1m for 2023/24, of which £368.5m is delegated to the Chief Constable as the budget for running the Constabulary. This budget requirement includes £3.0m of new savings, as well as incorporating the first full year of our fully uplifted officer numbers, and the inflationary pressures arising from the current economic climate.</p> <p>The funding for this, which totals £369.5m, is insufficient to immediately fund the full budget requirement, resulting in a shortfall of £3.7m. The budget has therefore been set with expectation that the Constabulary will continue to progress plans for further savings which</p>
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can be delivered in 2023/24 to help close this gap, with any residual gap underwritten by reliance upon reserves.

The Medium-Term Financial Plan (MTFP) looks out beyond 2023/24, covering forecasts over a 5-year planning horizon up to 2027/28. These forecasts predict a continued increase in costs, driven by our assumptions around pay awards, pay progression of a relatively inexperienced workforce, non-pay inflationary pressures and challenges around costs of pensions. Our forecasts also predict a continued increase in funding, which in 2024/25 reflect the Autumn 2022 Spending Review (SR) announcements and subsequent notifications, and thereafter assume smaller increases to both grant funding (+1% p.a.) and council tax funding (+2% p.a. to council tax bills). Despite the forecast increase in funding, it is clear that across the medium term our costs will continue to outgrow our funding. On latest forecasts as set out in the MTFP which predicts a deficit of £3.7m in 2023/24 will have grown to a deficit of £19.0m by 2027/28.

The cost of policing in Avon and Somerset is not an outlier compared to other forces around the country. We have the median council tax bill (average band D for 2023/24 will be £266.20) for policing of all forces in England and Wales. While our grant funding, when measured per head of population, similarly reflects a median position, the distribution of this has historically underfunded Avon and Somerset when assessed against need.

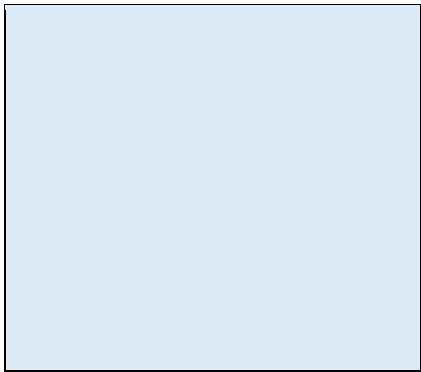
The current formula for the distribution of grant funding across policing was introduced nearly 20 years ago. This model recognised that grant funding to Avon and Somerset needed to increase by c. £10m-£20m p.a. when policing need was assessed. However, the transitional arrangements which accompanied the introduction of this formula meant that we have never seen the increases that this formula envisaged we should have. When austerity commenced in 2010/11, the formula was disregarded and all adjustments to police grant funding (down or up) since this date have been consistently applied to all PCC's – thereby locking in this historic funding distribution. It is this situation that means of all those forces across England and Wales that have one of the 10 largest cities (which includes Bristol), Avon and Somerset receive significantly less funding per head of population. Grant funding in 2023/24 for those forces with the 10 largest cities will average at £193.60p per head of population, which is £72.41p more than the £121.19p we will receive in Avon and Somerset – the equivalent difference of £126.3m annual funding.

Our Capital Programme continues to reflect a mixture of local and national projects, and similar to our revenue forecasts, predicts increases to costs driven by inflationary pressures. For example, we are forecasting an additional £5k in the purchase cost of each replacement police vehicle, thereby increasing the costs of maintaining a fleet of 1,000 vehicles in Avon and Somerset. Over the next 5 years we forecast capital expenditure of £91.3m, of which £40.7m relates to replacement and maintenance of existing assets, and £50.6m relates to capital projects. Our funding of capital relies on a mixture of revenue contributions, capital receipts, borrowing (where prudent to do so) and use of reserves. Currently our forecasts predict a shortfall of £6.5m split across the final two years of our plan, which will require us to continue to review opportunities to reduce these forecasts costs or identify new funding sources.

Our reserve levels are forecast to stand at c. £61.1m at the end of March 2023, which includes £12m in general reserves the value of which is set by a risk assessment completed annually by the PCC CFO in consultation with the Constabulary CFO. Our forecasts predict our reserve levels will reduce over the medium term, in particular reflecting the use of these to fund our Capital Programme. We anticipate our reserves will stand at a recurring level of c. £25m-£26m by March 2026, a position from which we do not expect them to reduce any further.

We therefore recognise the need to identify and bring forward savings to help address both the immediate revenue shortfall in our 2023/24 budget, and the growing deficit which we predict over the medium term. The requirement for savings will continue as long as the growth in funding does not keep pace with the growth in our costs. While we acknowledge that this will be necessary of us, we equally recognise the challenge this will present, particularly in light of:-

- The fact that, as identified above, the cost of policing in Avon and Somerset is not an outlier and is arguably already underfunded compared to both need and forces who similarly have the policing challenges presented by a large city such as Bristol.
- The fact that since 2010/11 we have already released more than £90m (c. 30%) in savings from the Constabulary as a



consequence of austerity, meaning there is no part of our organisation that has not already had to reduce in size and cost to varying levels.

- The fact that this challenge is presenting itself at a time when the organisation has been geared towards delivery of growth in police officers to rebuild the strength lost over the last decade. Identification and delivery of savings will require management time and oversight, which is already heavily consumed managing the delivery of our uplift plans, including the growing pains associated with these as we build towards our future target operating model.

The fact that, having grown officer numbers, there will be government expectation and financial incentive to maintain these officer numbers across the medium term (a position we expect to be true regardless of the outcome of the next general election). As officers' costs account for more than half of the Constabulary's costs, the scope from which savings will need to be identified is limited to police staff and non-pay budgets.

Corporate Risk latest assessment - mitigated risk

Mitigated Assessment
Mitigated Impact Score
Mitigated Likelihood Score

20
5
4

Rationale

Producing reliable forecasts to inform decision making – producing financial forecasts relies upon us making a lot of assumptions about changes to both our funding and our costs. All key, material assumptions within our MTFP, our outlined and discussed with both the PCC and the CC throughout the annual budget setting process. Wherever possible our assumptions are benchmarked against those being made by other forces to ensure we do not appear to be an outlier in what it is that we are assuming. While it will never be possible to provide absolute certainty in our forecasts, by being transparent and through benchmarking we hope to be able to therefore benefit from the collective insight and wisdom of stakeholders and ensure there is shared understanding of the basis on which our forecasts are being built.

Identifying and releasing savings – we have commenced our strategic planning for the next five years, incorporating as one of our key planning principles the need to release savings that sustainably enable us to balance our revenue budget. These plans will focus on both pay and non-pay in recognition that savings from both will be necessary in the short and medium term. The Strategic Five Year Plan is due for sign-off at the Strategic Planning Meeting (SPM) in June. The construct of the plan is around 8 Programmes of Work where Programme 6 refers to having a cost-conscious organisation. Activity included as part of this Programme includes the practical realisation of requisite savings for each future financial year further to detailed FTE savings scoping in Q4 2022/23. As part of June SPM, behaviours will be discussed reinforcing the need for the Constabulary to commit to a single portfolio of activity and a singular commissioning route that will help control costs and ensure only the right investment at the right time is authorised.

- Pay savings – we are working up plans that will see the reduction of 250 police staff posts from the Constabulary over the next three years. By working these plans up in advance, we hope to be able to manage the achievement of these savings as much as possible through natural turnover and attrition thereby reducing the need for use to have to use management of change processes and limit the need for redundancies. The work behind these plans has made good progress. For Year 1 we have released £3,008,400 to date through a combination of Year 1 pay savings and top slice adjustment. The Core Planning Team continue to co-ordinate this work noting plans are agreed for 2023/24 with activity continuing to identify requirements for 2024/25.
- Non-pay savings – we are reviewing all areas of non-pay to identify the potential for savings. This includes consideration of our

non-visible police estate with a view to identifying opportunities for reductions, and in time may also need to start considering options more widely across our estate. It also includes consideration of our IT applications to identify potential for consolidation of these. We continue to unlock savings, some are one-off and some are permanent. We have not set an overall target as we continue to manage a number of variables. We are introducing routine quarterly savings reporting of non-pay savings to retain visibility.

All savings will require us to continue to work hard to release capacity and ensure our processes, systems and ways of working remain as efficient and effective as possible. Our investments into some of our digital capabilities, such as Robotic Process Automation and in Microsoft 365, as well as our project to replace our corporate ERP systems, mean we are starting from a position whereby some of the tools to unlock this capacity are within our organization already. We are adopting a balanced approach focusing equally on unlocking the potential of existing tools (i.e. RPA, Microsoft 365, PRONTO) alongside exploring and developing projects to introduce new and enhanced capabilities (i.e. ERP & DEMS).

Because of the need to maintain police officer numbers we acknowledge that as we release savings from police staff posts, it may be necessary (and in some cases beneficial) to consider to what extent our officer establishment needs to flex to ensure we continue to have the right capacity and capability. This therefore means that as we work our way through these plans, we are closely monitoring and tracking our post uplift officer target operating model and assessing to what extent this might need to be adjusted. Our investment into Workforce Planning capacity and capability reflects the importance of this discipline through our annual planning processes. It is critical to our ongoing planning capability to ensure we are building an organisation that is able to flex and continue to meet variable demand.

Making the case for more funding – we recognise the economic challenges the country faces and acknowledge that policing will be one voice amongst many services that will be arguing for more funding. However, it is important that we continue to work with PCC's and forces up and down the country to make as strong a case for why policing needs continued increases in funding. The Constabulary CFO sits on the National Police Chiefs Council (NPCC) who will be leading on the work to develop the next submission from policing into the SR which we expect to happen shortly after the next parliament commences following a general election. Through our involvement we will work with colleagues to ensure that the submissions from policing are as strong as they can be.

Over recent years it is evident that the Government has been willing to support the investment it wants to see into policing through relaxation of the rules around council tax precept. It is a distinct possibility that this will continue to be the case, with further flexibility allowed of the PCC than is currently envisaged within our MTFP forecasts. The continued growth in council tax funding is not something which the Constabulary takes for granted. We recognise the challenges to household budgets that the current economic situation has created, and therefore we would expect any proposals for further increases to the policing part of local council tax bills to be closely scrutinised. We plan to work closely with the OPCC to understand how they want to prepare for and manage the possibility that further precept flexibility might be offered in response to requests for further funding into policing. We are working to the current assumption the precept will increase £10 in the 2024/25 budget.

A fairer funding formula - The Home Office has continued to acknowledge the need for a review of the formula used to distribute grant funding and has commissioned work to formally do this, with public consultation now expected during 2023. While we would be hopeful that the review into the formula goes some way to addressing this position, we recognise the uncertainty of the review and the will to see the outcome fully implemented. We are therefore making no assumption as to whether the review results in an increase or decrease to our grant funding position but will continue to keep this in view and ensure we are engaged in the consultation when this commences (formal Home Office consultation hasn't started as of May 2023).

Earlier assessments

Mitigated risk score Q2 2022/23
Mitigated risk score Q3 2022/23
Mitigated risk score Q4 2022/23
Mitigated risk score Q1 2023/24

12
16
20
20

Corporate Risk - audit trail of risk management

Date of update
31/05/2023
02/03/2023
21/11/2022

PMO notes
<p>This risk was reviewed by Nick Adams in May 2023.</p> <p>The narrative accompanying the unmitigated and mitigated risk values has been updated to represent the very latest financial positioning of the organisation and subsequent progress of the development of the Strategic Five-Year Plan process.</p> <p>As part of reviewing and updating the risk, there has been no change to the mitigated risk value which remains at 20 (Impact 5 x Likelihood 4).</p> <p>The next scheduled review of this risk will be held at the end of August 2023.</p>
<p>This risk was reviewed by Nick Adams on 1st March 2022.</p> <p>The narrative accompanying the unmitigated and mitigated risk values has been completely overhauled to represent the very latest financial positioning of the organisation. As part of reviewing and updating the risk, the Chief Finance Officer has increased the mitigated assessment from the previous score of 16 (Impact 4 x Likelihood 4) to a new value of 20 (Impact 5 x Likelihood 4).</p> <p>The next scheduled review of this risk will be held at the end of May 2023.</p>
<p>This risk was reviewed by the Constabulary Chief Finance Officer on 17th November following the Autumn Statement 2022 announcement, on behalf of members of Chief Officer Group.</p> <p>There is no change to the unmitigated score of 25 or mitigated (residual risk) score of 16. However, we have updated the narrative to reflect current understood position.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group in February 2023, however we will remain attentive to the current factors influencing the assessment of this risk and review it, should it be necessary, earlier than the planned date noted above.</p>

05/10/2022	<p>This risk was reviewed by the Constabulary Chief Finance Officer on 4th October 2022 on behalf of members of Chief Officer Group. The content of the risk record was reviewed and agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is 25, and based on the internal controls and mitigating activities, we assess the mitigated score to be 16, reflective of the inherent uncertainties that remain at this stage in our planning cycle against a challenging economic backdrop.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group in November 2022.</p>
28/06/2022	<p>This risk was reviewed by the Constabulary Chief Finance Officer on 28th June 2022 on behalf of members of Chief Officer Group.</p> <p>The content the risk record was reviewed and agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is 15, and based on the internal controls and mitigating activities, we assess the mitigated score to be 12.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 14th September 2022.</p>
16/02/2022	<p>This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is 15, and based on the internal controls and mitigating activities, we assess the mitigated score to be 12.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022.</p>



Date of register 01/06/2023

Corporate Risk - overview information

Corporate Risk URN	PR000736	Current Mitigated Score	12
Corporate Risk Title	Failure to meet expectations of improved performance and service delivery	Mitigated Impact Score	4
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Jon Reilly, Will White, Nick Adams, Louise Hutchison, Joanne Hall	Mitigated Likelihood Score	3
		Date of Risk Review	31/08/2023

Corporate Risk Description	<p>When we consider the expectations of policing from the public and current government, we recognise they expect improvements to be seen on the back of investment in policing following years of austerity. When we consider that over the last 5 years precept (council tax contribution) has increased 35%, with the backdrop of the 'additional' 20,000 new police officers pledged by the government and the media attention and public opinion of policing in the past few years, scrutiny of what we do has never been as fierce.</p> <p>The organisation has achieved its Police Officer Uplift numbers, exceeding it in fact, to support the National imperative to achieve 20,000 new officers. Where we have not yet seen the benefit is where our new officers are still in their initial period spent in Response policing, meaning we haven't yet been able to fill new posts created through uplift. We also continue to manage the abstraction of new officers who require to undertake studies for their degree programme.</p> <p>We are also acutely aware of the requirement for savings that policing will need to deliver in the coming years, which is leading the organisation to review its savings requirements and uplift plans, while at the same time delivering services within the financial envelope, we have available.</p> <p>The Strategic Policing Requirement (SPR) sets out the Home Secretary's view of what the current national threats are, and the national policing capabilities needed to counter those threats. The 2023 version introduces violence against women and girls as an additional national threat and reaffirms the validity of the existing threats. The inclusion of violence against women and girls as a national threat sets clear expectations for local and regional police capabilities to tackle violence against women and girls and how local forces work with others, including collaborating with other agencies.</p>
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Corporate Risk initial assessment - **unmitigated risk**

Unmitigated Assessment	20
Unmitigated Impact Score	5
Unmitigated Likelihood Score	4

Rationale

Our priorities are set out through various national frameworks and local priorities, which mean we continue to have a large number of expectations placed on us. At present these numerous plans remain complimentary of each other, but in light of organisational growing pains, detailed in Corporate Risk 4, it may become necessary to prioritise and focus on specific areas of improvement.

We continue to manage challenges with non-core demand, 73% call for service relating to non-crime incidents over the last 12 months. Additional data also tells us that 62% of officer time at scene relates to non-crime incidents. We have sent a task force to visit Humberside Police to understand more on their approach called 'Right Person, Right Care', which National Police Chiefs Council supporting the national approach to 'Right Care, Right Person' to help forces reduce the number of deployments in respect of specific types of calls relating to mental health and concern for welfare, and help police staff in control rooms focus, from the outset, on getting the right person and agency, with the right skills, training, and experience to respond to the incident. We have commissioned a local Discovery Project to review Non-Core Demand for reporting into our Design Forum in June 2023 with the potential to commission a new corporate project as part of our Strategic Five-Year Plan. We are aware of the recent national narrative further to the announcement of the Metropolitan Police to stop servicing mental health demand later in 2023.

We recognise the synergy between Corporate Risk 4 and this risk, mainly when scrutiny of the police culture, behaviour and incidents of misconduct in a public office has been well documented. We have seen referrals to our Professional Standards Department increase, aligned with media coverage of conduct in other police forces. The Constabulary currently has its highest level of suspensions due to ongoing investigations. There is an intrinsic link to these factors underpinning the public's trust and confidence in our service delivery. It is reasonable to expect misconduct cases to increase as the organisational culture evolves and we root out attitudes and behaviours that do not align with our values. We have created an additional 7th Corporate Risk (reference PR/1436) to reflect this.

Corporate Risk latest assessment - **mitigated risk**

Mitigated Assessment	12
Mitigated Impact Score	4
Mitigated Likelihood Score	3

Rationale

The Constabulary has developed its **Performance Control Strategy**, reported through the Integrated Performance and Quality Report (IPQR) which informs the Management Board (CMB) monthly of our performance. Our Performance Control Strategy has set the force level performance priorities for local focus and delivery, these six areas are:

- Crime Data Integrity
- Rape and Serious Sexual Offences
- Investigative Standards
- Response Timeliness
- Victim Contact and Follow up.
- Case File Quality

Performance against each of the Performance Control Strategy areas was provided as part of the IPQR update at the May Constabulary Management Board. For Crime Data Integrity "moderate improvement" was reported. For Rape & Serious Sexual Offences, "strong improvement" was reported. For the remaining areas of Case File Quality, Investigative Standards, Response Timeliness and Victim Contact & Follow up, "stable performance" was reported. For each area, the Constabulary has developed comprehensive Improvement Plans which are again subject to scrutiny at the Constabulary Management Board.

For Investigative Standards, the second round of supervisor review assurance is in progress in CID (approximately 300 crimes) with a final report with findings will be produced in June. Current compliance rates in CID are 97.8% for 7 day reviews and 65.6% for 28 day reviews. Monitoring and scrutiny of use of the supervisor review template in Response continues, with low usage teams held to account. As of 15th May, 7% of Response crimes are overdue a 7 day review and 18% are overdue a 28 day review. Dip sampling of supervisor reviews has begun in Neighbourhood & Partnerships Directorate with 10 to be reviewed each month. The use of the supervisor review template continues to improve, with Neighbourhood currently holding 24.9% of live crime with the new template compared to the force average of 15.40%. We have noted that 7 and 28 day review timeliness has continued to decline since March in Neighbourhoods and has been raised as a performance issue at DLM. The monitoring of 7 and 28 day review compliance rates continues in Operational Support where no obvious cause was found for a recent decline in 28 day review timeliness, however the supervisor review template will be adopted going forwards which is anticipated to lead to improved compliance rates.

For Case File Quality, activity includes the continued drive of Operation HOLMES as a cross-force collaboration to identify tactical improvements to investigative standards, a continued focus on the benefits of the Criminal Justice Transformation Review now that the project has closed, the focus of case file quality as a core KPI for some Directorates and delivery of local CPD to help deliver tangible further improvements. File Quality Compliance for the Neighbourhood Directorate has increased 24.8% points over the last 6 months.

For Response Timeliness, key messaging has taken place in Command and Control ahead of the summer demand period stressing the need for immediate timeliness to be a performance priority. Additionally two Discovery Projects have been commissioned (First Point of Contact and Non-Core Demand) which are anticipated to have a positive impact on response timeliness. The work is critically assessing initial demand into force and identifying what is considered 'non-crime' and how first point of contact is made. Both projects will aim to suggest improvements which could have a positive impact on the amount of initial demand into force and therefore having a positive impact on this performance priority.

For Victim Contact, SLT scrutiny continues through regular review at CID Performance DLM. Improvement in victim contact will be supported through ongoing work to accelerate improvement in relation to supervisor review performance which is a key performance improvement priority for the Directorate. Current compliance rates in CID are 97.7% for 5 day contact and 81.5% for 28 day contact. Victim contact compliance rates continue to be monitored in both Response and Neighbourhood DLMs. The rate remains stable in Response at 94% for 5 day contact and 81.3% for 28 day contact. In Neighbourhood, any outliers are highlighted for discussion, with local staffing issues usually contributing to a dip in compliance rates. Compliance levels in Operational Support remain above the target 80% for both 5 and 28 day contact. This continues to be monitored at Operations SLT and wider DLM.

For RASSO, a significant range of improvement activity is underway including the completion and circulation of the Disrupting Offenders Toolkit, development of a Terms of Reference for ISVA co-location, a focus to increase the level of victim satisfaction survey responses,

preparations for the SOZE trial scheduled to start in September, feedback on BLUESTONE experience as a pathfinder Force (to be used as a Case Study in the National Operating Model) and the first delivery of RISDP.

For Crime Data Integrity, CID SLT continues to sustain scrutiny in this area which is a permanent component of the monthly performance review meetings. The Directorate currently has 9358 outstanding data quality issues, with 2559 new issues created in the last three months. CID will continue to drive completion of crime recording training to ensure staff are upskilled. Data quality issues have also increased significantly in Neighbourhoods, from 78 to 188 in April. Similar increases were seen in Response. Enquiries are ongoing with the QLIK team to understand if any changes have been made to the data collection metrics before further analysis. Completion of the Crime Recording training package remains well above the 80% threshold in both Response and Neighbourhood; at 90% for Response and 92.4% for Neighbourhood, with REMEDY now included in this figure. There is no significant update from the Operational Support Directorate where the improvement plan objective has been achieved.

We retain a focus on priority areas of the Beating Crime Plan through the quarterly **Specified Information Order** presented at the April Constabulary Management Board.

For the priority area, "Reduce Murder and Other Homicide" we are ranked 6th out of 8 in our MSG and the trend is stable.

For the priority area "Reduce Serious Violence" we are ranked 3rd in our MSG and the trend is stable.

For the priority area "Tackle Drugs Supply and County Lines" we are ranked last in our MSG and the trend is increasing (for disruptions) and reducing for number of offences.

For the priority area "Reduce Neighbourhood Crime" we are ranked 3rd for record theft, 4th for recorded residential burglary, 5th for recorded vehicle crime, and 6th for record personal robbery with all trends stable.

For the priority area "Tackling Cyber Crime" there is no MSG benchmark data - local measures are stable (e.g. Action Fraud offences).

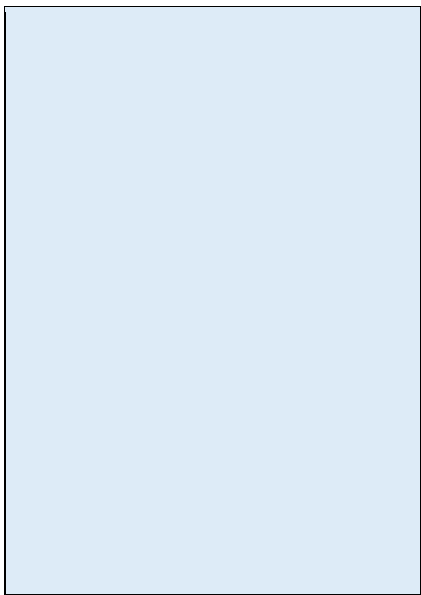
For the priority area "Improve Victim Satisfaction with a focus on DA" there is no MSG benchmark data and a moderate trend reduction for overall, hate, violent and burglary victim satisfaction.

For the priority area "Better Criminal Justice Outcomes for Rape Cases" we are ranked 3rd for RASSO charge rates (stable trend) noting a large increase in the volume of RASSO referral to the CPS and charge volumes for RASSO offences.

For each area there is a range of planned improvement activity that underpins service delivery.

The development of the **Strategic Five-Year Plan** to consolidate our single portfolio structured around 8 Programmes of work should deliver tangible benefits in relation to capacity planning ensuring we can prioritise competing demands correctly and not over commit to the detriment of operational delivery. We are also reviewing the framework and governance arrangements for performance accountability. This activity, led by ACC WHITE, will look to simplify our reporting landscape by integrating a number of existing reporting frameworks and their management complementing the existing governance arrangements. Linked to this activity is the commissioning of Discovery Projects which act as pilots / pathfinders supported by Business Analysis to understand the potential for future Corporate Change Projects. The impact of non-crime demand on organisational capacity and capability challenges has been referenced for some time with the Discovery Projects used to quantify and offer potential solutions for delivery. Initial findings will be presented at the Design Forum in June.

We recognise the annual challenge of **summer demand** on our service delivery and the risk this brings. Operation HIBISCUS 2023 (ensuring the constabulary effectively manages the increase in demand for our service over the summer) will run from 07/06/23 to the end of September, beginning with two 'reset days' on 05/06/23 and 06/06/23. A further reset will take place on 25/09/23, if required, with regular hybrid resets taking place monthly throughout the operation. As with the 'resets' that took place last autumn, these will be true whole team efforts, drawing in every single available resource for a single day to focus on servicing our demand to prevent backlogs and delays growing. Operation HIBISCUS will help us managed an expected 20% to 30% increase in demand and the consolidated support from all parts of the business will see every Directorate from working alongside Response (Neighbourhood, REMEDY, Learning), assisting Command & Control (Intelligence, Staff Office, Ops Planning). The approach is evidenced based so we know our expected demand the



numbers of staff required to deal.

The Constabulary received its HMICFRS Police Effectiveness, Efficiency and Legitimacy Inspection (**PEEL**) **assessment** in early 2023 with the following grades awarded.

- Providing a service to victims of crime - UNGRADED
- Engaging with and treating the public with fairness and respect - OUTSTANDING
- Preventing crime and anti-social behaviour - ADEQUATE
- Responding to the public - REQUIRES IMPROVEMENT
- Investigating crime - REQUIRES IMPROVEMENT
- Protecting vulnerable people - ADEQUATE
- Managing offenders and suspects - REQUIRES IMPROVEMENT
- Disrupting serious organised crime - UNGRADED
- Building, supporting and protecting the workforce - GOOD
- Strategic planning, organisational management, and value for money - GOOD

The Constabulary has received recommendations for implementation.

Earlier assessments

Mitigated risk score Q2 2022/23
Mitigated risk score Q3 2022/23
Mitigated risk score Q4 2022/23
Mitigated risk score Q1 2023/24

12
12
12
12

Corporate Risk - audit trail of risk management

Date of update
01/06/2023

PMO notes
This risk was reviewed with DCC WATSON and Nick ADAMS in May 2023.
The corporate risk description has been updated to reflect some important new context around the SPR and achieving the Police Officer uplift targets.
The mitigating activities section was updated to reflect the latest Performance Control Strategy, Specified Information Order and PEEL assessments. The work of the Strategic Five Year Plan (Discovery Projects) and Operation HIBISCUS preparations for summer demand was also referenced.
Our position for Quarter 1 2023/24 remains unchanged, with the unmitigated risk value of 20 and the mitigated (residual risk) value of 12 recorded.

	<p>This risk is next due for review in August 2023.</p>
01/03/2023	<p>The Risk Management Advisory Group reviewed this risk on 28th February 2022.</p> <p>The corporate risk description has been updated to reflect some important new context around the SPR and achieving the Police Officer uplift targets.</p> <p>The performance measurements across the 6 areas of the Control Strategy have been updated, along with the most recent Specified Information Order data around performance against the Beating Crime Plan. We have also reflected the work we are embarking on to reduce non crime demand on our officers, following a visit to Humberside Police in February 2023.</p> <p>Our position for Quarter 4 2022/23 remains unchanged, with the unmitigated risk value of 20 and the mitigated (residual risk) value of 12 remaining unchanged from Quarter 3 report in December 2022.</p>
29/11/2022	<p>The Risk Management Advisory Group reviewed this risk on 22nd November 2022.</p> <p>We have reviewed the most recent performance data available, as noted above, and given the relatively short period of time between the last risk review and this review, there is little to no change in the key performance areas. Therefore, the position for Quarter 3 2022/23 remains unchanged, with the unmitigated risk value of 20 and the mitigated (residual risk) value of 12 remaining unchanged from Quarter 2.</p> <p>Prior to the next scheduled review in February 2023, there will be 3 months' worth of performance and quality framework reporting, public confidence survey reporting and another round of reporting in the Specified Information Order too, which will inform our continual assessment of this risk.</p>
28/09/2022	<p>The risk was reviewed by the Risk Management Advisory Group on 5th October 2022.</p> <p>Taking into consideration the performance information available, the decision was made to retain the risk score at its current score of 12.</p> <p>We also reflected on the growing pains of the organisation and our limitations in terms of resources coming through recruitment, training and gathering the skills and experience in role to contribute towards effective service delivery. The interconnectivity between this risk and Corporate Risk 4 (People), is crucially important to reflect on when assessing this risk.</p>
28/06/2022	<p>The risk was reviewed by the Risk Management Advisory Group on 28th June 2022.</p> <p>After assessing the risk information available through our organisation risk register analysis and considering our latest performance data (June CMB), which shows strong improvement in our force performance priorities of Crime Data Integrity and Rape and Serious Sexual Offences, as well moderate improvement across Victim follow up and Investigative Standards and a stable position in our Case File Quality and Response timeliness, we have taken the decision not change the risk score, with remaining at a mitigated assessment of 12.</p> <p>We also noted the fluctuating nature of the last two Public Confidence data sets, which saw a decrease before a recent upturn. These are influenced by national affairs and not always representative of the views of our communities, but none the less provide a baseline measure. The Deputy Chief Constable wishes to review the next set of data before factoring its insight into the decision making on this particular risk.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 14th September 2022.</p>
23/02/2022	<p>This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk</p>

record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is 20, and based on the internal controls and mitigating activities, we assess the mitigated score to be 12.

Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022.



Date of register 01/06/2023

Corporate Risk - overview information

Corporate Risk URN	PR000737	Current Mitigated Score	15
Corporate Risk Title	Failure to grow, develop and then maintain the workforce and leadership culture, capacity and capability	Mitigated Impact Score	5
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Nick Adams, Jon Reilly, Will White, Louise Hutchison, Joanne Hall	Mitigated Likelihood Score	3
		Date of Risk Review	31/08/2023

Corporate Risk Description	If we fail to, properly and at sufficient pace, institutionalise inclusion by embedding the right leadership and culture throughout the organisation while effectively managing unprecedented workforce growth, development and change, trust and confidence of the public, our partners and colleagues will drop, performance will falter and our legitimacy to protect and serve will be eroded.
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Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	20
Unmitigated Impact Score	5
Unmitigated Likelihood Score	4

Rationale	<p>There are 3 headline areas where our risks assessment is focused, these are:</p> <p>Unprecedented growth and a changing workforce composition:</p> <ul style="list-style-type: none"> The huge logistical exercise of attracting, vetting, conducting medicals, inducting and on-boarding, training, tutoring, posting and supporting the huge numbers of new and inexperienced officers' places record demands on our enabling services such as Recruitment and HR, Training and Tutors, Vetting, Occupational Health and others and entails significant collaboration and coordination between operational and enabling services and our HEI partner to deliver the numbers on time and effectively. The level of abstraction of PCDA and DHEP officers while undertaking their studies alongside performing their police officer roles.
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Recruiting to target officer numbers does not immediately translate to a fully deployable officers on the front line and as a result our response timeliness rates are impacted. A more experienced, deployable workforce will happen, but it will take time to achieve.

- The growth in officer numbers does not immediately translate to the growth in specialist areas we want to grow. This is true across all specialist areas and is particularly the case as we build our investigative capacity and capability. We have plans in place to realise this specialist growth, but again they will take time to fully realise. As a result, our overall positive outcome rate remains too low at 12%, reflecting the continued efforts we need to make in improving investigative standards as we build capability.
- The changes introduced this year through the Attorney General guidelines for disclosure and the Director General guidelines for charging have created additional pressures on front line officers and staff. Un-addressed this has the potential to significantly impact on officer and staff capacity, undermining the benefits of officer Uplift. We are working with other forces to highlight these concerns and seek pragmatic solutions.

Attraction and retention in an increasingly challenging marketplace:

- We are seeing locally and nationally increases against the projected leaver rates for police officers.
- A number of roles have become ‘harder to fill’ as the pay rates in the market have risen quite rapidly and a lot in some areas, particularly where there are shortages for in-demand technical skills.
- Many have talked about the impact of the pandemic on ‘the great resignation’ linked to employees re-evaluating what they want from their work and work/life balance.
- Public sector pay has been relatively stagnant for some time with it be argued that police officers especially have fallen behind compared to cost of living increases and pay in other roles that are less complex, risky and demanding
- The attractiveness of policing as an ‘employer’ has taken a hit alongside wider trust and confidence following the widely publicised incidents of serious misconduct and concerns about sub-cultures in policing. This has a suppressive effect on our ability to recruit, especially from under-represented communities in whom there is already a trust deficit, and it also potentially dents morale and the ability to retain.

Institutionalising inclusion, investing in leadership and culture:

- Serious questions have arisen about policing culture and leadership against the backdrop of declining public confidence in wake of a series of misconduct cases nationally and stubborn inequalities in the police workforce and service delivery.
- Increase in volume and seriousness misconduct referrals/reporting and misconduct cases locally.
- Stubborn disparities in workforce experience and service delivery adversely affecting under-represented communities especially and adding to a trust and confidence deficit; understandable concerns about the relative glacial pace of change in some areas/aspects of our work.
- Growing levels of consciousness, internal and external activism, on the issues and impacts associated with inequality and discrimination, diversity, and inclusion deficits.
- Concerns from some that there is too much negative focus on the “<1%” and that this will dent morale of the majority.
- A lack of understanding and acceptance in some quarters that there are deep systemic and institutional roots that also need confronting in a systemic way.
- High levels of scrutiny and media attention to these issues
- Some reluctance and challenges in engaging all parts of the workforce in learning the knowledge and competencies we expect them to have in order to be able to promote an inclusive culture.
- Impacts of wellbeing and procedural justice on behaviour
- Questions about the effectiveness and rigour of our recruitment/selection processes in identifying, predicting and addressing those who do not demonstrate the right values and behaviours joining policing.
- Questions about the capacity of our internal professional standards, counter corruption, complaints and grievance management capabilities to meet need and demand

- Questions about the maturity and extent of our ability to use our data effectively to identify patterns or early warning signals to enable targeted and tailored intervention

Corporate Risk latest assessment - **mitigated risk**

Mitigated Assessment	15
Mitigated Impact Score	5
Mitigated Likelihood Score	3

Rationale

Unprecedented growth and a changing workforce composition:

- A tightly managed uplift programme with high-levels of collaborative and coordinated action across operations and enabling services which has so far met the targets largely thanks to good governance, forward planning, disciplined delivery controls, and pump-primed capacity increased to key delivery functions; careful tracking and monitoring of the data; lots of local, regional, and national reporting and scrutiny.
- We have achieved our March 2023 Uplift target and have replaced the fortnightly reporting of progress with new monthly scrutiny as we move into the maintenance stage. With the investment in workforce planning, we are better placed for the controlled monitoring and management of number of staff on courses, our recruitment levels and the number of expected leavers. We are better prepared to manage potentially difficult capacity issues such as those that might be caused by the pensions remedy situation risk.
- Introduction of a wider range of entry routes and mechanisms
- Influencing national and local curriculum delivery to balance abstraction against the need to get the investment in learning right for now and the future.
- Targeted focus on addressing the shortfall in detectives/investigations capability with a multi-faceted strategy.
- Concerted efforts to minimise growing pains and implementation dip with a strategic approach alongside investments in leadership and culture development.
- Focused programme of work to release productive capacity and minimise bureaucracy so that more time can be focused on what matters most.
- Proactively continuing to work on internal engagement, narrative, and communication through staff survey to avoid hazard fixation and to build hope, optimising and future focus
- Establishment of Workforce Planning Function enabling greater capacity and professionalism with regards to the management of the movement and planning of officers and staff looking to better meet demand for services by having the right people in the right place at the right time at the right cost, support the TAS (Talent Acquisition) team with recruitment activities, identify to Learning the essential skills gaps that need to be filled across the organisation and support strategic decision making particularly around resource planning. The Workforce Planning Function is almost fully established with only Senior Forecasting and Data roles left to recruit. This new investment will take a little time to embed but we should be in a better position by the autumn.
- Increased focus on retention including 'career aspiration surveys and action associated.

Attraction and retention in an increasingly challenging marketplace

- We are focused on a range of actions and activity to better understand what is driving attrition and retention and we have established a multi-pronged retention strategy.

- We are exploring interventions to address market pay challenges including market pay supplements and we are also considering where alternative means of meeting our resourcing requirements needs to be used, for example commercial arrangements with suppliers.
- Through our leadership and culture work and the action on the People Survey we are working to create an environment in which people want to stay and are positive about working with us. The People Survey shows agreement with 'I am happy at work' remaining high at 70% and high levels of people saying that they would recommend working for here to others.
- We have wherever possible introduced through the post pandemic resetting work measures to enable staff to benefit from hybrid/blended working which we know many value as it supports flexibility. A Post Implementation Review of Workforce Resetting (April 2023) clarified the benefits delivered from the introduction of hybrid working.
- We are working on the culture, trust, and confidence issues as above and continue to present the many positive aspects of our organisation through our employer brand and through proactive positive communications.
- We continue to invest in a proactive outreach capability to shape and influence sentiment towards us as an employer and to support and encourage people to work for us, especially those from underrepresented communities.
- We're providing leadership to make clear the kind of behaviours and standards we expect and to promote a culture of Institutional Inclusion.
- We've gained a raft of industry awards for our work that set us out as a progressive, modern, and highly regarded employer within our sector and beyond.
- Focused prioritisation and activity for Police Staff recruitment, the Discovery phase conducted through November to January included process mapping, voice of the customer workshops, establishing what our recruitment data is telling us, completion of output document, and Phase One is almost completed - defining roles and responsibilities, data collation needs and baseline of where we are, agree SLAs, refining "to be" future state talent acquisition service options, agree action plan for delivery ready to move to implementation.
- Recognition of increased tension and urgency around the balance of recruitment to vacancies to support service delivery and managing workload, whilst working in an environment cognisant of impending savings challenges. As a result, new Police Staff Recruitment Controls have been put in place to more closely scrutinise the vacancy and recruitment position.
- We are committed to a proactivity to review our Job Evaluation processes. We recognise the need to address the way in which we pay and grade our Police Staff. We are progressing a tender for expert advice regarding how we can proceed. Timescales may be influenced by regional interest noting the potential benefits of a standard job evaluation methodology to create equitable terms and conditions across our collaborative teams. The Job Evaluation work is a key deliverable of one of our new Programmes of Work on the Strategic Five-Year Plan.
- We recognise the importance of supporting the long-term health of our workforce and therefore have commissioned a review of our Occupational Health Service provision to ensure its fit for the future. An Outline Business Case will be tabled at the Design Forum in August.

Institutionalising inclusion, investing in leadership and culture:

- We are in the process of strengthening independent confidential reporting systems.
- We're accelerating a piece of work to enable us to exploit our data to provide early warnings and insight into patterns of behaviour to enable targeted preventative intervention.
- We're investing further in our counter corruption capacity and capability.
- We are going to make some considered investments to expand our internal communications and engagement capacity and capability so that we can influence and inform cultural change, including courageous conversations (which have started in earnest) and move the passive and disengaged.
- We have used recognised industry standards and independent assessment to drive systemic improvement (e.g. NES, Workforce Equality Index Top 100 Employer, Disability Confident Leader, ENEI, CIPD People Awards); we continue to strive for further

improvement achieve these to enhance our inclusive practices. We've drawn learning from our Recruit for Difference Pilot and we're tackling alignment through our selection processes.

- We have recently reaccredited for the National Equality Standard (NES). A new report has been received with insight recommendations for implementation. This was received in May and will be briefed into senior leaders in June for action.
- We have built a range of mechanisms for listening to employee engagement and measuring inclusion sentiment including our award-winning People Survey and our response to it.
- We have invested in multi-layered training for leaders and practitioners to build confidence and capability, influence and inform including Inclusive Policing with Confidence in Partnership with local providers and Cultural Intelligence Training. We're investing in equipping leaders with tools, language and guidance to role model and lead for inclusion effectively.
- We engage in a number of positive action and developmental schemes designed to support progression of those from underrepresented backgrounds including Stepping Up.
- We are working systematically on the findings of the Desmond Brown report into disparities and have a rigorous governance and project discipline to oversee this. We have senior governance oversight of diversity and inclusion activity and results through both the Confidence and Legitimacy Committee and the People Committee.
- 60.4% agreement with Learning and Development theme in People Survey, representing a 5.9% increase on 2020 at a time when other themes saw reductions on last year; 11.2% increase agreement in 'there are opportunities for me to develop my career' since 2019;
- Leadership Academy offers clear pathways or leadership journeys to support development and progress - to support this work, we have commissioned an external consultancy (Leapwise) A Target Leadership Model has been developed mapping to the College of Policing first line leaders curriculum and our own force values. A business case is being developed with a view to delivery from Sept 2023. A Business Case has been signed off working towards the launch of a new first Line Manager Leadership Programme from the autumn 2023.
- Segmented development options from first line to senior leaders aligned to a national framework; substantial investment in leadership development for the whole workforce.
- Our outreach work is building relationships and breaking down barriers to joining policing but also helping to influence and develop our culture through constructive challenge and engagement.
- We have an active programme of engagement and strong communication and consultation channels with our staff associations and staff networks.
- We have just launched a new Gender Equality staff network which will include a lead for culture and standards and provide an advocacy route for concerns in relation to gender equality.
- DA matters training has been conducted across the force over nearly 2500 operational staff and officers.
- Avon & Somerset Police are following guidance being issued from the NPCC and College of Policing in relation to steps that need to be taken to further improve our standards, this has included collation of a data submission for National Police Database checks for all service police staff and officers which has been completed. We await the results back and will act accordingly and as part of that we are reviewing our guidance on management of officers and staff where vetting is withdrawn.
- The Force are uplifting resources and support into our Professional Standards Department to further support investigation of internal complaints.
- We are exploring a concept called Speak Up Guardians / Champions based on an approach deployed by the NHS. This will involve a trained cohort of people feeling confident of speaking up and challenging behaviour, culture, and practice.
- We are moving towards becoming a Trauma Informed organisation. A Trauma Informed Steering Group is in place managing five workstreams including Estates, Policy, Practice, Training and Wellbeing.

Earlier assessments

Mitigated risk score Q4 2021/22
Mitigated risk score Q1 2022/23
Mitigated risk score Q2 2022/23
Mitigated risk score Q3 2022/23

15
15
15
15

Corporate Risk - audit trail of risk management

Date of update
01/06/2023
09/03/2023
01/12/2022

PMO notes
<p>This risk was reviewed with Lou HUTCHISON on 01/06/23.</p> <p>Mitigating activities were updated. Updates covered the move to Uplift Maintenance, the continued progress with Workforce Planning investment, the Job Evaluation tender for expert advice, the Occupational Health Review, the move towards being a Trauma Informed organisation, the reaccreditation of the National Equality Standard and the approval of the Business Case for the new Leadership Academy Line Management Leadership Programme.</p> <p>The mitigated risk score was received and will remain as Impact 5 x Likelihood 3 = 15.</p> <p>This risk is next due for review in August 2023.</p>
<p>The Risk Management Advisory Group discussed this risk on 28th February 2023.</p> <p>The principal owner is the Chief Officer for People and OD, a vacant position following the previous incumbents' departure. Due to conflicting priorities and an administrative error, the acting Chief Officer could not attend the meeting.</p> <p>We have updated some of the tactical mitigation activity underway, reflecting this with additional comments in the mitigating activity section.</p> <p>We have reflected on the content and need to undertake a review and provide significant updates regarding our progress and continued challenges across this risk area. There needs to be more time between this meeting and the due date for submitting this report to undertake this extent of work.</p> <p>Therefore, we intend to thoroughly review the content and presentation of this risk ahead of the Quarter 1 reporting in 2023/24 (July 2023). In the meantime, we have maintained our previous position from Quarter 3 2022/23, with an unmitigated score of 20 and a mitigated score of 15.</p>
<p>The Risk Management Advisory Group reviewed this risk on 22nd November 2022.</p> <p>The position for Quarter 3 2022/23 remains unchanged, with the unmitigated risk value of 20 and the mitigated (residual risk) value of 15 remaining unchanged from Quarter 2. There are several reasons behind the decision retain the risk value such as the current high level of vacancies that the organisations are carrying, challenges in the recruitment market and our police officer Uplift programme have not fully</p>

	<p>completed yet (due by March 2023).</p> <p>The Constabulary Management Board continues to govern progress on the 6 'steppingstone' work strands (Leadership, Growing Pains, Culture, Rebuilding the CID capability, Uplift and Creating Capacity, which will support the delivery of our ambitions over the next 18 months.</p> <p>Finally, to address an action (minute 22) set in October 2022 Joint Audit Committee, our Professional Standards Department have provided some narrative on the data behind increased police misconduct cases. (This information has also been reported to the OPCC's Governance and Scrutiny Board). Overall, the total volume of complaints remains high with September, October and November 2022 are higher than average. The last period resulting in high numbers of complaints was after the conviction of Wayne Couzens on the 30th Sept 21, likely to be linked to trust and confidence in the police service being undermined. PSD have provided complaint data to our Performance and Insight team to ascertain if there are any themes to inform organisational learning and to help reduce referrals.</p>
05/10/2022	<p>The risk was reviewed by the Risk Management Advisory Group on 5th October 2022.</p> <p>The Director of People was unfortunately unable to attend the meeting, therefore the remaining members reflected on the current mitigation activity and concluded that the risk score will remain unchanged at 15.</p>
12/07/2022	<p>This risk was reviewed by the Chief Officer for People and Organisational Development on 8th July 2022.</p> <p>There is no change to the mitigated risk value, which remains as 15. While there are variations in the nature of how the risk is playing out, it is a broad and multifaceted risk and overall given the mitigations in place, I do not think on balance that it is any more likely to materialize at the at the present time than since it was last reported.</p>
16/02/2022	<p>This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is 20, and based on the internal controls and mitigating activities, we assess the mitigated score to be 15.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022.</p>



Date of register 01/06/2023

Corporate Risk - overview information

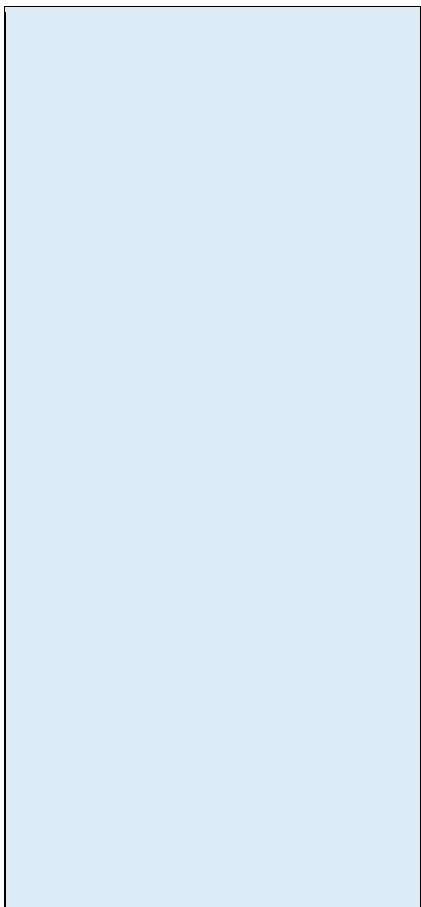
Corporate Risk URN	PR000738	Current Mitigated Score	12
Corporate Risk Title	Failure to maintain, invest in or optimise our infrastructure and assets	Mitigated Impact Score	3
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Nick Adams, Jon Reilly, Will White, Louise Hutchison, Joanne Hall	Mitigated Likelihood Score	4
		Date of Risk Review	31/08/2023

Corporate Risk Description	<p>Our infrastructure should enable the delivery of our vision to deliver outstanding policing for everyone. It is therefore important that our infrastructure, assets, and services achieve this and are developed sustainably, in a way that is mindful of our financial, political, social and environmental landscape and, in a way that offers value for money.</p> <p>For clarity, this risk focuses on infrastructure, which includes our physical assets (buildings, fleet, equipment, uniform) and facilities, as well as the specialist services that provide and maintain those assets. It also encompasses a range of professional services that support our operational directorates. Our IT infrastructure is also a critical enabler of our success, but it is outside the scope of this risk as it is reflected within Corporate Risk 5 - Digital and Data.</p>
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Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	16
Unmitigated Impact Score	4
Unmitigated Likelihood Score	4

Rationale	Officers, staff and volunteers need to be able to count on having the working environment, tools, equipment and information available to them do their jobs effectively.
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Geopolitical issues are affecting the global marketplace and supply chains, causing challenges for us in securing the infrastructure we need to function as a police service.

Estate - Since the pandemic we have moved a significant proportion of our staff (c. 1,600) to blended working, with a hybrid of home and office working. This change in our ways of working impacts on our estates usage, providing some opportunities while also requiring us to think about what our people need from their office environment. These considerations continue to inform our estate plans.

The cost of our buildings is forecast to increase significantly, driven by inflationary pressures on the costs of utilities and in the cost of business rates following the changes which will be implemented with effect from April 2023.

We have some specific challenges within our estate which are informing our forward plans. In particular we need to make decisions in relation to our estate in South Somerset (Yeovil in particular) after a period of indecision. We know this is important both in terms of providing reassurance to our communities about our presence in this area, as well as to provide positive progression for the morale of our officers and staff based here.

Our estate will also need to support the infrastructure required to charge electric vehicles as we gradually transition to these over the coming years.

Vehicles – the market for vehicles is undergoing substantial change, coinciding with global and more local supply chain challenges. Prior to the conflict in Ukraine, we were already seeing some challenges presented from the shortage of semi-conductors, and the early stages of manufacturers plans to end production of internal combustion engine (ICE) powered vehicles. The conflict in Ukraine has only added to these challenges, which means lead time for new vehicles is many months and for parts is also proving to be a challenge.

As a result of incidents concerning BMW police vehicles with certain engines, we removed a number of these vehicles from operational use in Spring 2022. This has presented acute challenges in relation to specialist operations roles.

Uniform and equipment – There continue to be supply chain challenges requiring ongoing management in relation to the provision of uniform and equipment. This does not necessarily present consistently, with some items being more readily available and others less so from time to time.

Corporate Risk latest assessment - mitigated risk

Mitigated Assessment
Mitigated Impact Score
Mitigated Likelihood Score

12
3
4

Rationale

Sustainability - The Constabulary approved its third Sustainability Plan at the end of 2021, establishing new, stretching targets for the organisation by 2026/7, although contrary to some other public sector organisations, the plan did not go so far as to commit to a net zero target. The Constabulary’s Sustainability Plan focusses on four over-arching themes: 1. Climate Action 2. Responsible Consumption 3. Sustainable Communities 4. Internal and external partnerships to deliver change. Governance and accountability continue to be notable areas for development, and this was reiterated in the recommendations from an internal audit in 2021/22. For context, an overt commitment to Sustainability is included in the Police and Crime Plan, while many continue to speculate that the inclusion of Sustainability in the PEEL inspection framework is only a matter of time. This is the second annual Constabulary Sustainability Report on

our progress against the plan, part of a new cadence of annual and half-yearly reporting to Constabulary Management Board. The long-term intention is that this will be further supported by additional reporting to Estates Asset Management Board and Finance and Assets Committee although this remains constrained by current capacity.

The Annual Constabulary Sustainability Report was presented at the May Constabulary Management Board. Understanding and addressing the negative environmental impacts of our operations and working towards positive, long-lasting outcomes for the planet, our people, and the communities we serve is critical. The Constabulary should recognise its potential to affect the local and global environment, society and the wider economy, never more so, than because climate change will lead to local and global trends which will directly impact the services we provide, from migration to extreme weather events like heat waves and flooding. Research suggests a strong link between organisations that place high importance on their corporate reputation and environmental and social impact, including its part in their employer brand, and the organisations' ability to be resilient in a crisis. Two main recommendations were presented and approved.

- (1) Recognise that achieving ambitious targets will need continued commitment in terms resources, particularly around data analysis.
- (2) Recognise that better understanding sustainability data and cause/effect will require further data analysis, and appropriate resourcing.

Estates – Our Estates Asset Management Plan incorporates all our planned projects and is due for presentation at the August Constabulary Management Board. The option for the Yeovil & South Somerset Project was agreed through March/April governance and the Project Team are now engaging Design and Cost Consultants ahead of a procurement exercise that will deliver a fully costed Final Business Case for investment approval towards the end of 2023. A design decision was made at the April Constabulary Management Board in relation to Bristol Broadbury Road design. Here, a Final Business Case for investment decision is expected earlier in August. Work continues to progress with Bristol Trinity Road with land purchase completion expected in September. Additional Corporate Change Projects for Bath and Minehead are managed as part of the corporate change portfolio.

The Estates Plan complements the Strategic Five-Year Plan for the Constabulary and identifies activity for the short, medium and long term.

We are reviewing our estate more widely, particularly focusing on our non-visible estate, with a view to identifying opportunities to consolidate this where possible thereby unlocking savings which will help to offset the increased costs of running our buildings.

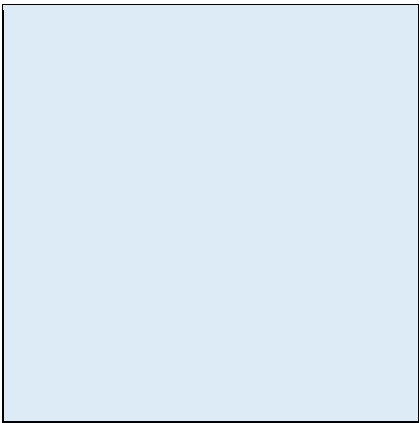
We work with an outsourced partner in the service and maintenance of our estate, including the discharge of many of our statutory obligations. We also have a facilities management structure in place which oversees the ongoing upkeep and maintenance of our estate.

We are progressing the roll out of EV charging infrastructure, and have commissioned joint work across all South West Forces to inform our forward plans for this, which will include consideration of grid capacity and plans to develop this mapped to all our police stations thereby helping to inform the type of charging capability we will be able to plan for.

Fleet – We are actively managing the procurement of police vehicles, and have taken the decision in some circumstances to step outside of national police frameworks and utilise other procurement methods to secure available fleet. We have also brought forward our ordering of future fleet replacement plans so as to ensure we are doing all we can to mitigate the long-lead times for delivery.

Through our regional procurement function, we have now secured a parts contract with two separate suppliers, one covering more of the north of our area and one covering more of the south of the area. Having access to these two contracts provides a means of mitigating the supply challenges in relation to parts.

Through the leadership forums we have run over the Autumn and Winter the Constabulary Chief Finance Officer has emphasised the



challenges we are facing around lead times for both vehicles and vehicle parts with leaders across the all departments and directorates. In so doing he has reinforced the importance of regular vehicle checks and maintenance being carried out locally to minimise the risk that failure to maintain vehicles appropriately leads to avoidable periods where the vehicle must be taken off the road.

Uniform and equipment – through our bi-monthly South West Procurement boards we are receiving regular updates from Blue Light Commercial on their insight into supply chain issues and challenges, informing our plans and work to mitigate where we can. This includes active management on a daily basis, particularly within our uniform/stores function, and where appropriate regional co-ordination to support one another in ensuring all South West forces are managing this risk collectively.

The challenge around supply chains for assets and infrastructure remains a very real daily risk, however we have been living and coping with this risk for some time now. The day-to-day actions we are taking to actively manage this risk, combined with the insight we have through working with partners regionally and with Blue Light commercial means that we are as well sighted as we can be on what future volatility and uncertainty we’re facing into.

Earlier assessments

Mitigated risk score Q2 2022/23
Mitigated risk score Q3 2022/23
Mitigated risk score Q4 2022/23
Mitigated risk score Q1 2023/24

10
12
12
12

Corporate Risk - audit trail of risk management

Date of update
01/06/2023
06/03/2023

PMO notes
<p>This risk was reviewed by Nick ADAMS in May 2023.</p> <p>Brief updates for the mitigated assessment rationale were captured in relation to the Annual Sustainability Report and the updated position for key Estate Corporate Change Projects.</p> <p>The overall mitigated score of the risk remains unchanged at an overall score of 12 (Likelihood 4 x Impact 3).</p> <p>This risk is next due for review in August 2023.</p>
<p>This risk was reviewed by the Chief Finance Officer on 2nd March 2023.</p> <p>The risk description has been updated to reflect the breadth and influencing factors in assessing the risk. We have made significant updates to the unmitigated risk assessment rationale, increasing the unmitigated score of the risk to 16 (Likelihood 4 x Impact 4) and adding more detail around the challenges across our Estates, Vehicles, and Uniform and equipment.</p>

	<p>The mitigated assessment rationale has also been updated. However, the overall mitigated score of the risk remains unchanged at an overall score of 12 (Likelihood 4 x Impact 3).</p>
29/11/2022	<p>The Risk Management Advisory Group reviewed this risk on 22nd November 2022.</p> <p>The mitigated score of this risk was increased to its current level in October 2022, linked to the geopolitical and financial challenges which underpinned the decision to increase Corporate Risk 2 at the same time. Given the short period of time between that decision in October and this review, there has not been any significant change in the positioning of this risk. Therefore, the position for Quarter 3 2022/23 remains unchanged, with the unmitigated risk value of 15 and the mitigated (residual risk) value of 12 remaining unchanged from Quarter 2.</p>
29/09/2022	<p>The risk was reviewed by the Risk Management Advisory Group on 5th October 2022.</p> <p>Reflecting on the continuing geopolitical and economic backdrop, and the current mitigation activity for this risk the decision was made to increase the mitigated risk score from 10 to 12.</p>
28/06/2022	<p>The risk was reviewed by the Risk Management Advisory Group on 28th June 2022.</p> <p>Following the review of our associated organisational risks in this area and considering our strategic position currently, the group made the decision that the risk would remain unchanged at a mitigated level of 10. There are several areas where we continue learn and develop our understanding of what is required as an organisation to achieve the goals we have set ourselves in our strategy, will our annual sustainability report in June 2022 providing opportunity for reflection on our currently trajectory to achieving our objectives.</p> <p>The Leapwise governance review, see Corporate Risk 1, has recommended some addition control and assurance needed for Corporate Change activity and these will help support and strengthen our estate and asset management governance in the future.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 14th September 2022.</p>
23/02/2022	<p>This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is 15, and based on the internal controls and mitigating activities, we assess the mitigated score to be 10.</p> <p>Our rationale for the risk being reduced is we recently refreshed court infrastructure strategy, and the sustainability plan within it. We have also strengthened our governance of our delivery by establishing to boards that sit under the Finance and Asset Committee, these being Fleet Asset Management Board and Estate Asset Management Board, which led by senior leaders are overseeing service delivery and change projects.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022.</p>



Date of register 01/06/2023

Corporate Risk - overview information

Corporate Risk URN	PR000739	Current Mitigated Score	16
Corporate Risk Title	Information Governance practices, data and digital assets are not governed and controlled or used legitimately, ethically, appropriately or effectively for policing purposes	Mitigated Impact Score	4
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Nick Adams, Jon Reilly, Will White, Joanne Hall	Mitigated Likelihood Score	4
		Date of Risk Review	31/08/2023

Corporate Risk Description	<p>Data is a critical asset for the constabulary and significant investment has been made to facilitate operational use of data. Effective and innovative use of data will be critical for the force to deliver it's vision of outstanding policing for everyone, and show sustained improvement against the four priorities in the Police and Crime Plan 2021-25. In order to fully realise the ambition to be a data-driven organisation, officers and staff need easily accessible, trusted data and analytics with clear purpose to help make evidence-based decisions to drive internal and public-focused outcomes.</p> <p>The recent Data Strategy and Roadmap for change, co-developed with an external partner, outlined the recommended steps for the force to continue on this trajectory of pushing boundaries and innovating with data. However, the Strategy also recognised the increasing demand on Information Governance and Data Ethics, and related functions, to ensure innovation is secure, ethical and compliant.</p>
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Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	20
Unmitigated Impact Score	5
Unmitigated Likelihood Score	4

Rationale

There is a complex data architecture with a lack of interoperability between systems and data. We hold data in multiple systems and across personal files and hard drives, which compromise the ability to build a single view of the data to inform making, planning and activity.

MOPI and CPIA compliance are a key focus for the constabulary, and we recognised that both statutory/legislative compliance and Crime Data Integrity require improvement.

Data literacy is improving; however it should remain a focus in order to keep pace with the organisational appetite to be more data driven.

There has been strong investment in future technologies such as advanced analytics, robotics and automation. However, the aforementioned foundational issues may pose challenges to the success of innovative techniques.

Our commercial partner (Agilysis) has supported the development of the Data Strategy Roadmap relating to Information Governance (IG) and carried out a further review of our Information Governance and Data Ethics. It was identified within these reviews that the Constabulary does not have a fit for purpose IG function to support not only its strategic ambitions through the use of its data but also to ensure the organisation, as a whole, is compliant and has the appropriate assurance mechanisms in place.

Corporate Risk latest assessment - mitigated risk

Mitigated Assessment
Mitigated Impact Score
Mitigated Likelihood Score

16
4
4

Rationale

The **Data Strategy and Roadmap** was presented to our Strategic Planning Meeting (SPM) in January 2022, having been developed following extensive engagement with key stakeholders and a commercial partner (Agilysis). The aim of the Data Strategy is "to understand and safely unlock the power of data across the Constabulary and our partners to best support outstanding policing, whilst building staff, partner and public trust and confidence in its use". There are four key investment areas identified in the strategy and roadmap, those are:

- Modern data platform
- Data entry solution
- Data quality and review retention and deletion solution
- Information governance and data governance demand and capacity review.

While the data strategy and roadmap represent a step in the right direction, we are yet to agree how we will deliver on the direction set in these documents and consequently we cannot at this stage rely on these to reduce the risk. We recognise that plans for implementation of the Data Strategy and Roadmap need to be more visible in order to understand deliverables and timescales. Providing clarity on this work is an important part of our Strategic Five-Year Plan and will directly inform the construct of Programme 5 (Data & Digital) as part of our wider Constabulary portfolio.

During the Quarter 2 2022/23, a Business Case was approved at the Constabulary Management Board which responds to the recommendations made in the Data Strategy Roadmap relating to **Information Governance (IG)** and the subsequent recommendations from the Information Governance and Data Ethics review carried out by external Consultants Agilisys. It was identified within these reviews that the Constabulary does not have a fit for purpose IG function to support not only its strategic ambitions through the use of its data but also to ensure the organisation, as a whole, is compliant and has the appropriate assurance mechanisms in place.

Following the departure of the former DPO and Information Sharing Co-Ordinator in late 2022 external consultants were appointed to undertake the function of the DPO and part of their remit was to also establish exactly what the demand generated by the organisation for the IG was. Part of the issue identified was a lack of effective recording of work and inefficient processes for monitoring the progress. In addition working relationships with stakeholders required significant improvement. Whilst the consultants have been in post there has been a significant improvement in all of these areas.

There is still further work to be undertaken due to delays in the recruitment process. The new Head of IG has been appointed and due to substantial delays in vetting and recruitment combined with a 3 month notice period will be starting on 07/08/23. The new Information Sharing Co-ordinator started 22/05/23 and therefore following a handover period one of the consultants from TLT will be finishing with the Constabulary on 02/06/23. The additional IG officer post also started on 22/05/23. In the IG Business case there was an additional post of a Senior IG Manager. However, after the successful work of the TLT Consultants in managing the demand a decision has been made not to recruit at a Senior Manager level but instead to recruit into a PO1-4 Compliance Officer role to assist with more tactical demand. This post is yet to be advertised due to only finalising grading last week and is now with Unison. It is anticipated that post would be filled by November 2023 due to recruitment and vetting timeframes. In addition to the above the IG Business Case also sought approval of the recommendation with regards to IG support for large non BAU projects to be funded by the project itself. This has worked successfully for two key projects recently with external consultants being procured via the National Legal Services Framework for ERP and NLEDS's. this approach has worked well as it has meant BAU can continue in the team rather than one or two people being abstracted to work on the project. The Constabulary has followed the first AGILISYS recommendation and set its risk appetite position in relation to data as Open/Cautious and that it is willing to tolerate low risk decisions being taken by activity owners This is in small part, one of the investment interventions, which will be supporting the delivery of the Data Strategy / Roadmap.

Chief Officer level discussions on **organisational risk appetite** have been held but work here is not yet finalised. This was only in relation to the appetite for risk around data and was needed at that time to inform decision making options for resources in the Information Governance Team. The OPCC will be involved in wider discussions when they are next held. The Constabulary PMO presently holds a vacancy for its lead risk management role. Once the new Head of Information Governance starts in August, the work on risk appetite can be progressed. This will also include work on the Information Governance Framework and any policies attached to this as well as communications about new processes and raising awareness of Information Governance (to complete by Q4).

We continue to invest in areas where we can create capacity to enable us to be as efficient as we can be with **technology enabling agile ways of working** and exploiting opportunities to automate processes. We have implemented 38 automated processes, covering areas including procure to pay, crime recording, vetting, victim care, data quality, intel, and the IT Service Desk. This has resulted in over 2.6 million processed cases, freeing staff from mandatory tasks and enabling them to focus on frontline duties. This is estimated to have gained £4M in efficiencies. Where feasible, we will consider the future alignment of digital capabilities across the South West region.

Earlier assessments

Mitigated risk score Q2 2022/23
Mitigated risk score Q3 2022/23
Mitigated risk score Q4 2022/23
Mitigated risk score Q1 2023/24

16
16
16
16

Corporate Risk - audit trail of risk management

Date of update
01/06/2023
08/03/2023

PMO notes
<p>This risk was reviewed by Nick ADAMS and Ellena TALBOT in May 2023.</p> <p>The mitigating activities section was updated with the latest progress on the implementation of the Information Governance Business Case. No update on the Data Strategy and Roadmap was received but it was noted that a Core Planning Team Meeting with ITD is scheduled for 14/06/23 to review content for Programme #5 (Data & Digital) as part of the Strategic Five-Year Plan and this in essence should replace any local Roadmap product.</p> <p>We will continue to focus / present this risk using the following three lenses.</p> <ul style="list-style-type: none"> • Information Governance - Focusing on the lawful, ethical, and legitimate processing and retention of police data for a policing purpose. • Data - Focusing on the quality of police data, how it is used and what steps we are taking to improve the data literacy of the organisation and workforce to be a data-driven organisation. • Digital - Focusing on the delivery of our digital roadmap and risks associated with our investment in future technologies, such as advanced analytics, robotics, and automation. <p>The mitigated value for the risk remains 'unchanged', with an unmitigated score of 20 and a mitigated score of 16.</p> <p>This risk is next due for review in August 2023.</p>
<p>This risk was discussed at the Risk Management Advisory Group on 28th February.</p> <p>The group agreed that this risk requires a refresh and overhaul of its presentation. We recognised that we have stabilised our position regarding the organisation's risk exposure by bringing in external subject matter experts to fill critical vacant posts in short to medium term. This solution has also given us some residual benefits of having new insights and expertise to help us inform and shape information governance processes.</p> <p>We plan to look at this presenting this risk through three lenses:</p> <ul style="list-style-type: none"> • Information Governance - focusing on the lawful, ethical and legitimate processing and retention of police data for a policing purpose.

	<ul style="list-style-type: none"> • Data - focusing on the quality of police data, how it is used and what steps we are taking to improve the data literacy of the organisation and workforce to be a data-driven organisation • Digital - focusing on the delivery of our digital roadmap and risks associated with our investment in future technologies, such as advanced analytics, robotics and automation. <p>Due to the lack of availability of key stakeholders, we have been unable to review and repurpose this risk to report by the end of Quarter 4 2022/23</p> <p>Therefore, we have taken the decision to report the risk as 'unchanged', with an unmitigated score of 20 and a mitigated score of 16.</p>
29/11/2022	<p>The Risk Management Advisory Group reviewed this risk on 22nd November 2022. As referred to in the previous update from October 2022, there is a longer-term element to implementing the effective mitigation to this risk. The Constabulary has been carrying vacancies in critical management functions across the Information Governance area for some time and is currently recruiting for these posts.</p> <p>There is very little by way of updates and progress, given the short 6-week gap between reporting.</p> <p>The position for Quarter 3 2022/23 remains unchanged, with the unmitigated risk value of 20 and the mitigated (residual risk) value of 16 remaining unchanged from Quarter 2.</p>
05/10/2022	<p>The risk was reviewed by the Risk Management Advisory Group on 5th October 2022.</p> <p>After discussion by the advisory group, the mitigated risk score will be retained at a score of 16. We recognise that the investment decision to support the Information Governance business case is a critical enabler to mitigating this risk successfully. Our expectation is that once this new model of operations becomes embedded into the fabric of the organisation, the risk exposure should begin to reduce. However, we acknowledge that this will take significant time to yield results, given the recruitment challenges and scope of change to be delivered across the information governance team.</p>
28/06/2022	<p>The risk was reviewed by the Risk Management Advisory Group on 28th June 2022.</p> <p>We discussed the risk mitigation score and reflected that while we have yet to make investment decisions on the interventions required to enable the Data Strategy delivery, we continue to undertaken other activity which is mitigating the risk materialising. Our commercial partners have continued to support us on the journey, delivering critical work to understand requirements around Information Governance and Data Ethics, which will form the building blocks of the proposed future state outlined in the Data Strategy.</p> <p>Additionally, we have seen the innovation such as Robotic Process Automation (RPA) yield significant gains in the management of our live and legacy data sets. The continual reduction in overall data quality errors is encouraging and shows the signs of cultural understanding on the importance of data being understood.</p> <p>The investment needed will ultimately be the intervention that moves the needle and enables us to greatly reduce the risk, but as we plan and consider what our next step might be, we recognise there are some positive outcomes to reflect upon. With this in mind, the risk has been reviewed and the unmitigated risk assessment remains 20, while the mitigated risk assessment has reduced to 16.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 14th September 2022.</p>
16/02/2022	<p>This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is 20, and based on the internal controls and mitigating activities, we assess the mitigated score to be 20.</p>

We recognise the inherent risk, however, as yet no decisions have been made on the investment needed and business cases are being developed to scope the level of investment options available to us. As reflected in the mitigating assessment, as we develop our delivery plans more clearly we would expect this risk to begin to reduce.

Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022.



Date of register 01/06/2023

Corporate Risk - overview information

Corporate Risk URN	PR000740	Current Mitigated Score	9
Corporate Risk Title	Governance arrangements need to be understood, appropriately applied and effective.	Mitigated Impact Score	3
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Nick Adams, Jon Reilly, Will White, Louise Hutchison, Joanne Hall	Mitigated Likelihood Score	3
		Date of Risk Review	31/08/2023
Corporate Risk Description	<p>We are very clear on our vision to provide outstanding policing. Within a professional environment as large and complex as Policing, effective and well-understood governance arrangements are critical to keeping us on track. A robust governance framework will help us ensure we are fulfilling our mission to Serve, Protect and Respect Avon and Somerset's communities. Furthermore, it will enable the delivery of our vision for outstanding policing. The starting point for good governance is having absolute clarity on the rules within which we choose to, and indeed must, operate to ensure consistent, transparent, evidence-based and ethical decision making.</p>		

Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	12
Unmitigated Impact Score	4
Unmitigated Likelihood Score	3

Rationale	<p>The Constabulary adheres to the CIPFA*: Delivering Good Governance in Local Government (2016) framework, which sets the standard for local authority governance in the UK. Furthermore, the publication of the International Framework: Good Governance in the Public Sector (CIPFA/IFAC**, 2014), contains seven principles for good governance applicable to local government, which the constabulary has adopted and built its own governance framework around. The principal statutory framework within which the corporations sole (ASC and OPCC) operate includes the following:</p>
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- Police Reform and Social Responsibility Act 2011
- Policing Protocol Order 2011
- Financial Management Code of Practice (Home Office, 2013)
- Strategic Policing Requirement (Home Office, 2015)

Without a framework in place to adhere and comply with the requirements outlined in these frameworks, we would be vulnerable to scrutiny from several sources, and exposed to reputation damages undermining confidence in policing.

We also recognise that the scheme of governance between the Constabulary and Police and Crime Commissioners Office is yet to be refreshed since the change of PCC. We will need to reflect and respond accordingly to any changes in an update version of the scheme, introducing controls into our governance framework.

Roles and responsibilities across the Chief Officer Group have been challenging to manage, with limited capacity to lead the breadth of organisational activity in each Chief Officer portfolio. This is especially prevalent in the Strategic Performance and having the leadership capacity to drive the improvements we aspire to deliver.

Across the SW region and collaborative partnerships there is a recognition that the governance arrangements require refining to provide clarity in the support and enabling of performance and strategic objectives.

Corporate Risk latest assessment - mitigated risk

Mitigated Assessment
Mitigated Impact Score
Mitigated Likelihood Score

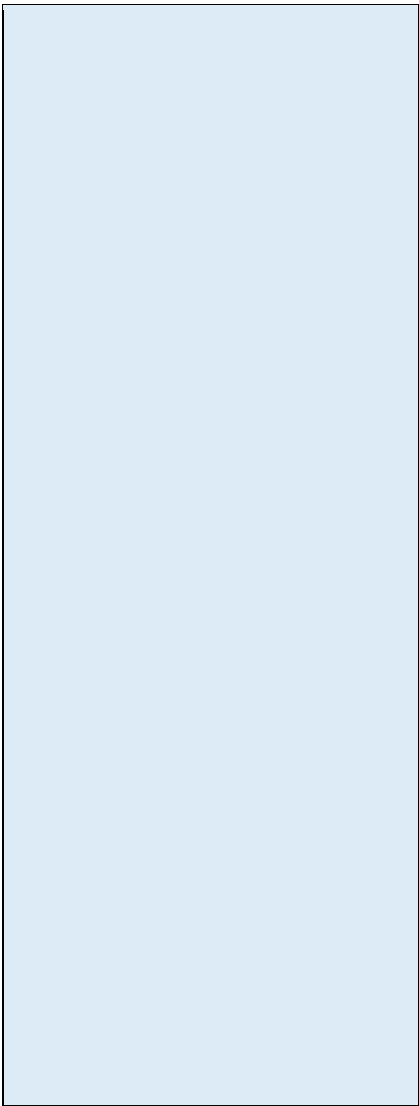
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3

Rationale

A **Joint Scheme of Governance** is established between the Constabulary and Office on the PCC, as required under statutory frameworks noted above. The primary purpose of the Scheme of Governance is to:

- Set out the respective roles of the PCC and Chief Constable
- Set out the common understanding and agreed ways in which certain functions will be governed and managed to enable proper and effective management of the Constabulary.
- Set out the delegations by the PCC and the CC to give effect to that common understanding.
- Incorporate Financial Regulations and Standing Orders relating to contracts.

The Constabulary has provided feedback on the planned refresh of the joint scheme of governance, we are awaiting further communication on the timescales for the finalisation of the new framework from the Commissioner's Office. However, the OPCC has refreshed its structure of both the Performance and Accountability Board (PAB) and its Governance and Scrutiny Board (GSB). The PAB has now moved to a monthly 30 minute session, while GSB retains its original cadence, but has split itself into two sessions to distinctly focus on Governance, where the PCC makes formal decisions related to the Constabulary and the Chief Constable's delegated budget, and Scrutiny, where the PCC will scrutinise the performance of the Constabulary to ensure it is delivering against the Police and Crime Plan and



providing an efficient, effective and legitimate service. Arrangements continue to embed with the Constabulary (PMO) working closely with the OPCC on meeting processes and logistics.

The Constabulary engaged Leapwise Consultancy to conduct a review of its governance arrangements with a final report published May 2022. The Constabulary recognised a number of recommendations from Leapwise for implementation. The revised **Governance Framework** was fully implemented from October 2022 with the advent of the Change Portfolio Committee. Leapwise identified that our baseline framework was relatively well defined and strong - improvements focused more on individual meeting delegations and behaviours. It should be noted that work in relation to the Strategic Five-Year Plan and revised Constabulary Performance Framework does overlap with governance and there are opportunities for further refinement of governance arrangements over the next few months. As part of our review of our strategic planning cycle, we have identified how we will align activity such as the Force Management Statement and Discovery Projects to influence and inform discussions on our Strategic Five-Year Plan (and it's continued agile development) at the quarterly Strategic Planning Meetings (SPM).

The option exists for a formal Post Implementation Review of the Governance Framework in the future but this should be scheduled for 12 months after the introduction of any final changes. The PMO Governance Handbook will be subsumed within a new PMO Service Catalogue but will need updating to reflect this.

Our governance framework aligns to the seven **CIPFA principles** of good governance, and as part of the CIPFA framework compliance, an Annual Governance Statement (AGS) is written each year to accompany the annual statements of accounts, providing an annual checkpoint for an internal self-assessment of our governance, risk management and internal controls. The 2023 AGS is being finalised by the PMO in June.

Each meeting in our governance framework has a defined Terms of Reference (ToR), which are monitored regularly and updated, formal annual reviews as part of our internal controls. The ToR for each meeting specific the level of responsibility and scrutiny monitoring service delivery and business functions. Further internal controls are referenced in the Governance Handbook, such as Risk Management, Change Commissioning, Performance Management and Assurance Management.

The introduction of the new ACC Performance role has provided additional capacity, scrutiny, and insight to help ensure governance arrangements, managed by the PMO, match senior leader expectations. There is recognition that we need to identify and drive performance accountability through a tailoring of our existing governance framework to continually mature our approach. This growth in our **strategic capacity** will help develop and lead our strategic planning and performance accountability and delivery frameworks.

Earlier assessments

Mitigated risk score Q2 2022/23
Mitigated risk score Q3 2022/23
Mitigated risk score Q4 2022/23
Mitigated risk score Q1 2023/24

9
9
9
9

Corporate Risk - audit trail of risk management

Date of update	PMO notes
01/06/2023	<p>This risk was reviewed with Nick ADAMS in May 2023.</p> <p>The mitigating activities were updated to better reflect the context, timing, and continued development of the Governance Framework post Leapwise Review. An updated position on the Annual Governance Statement was noted. The introduction of the new ACC Performance role was captured reflecting how developments linked to the Strategic Five-Year Plan and Performance Framework might shape the overall governance framework in the future.</p> <p>The PMO Service Offer for Governance will be defined within a new PMO Service Catalogue in Q3.</p> <p>The unmitigated risk value of 12 and the mitigated (residual risk) value of 9 remains unchanged.</p> <p>This risk is next subject to review in August 2023.</p>
01/03/2023	<p>The Risk Management Advisory Group reviewed this risk on 28th February 2023.</p> <p>The risk context has been updated to reflect the strategic capacity concerning stewardship of the organisation achieving its strategic objectives. Over the coming months, adding an extra Assistant Chief Constable to the executive team will support strategic governance and accountability. The group have also added some emerging narrative around the future need to review ASC Partnership Governance arrangements, which will be a piece of work that develops over the coming months.</p> <p>Delivery of the Leapwise Governance review recommendations is broadly complete following implementing of the required technical changes by our Portfolio Management Office. The ongoing challenge is ensuring governance arrangements remain effective and reviewed alongside the organisation's change needs.</p> <p>Our position for Quarter 4 2022/23 remains unchanged, with the unmitigated risk value of 12 and the mitigated (residual risk) value of 9 remaining unchanged from quarters 2 and 3.</p>
28/11/2022	<p>The Risk Management Advisory Group reviewed this risk on 22nd November 2022. We acknowledge the progress being made with the implementation of the final recommendations from the Leapwise Governance review.</p> <p>We are now in the final stages of design and implementation of the technical changes to the governance framework, the wider understanding of which are underpinned by the Governance Handbook product. However, we need to consider what cultural barriers might undermine the effectiveness of the changes and work with our senior leaders to ensure we have the right behaviours being modelled.</p> <p>The position for Quarter 3 2022/23 remains unchanged, with the unmitigated risk value of 12 and the mitigated (residual risk) value of 9 remaining unchanged from Quarter 2.</p> <p>The next planned review of this risk will take place in February 2023.</p>

05/10/2022	<p>The risk was reviewed by the Risk Management Advisory Group on 5th October 2022.</p> <p>Good progress is being made with the planned changes to the governance framework, but as these are not yet fully implemented, we took the decision to retain the current level of risk score (9), and intend to review this position again in December.</p> <p>By the time we review this risk again in December, we are optimistic that all recommendations will be complete and we can assess the risk with a view to reducing the mitigated score.</p>
28/06/2022	<p>The risk was reviewed by the Risk Management Advisory Group on 28th June 2022.</p> <p>While we have been fairly stable through Q1 of 2022/23, we know that in Q2 and beyond, we will make changes to the governance arrangements following the Leapwise review recommendations. There is a considerable amount of planning, coordination and communication to ensure that the changes being made to our governance structure are understood and appropriately executed by internal stakeholders. In addition, there is a requirement to refresh several documents such as Terms of Reference(s) and the Governance Handbook, which the review cited as 'exceptional documentation'.</p> <p>Effective risk management is forward looking, and we know the challenge ahead of us is to successfully implement the recommended improvements and without clear communication and execution of the change, the understanding and application of governance may be affected.</p> <p>It is for these reasons, we have increased to the unmitigated score to 12 and the mitigated score to 9, to be reviewed again in September 2022 when the implementation is under way / complete in respect of changes to the governance framework.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 14th September 2022.</p>
16/02/2022	<p>This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is 10, and based on the internal controls and mitigating activities, we assess the mitigated score to be 8.</p> <p>Our rationale for the risk being reduced is that we believe that we have implemented the processes, structures and guidance to support the discharge of effective governance across the organisation. The restructuring of the organisation enabling services in 2021 created the Portfolio Management Office, whose remit is to provide enterprise level support across our corporate change projects, governance, risk management and strategic planning cycle.</p> <p>Our new governance framework has bedded down into the organisation over the last 12 months and the focus is now shifting to optimising our leadership and culture to make our decision-making even more effective, through the work with Leapwise.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022. At this time, we will have received conclusions from Leapwise in their assessment of our governance arrangements.</p>

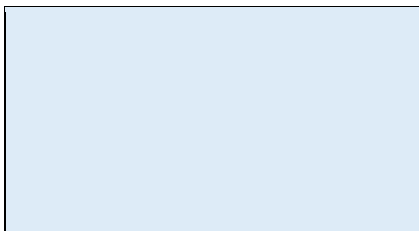


Date of register 01/06/2023

Corporate Risk - overview information

Corporate Risk URN	PR001436	Current Mitigated Score	15
Corporate Risk Title	Decreasing public confidence and legitimacy impacts negatively on service delivery.	Mitigated Impact Score	5
Corporate Risk Owner(s)	Nikki Watson, Sarah Crew, Jon Reilly, Joanne Hall, Will White	Mitigated Likelihood Score	3
		Date of Risk Review	31/08/2023

Corporate Risk Description	<p>The latest public confidence survey indicates the lower levels of public confidence with a figure of 66.5% for the last 12 months compared with a figure of 77.7 % for the previous 12 months (based on the question "Taking everything into account I have confidence in the Police in this area").</p> <p>This latest result is delivered against a national narrative from the Casey Review. The review discussed whether leadership, recruitment, vetting, training, culture, and communications support the standards the public should expect. It made recommendations for how high standards can be routinely met so that levels of public trust and confidence can be restored and maintained. We are clear that the report is potentially one of the most important moments for UK Policing in a generation. The wider coverage of the report described widespread racism, sexism and homophobia throughout the Metropolitan Police systems and culture. The report dealt with much more than discrimination and Baroness CASEY has provide a succinct diagnosis of her report.</p> <ol style="list-style-type: none"> 1. Services to women and children are not good enough. 2. Policing is at its most threadbare closest to the frontline – closest to the public. 3. There is institutional racism, sexism, and homophobia. 4. The Metropolitan Police needs to clean itself up and must root out the bad. <p>The report was not written about Avon & Somerset Police but under the same test criteria we need to understand how we would measure up. We reflect that many parts resonate, and we acknowledge elements that are true for us. We are committed to confronting and addressing them. The inclusion of this Corporate Risk reflects the various mitigations we have identified and work outstanding to deliver.</p> <p>Aside from CASEY, the scope of Police delivery remains at the forefront of national debate with the recent focus on the Humberside Right Care Right Person model and announcement from the Metropolitan Police Service to move back from supporting incidents of mental</p>
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health later in 2023 with wider interpretations how this is out of kilter with founding PEEL principles of wider community wellbeing.

There remains continued media interest in local disciplinary hearings managed by Professional Standards with outcomes published via local media outlets. We recognise how some local cases would have caused concern with the public. We understand that our own culture will directly impact on how the public feels about us. We are also aware of the impact of complaints and the impact on complainants and their levels of confidence.

Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment
Unmitigated Impact Score
Unmitigated Likelihood Score

20
5
4

Rationale

The unmitigated assessment score of 20 is based on the combination of a number of considerations that are interlinked. These include the latest declining public confidence figures, the publication of the CASEY Review and the wider implications for UK policing and the recognition of local misconduct and cultural issues within Avon & Somerset. The aggregation of these creates a high unmitigated risk assessment whereby the continued legitimacy of the Constabulary could be subject to public debate.

Corporate Risk latest assessment - mitigated risk

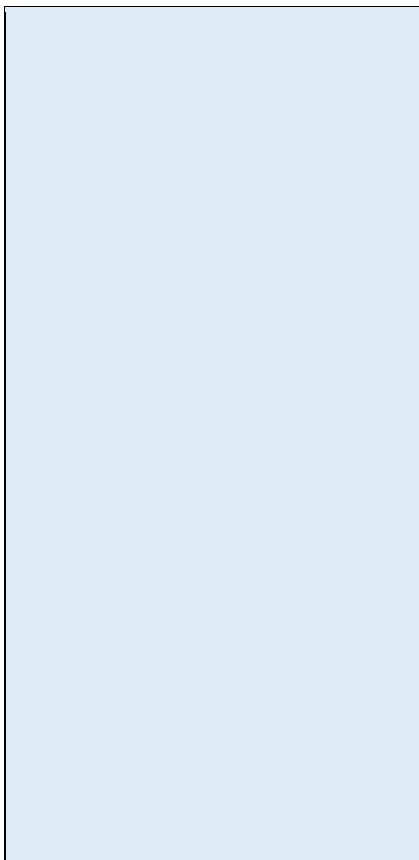
Mitigated Assessment
Mitigated Impact Score
Mitigated Likelihood Score

15
5
3

Rationale

We are able to demonstrate a comprehensive range of mitigating activities in relation to this corporate risk. A number of these activities are relatively new in their development, and this is reflect in the mitigated risk assessment score. The aggregation of this collective work should provide the opportunity for reduced mitigation values over the next six months as work continues to embed.

- VAWG / Vulnerability Management - Here our work is managed in line with our Force Strategy that reflects the National approach. We have identified operational leads as Champions to manage three pillars of work. We have aligned our Governance Framework accordingly managing activity through the quarterly Confidence & Legitimacy Committee. We have developed a Problem Profile which supports the reporting of vulnerability through the annual Strategic Policing Requirement submission. We continue to capture relevant performance data in relation to vulnerability outcomes and have mapped vulnerability risk onto the Organisational Risk Register for management and visibility.
- Our Race Matters Programme of Work encompasses our response to the Police Race Action Plan combined with wider work on Disproportionality. This activity sees us working with communities and partners. We have our governance arrangements in place and are managing activity as defined corporate change as part of our Constabulary portfolio.



- We have maintained our Investment in our Neighbourhood & Partnerships Directorate noting the impact this has on both visibility and confidence. We recognise the importance an value of the Independent Advisory Groups and have reviewed our support to ensure volunteers feel they can be effective. Our national work with BLUESTONE / SOTERIA demonstrates our continued perpetrator and victim focus.
- The CASEY Review was reviewed extensively by the Chief Officer Group to identify proactivity required by Avon & Somerset.
- Lime Culture Advocates are supporting our workforce through the development of a network of Sexual Violence Liaison Officers (SVLO). Workshops have been held to understand the culture of our organisation. Train the Trainer sessions have been held to upskill volunteers across the organisation to perform a SVLO role. This network will ensure members of staff will have someone, aside from their Line Manager, to provide guidance and support if needed.
- We continue to invest in our local Professional Standards Department recognising the increased level of demand summarised in a paper for the Constabulary Management Board in 2023. This recognised increase demands from local referrals, national work (Operation HOLDEN PND database checks for areas of concern) and the HMICFRS recommendation that is requiring Forces to review three years of cases where the Prejudicial and Improper Behaviour definition is found. We are following new vetting guidance to ensure we complete regular employee vetting more frequently. Misconduct Regulations are under review with a bill submitted looking to enable the ability of the Chief Constable to judicially review the decisions of legally qualified Misconduct Chairs. Professional Standards are also engaging in proactive community work whereby sessions are held with the public to explain the complaints process and the support in place - an initial event in Bristol East was well received.
- We have delivered proactive internal communication campaigns such as "This Is Not Who We Are" which has helped generated a large amount of intelligence about our organisation and prompted an uptick in the number of PSD referrals. Internal communications will be complemented by a new Public Engagement Strategy under development now that the new Director of Corporate Communications is in place.
- We have revisited our Line Management / Leadership offering which will now include the ability to understand the culture of a Team and spot opportunities for early intervention enabling our managers to become more proactive and effective in support of their colleagues.
- Finally, we continue to embed and evolve our Organisational Learning process managed through our central Portfolio Office which now has an increasing number of source records for review.

Earlier assessments

Mitigated risk score Q2 2022/23
Mitigated risk score Q3 2022/23
Mitigated risk score Q4 2022/23
Mitigated risk score Q1 2023/24

15

Corporate Risk - audit trail of risk management

Date of update
31/05/2023

PMO notes
New Corporate Risk captured and defined at Risk Advisory Group Meeting on 31/05/23.

MEETING: Joint Audit Committee	Date: 21 st June 2023	Agenda No
DEPARTMENT: Finance and Business Services	AUTHOR: Emma Snailham, Corporate Business Partner – Financial Accounting	8b
NAME OF PAPER: 2022/23 Draft Statement of Accounts		

1. PURPOSE OF REPORT

The report presents the 2022/23 draft statement of accounts for both the Police and Crime Commissioner (which incorporates the group position) as well as for the Chief Constable.

Members of the Audit Committee (JAC) are asked to review and discuss these draft financial statements, prior to the documents being subject to audit by our external auditors Grant Thornton.

2. BACKGROUND

Since the Police Reform and Social Responsibility Act 2011 (the Act) came into effect, we now publish two sets of financial statements:-

- PCC’s Statement of Accounts (including Group accounts); and
- Chief Constable’s Statement of Accounts.

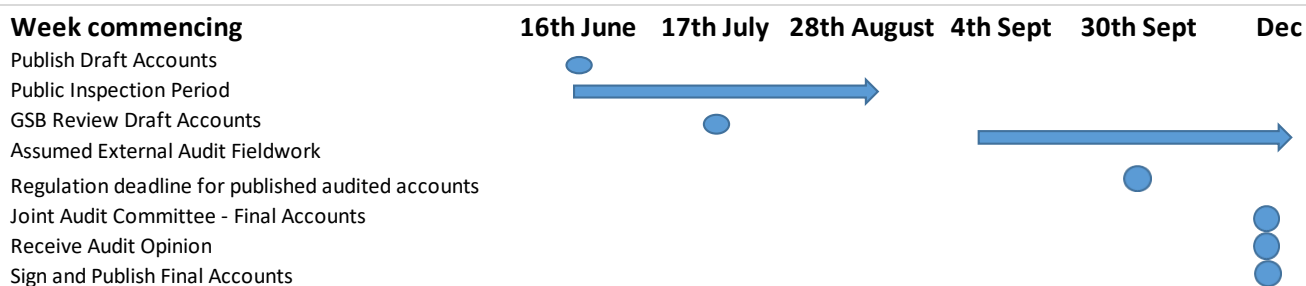
This requirement was brought about by the creation of two separate legal entities under the Act.

The Accounts and Audit Regulations 2015 require that the “responsible financial officer” sign and date a draft copy of the Statement of Accounts prior to commencing the period during which the public can exercise their rights to inspect the accounts.

Upon completion of the period during which the public can exercise their rights, the final (audited) accounts will then be considered by way of a committee (which in our case will be the Joint Audit Committee). If there are no issues, the Joint Audit Committee will recommend the accounts to the PCC and CC for their approval and signature.

Due to the continuing effect of delayed and prolonged public sector audits, the Department for Levelling Up, Housing and Communities (DLUHC) (Previously know as Ministry for Housing, Communities and Local Government (MHCLG)) has extended the statutory audit deadline for 2022/23 for all local authorities, including police forces. The publication date for audited accounts has moved from 31 July to 30 September 2023.

With the above deadline in mind, we are planning to complete our own accounts and audit activity by November 2023. We have assumed the external audit this year will commence their audit fieldwork in September in line with their plans, and therefore this does not mean that we will not be able to publish audited accounts by the deadline of 30th September. The table below sets out the timeline for key events to achieve completion by this date:



The format of the accounts is prescribed in legislation, with further refinement added through guidance and regulations issued. The primary financial statements within this document comprise:

- A Comprehensive Income and Expenditure Statement;
- A Movement in Reserves Statement;
- A Balance Sheet; and
- A Cash Flow Statement.

In addition to these primary statements the accounts include narrative statements providing context and explanations, and a series of notes providing further detail to the primary statements. The Annual Governance Statement (AGS) also accompanies the accounts. The AGS sets out the management's view of its governance arrangements, issues to be addressed and actions to be completed.

3. PRESENTATION OF THE STATEMENT OF ACCOUNTS

In preparing both sets of financial statements, we have assessed the appropriateness of presenting the accounts on a going concern basis. We recognise that the PCC and Chief Constable can only be created or discontinued through statutory prescription. As we have no indications of any intentions on the part of Government or Parliament to bring about changes that will see either of these corporations sole cease to exist, we consider that preparing our accounts on a going concern basis remains valid.

Another consideration for going concern is our financial sustainability, and our ongoing ability to live within our financial means. This is annually assessed in the preparation and scrutiny of our Medium-Term Financial Plan (MTFP), which sets out our 5 year revenue and capital forecasts, incorporating considerations of reserves and risks within this. Our latest MTFP identifies significant savings will be required over the medium term for the PCC and Chief Constable to continue to be able to set a balanced budget. We are progressing our plans to identify savings and efficiencies, including both reductions in staff headcount, and releasing further non-pay savings. These will continue to be developed as a critical component of our strategic planning.

The presentation of the two Statements of Account is determined both by the legal substance of the transaction, as well as by the application of the accounting principle of "Substance over Form". This accounting principle is used to ensure that financial statements present a complete, relevant and accurate picture of transactions and events by accounting for the financial reality (the "economic substance") rather than the legal form of the transaction.

We have considered our application of the requirements of substance over form when preparing our 2022/23 accounts. The outcome of this review, in addition to there not be any material changes to accounting or statutory regulations, concluded that the presentation of last year's financial statements remains appropriate.

Therefore the accounts as presented contain the following:-

Prime Statement	PCC/Group	Chief Constable
Comprehensive Income and Expenditure Statement	PCC – includes costs of the OPCC and inter-group adjustments. Group – shows combined PCC and CC position	Includes the income and expenditure associated with providing a policing service in accordance with the PCC scheme of governance
Movement in Reserves	Full statement reflecting the movement on all reserves	Only Pension accounting adjustments through the general fund
Balance Sheet	Full statement reflecting the totality of all assets, liabilities and reserves across the PCC, CC and combined group	Includes the pension assets and liability, the short-term absences accrual, and other employee related balances, offset by a debtor from the PCC
Cash Flow Statement	Full statement reflecting the cash flow across the PCC, CC and combined group	Includes those non-cash adjustments required to ensure consistency with other primary statements

The Chartered Institute for Public Finance Accounting (CIPFA) have decided to [defer the implementation of International Financial Reporting Standard \(IFRS\) 16](#), which relates to how leases are accounted for, until 1 April 2024. This decision has been made in recognition of severe delays in the publication of audited local authority financial statements in England, reflecting wider challenges within the audit market as highlighted in the [Redmond Review](#). IFRS 16 will now be included in the 2024/25 code. Early adoption as of 1 April 2022 or 1 April 2023 is permitted. The A&S finance team are well advanced in the preparations for the introduction of IFRS 16 accounting but intend to adopt this with effect from 1 April 2024, to allow for the introduction of the new ERP system. This adoption date is in line with other police forces across the UK.

4. 2022/23 REVENUE AND CAPITAL FINANCIAL PERFORMANCE

The 2022/23 financial performance across both the revenue budget and the capital plan has been the subject of a detailed paper presented to Constabulary Management Board at its meeting on 25th May 2023, and to the PCC's Governance and Scrutiny Board at its meeting on 13th June 2023.

In summary we reported an under spend against revenue budget of £3.7m/1.0% (2021/22 £6.8m/2.0%), which was entirely accounted for through provisions and reserve adjustments. During the year we also spent £12.2m (2021/22 £10.5m) on capital projects and are carrying forward £2.2m (2021/22 £2.3m) into 2022/23 in support of ongoing projects.

The budget and outturn figures presented will not immediately read across exactly to the Income and Expenditure Statement in the Financial Statements due to adjustments between financial accounting and management accounting presentations. However, we have included a reconciliation (see Appendix C) between the outturn and the figures presented in these financial statements to provide assurance to JAC members, the PCC and the CC as to the validity of the numbers being reported.

5. USEABLE RESERVES AND PROVISIONS

The movement on reserves statement (as detailed at page 29 of the group accounts) identifies a net increase of £3.6m/5% (2021/22 increase £3.2m/6% in useable reserves. The table below summarises the position on our useable reserves:

Details	General Fund Reserve	Earmarked Revenue Reserves	Capital Receipts Reserve	TOTAL
	£'000	£'000	£'000	£'000
Balance as at 1 April 2022	12,000	41,869	6,375	60,243
Net Increase/(Decrease)	0	1,418	2,171	3,589
Balance at 31 March 2023	12,000	43,287	8,546	63,832

The General fund balance is set by the risk assessment carried out by the PCC CFO in conjunction with the Chief Constables CFO. The General fund balance has remained the same since 2020/21, and represents 3.2% of our 2023/24 revenue budget.

Our earmarked reserves (which were included in the outturn report presented to CMB in May, and which are explained in more detail on pages 76-79 of the group accounts) can broadly be broken down into three distinct areas:-

- **Revenue funds – discretionary:** These are the funds that we have set aside, predominantly held to support the ongoing costs of proactive and reactive operations, enable us to continue to realise our change and transformation ambitions and to provide support to face the future financial uncertainty.
- **Revenue funds – non-discretionary:** These are funds that we account for at the end of the year, but which predominantly relate to funds that we have received for specific purposes (e.g. unspent specific grant funding, unspent proceeds of crime funding) or funds that represent money which is not (either wholly or in part) ours (e.g. balance on our regional serious organised crime unit which is hosted by A&S).
- **Capital and PFI funds:** These are funds held in support of future capital programmes, and in support of our PFI buildings and contracts.

The earmarked revenue reserves have increased by £3.6m during the year. This is the net result of a number of movements, including:-

- a £0.8m increase to our non-discretionary reserves, as a result of:-
 - Increase of £1.1m to our Specific Grants Reserve.
 - Increase of £0.4m to the Hinkley Reserve.
 - Offset by reductions in several reserves including Victims and Commissioning Reserve (£0.4m), and Proceeds of Crime (£0.3m).
- a £1.9m increase to our discretionary reserves, as a result of:-
 - The creation of the Revenue Smoothing reserve (£2.8m) as planned for within our MTFP.
 - Our carry forward reserves have decreased from last year by £0.6m.
 - The transformation reserve of £0.2m has been utilised.
- The earmarked capital reserves have increased by £1.0m during the year, reflecting our long-term capital funding plans.

In addition to reserves, we have also made a number of provisions as at 31st March 2023, which reflect known liabilities of uncertain value and/or timing (note 26 of the group accounts, page 73). The accounting for provisions is reliant upon the exercise of professional judgement, and as such it is important that the assumptions made here are transparently explained. Our provisions include:

- **Self-Insurance provision** £8.1m (2021/22 £7.3m) – this provision reflects the potential discounted liability for all claims against the PCC or Chief Constable up to the level we are insured for (known as our “deductible”). The value of the provision is set annually after consideration of all known outstanding claims which are independently reviewed. In previous years, our self-insurance provision included the potential top up levy to Municipal Mutual Insurance Ltd.’s Scheme of Arrangement and a buffer for unexpected losses. However on further review it has been concluded that this element of the provision is covered within the risk assessment carried out when assessing the general fund reserve and so has been excluded from the total of the insurance provision.
- **Legal services** £0.3m (2021/22 £0.4m) – this provision reflects the assessed value of our legal costs associated with responding to all outstanding claims.
- **Ill-health and termination benefits** £0.1m (2021/22 £1.3m) – this provision reflects the costs associated with the ill health retirement of police officers who at the 31st March 2023 have an agreed medical retirement date which falls in the 2022/23 financial year; and
- **Overtime liability** £4.0m (2021/22 £3.2m) – this provision reflects the potential value of historic claims relating to undercover work and overtime by officers. The value of this provision remains under review by a group overseen by the Deputy Chief Constable, with the support of the Director of Legal and Compliance Services and the Head of Finance.

6. PENSIONS ACCOUNTING

In preparing the accounts, we are required to comply with pension accounting requirements as set out in International Accounting Standard 19 (IAS 19).

IAS 19 requires an organisation to account for retirement benefits when it is committed to give them, even if the actual giving will be many years to come. It requires employers to disclose the total value of all pension payments that have accumulated (including deferred pensions) at the 31st March each year. This value is made up of:-

- The total cost of pensions being paid out to former employees who have retired; and
- The total sum of the pension entitlements earned to date for our current employees – even though it may be many years before the people concerned actually retire and begin drawing their pension.

IAS 19 also requires us to show all investments (assets) of the Pension Fund at their market value, as they happen to be at the 31st March each year. Pension assets are only applicable in the accounting for the police staff scheme. There are no assets within the police pension scheme. The value of these investments is subject to regular fluctuation on a day-to-day basis, and so when compared across a 12 month time difference, can present significant movement year on year.

Setting side by side the value of all future pension payments and the snapshot value of investments as at the 31st March, results in either an overall deficit or surplus for the Pension Fund.

As at 31 March 2023 the pension fund liability (deficit) identified by our actuaries is £2.65bn (2021/22 - £4.33bn). Of this £2.61bn relates to Police Officers (2021/22 - £3.93bn), and £33m to Police Staff (2021/22 - £394m).

The Police Officers scheme is the responsibility of the Home Office, and the Chief Constable (as employer during the course of 2022/23) is responsible for making employer contributions towards this pension. The Police Staff scheme (which is Somerset County Councils Local Government Pensions Scheme [LGPS]) is the responsibility of the PCC and Chief Constable, and the PCC CFO represents the PCC at the Somerset County Council Pension Committee.

For the reasons set out above the IAS 19 figures can only be a snapshot at a given point in time. A truer reflection of a pensions fund's actual position comes from a more detailed assessment made by an Actuary. This assesses and examines the ongoing financial position of the pension fund, and as a result can differ considerably from the IAS 19 valuation.

These more detailed actuarial assessments are carried out periodically, and are used to review the contribution rates to the Fund made by us as the employer, to ensure that existing assets and future contributions will be sufficient to meet future pension payments. We can do this, because by its very nature, the Pension Fund is ongoing and long-term and gives employers time to act so that any deficit is spread and paid-off over a number of years.

7. PFI ACCOUNTING

Through our PFI contract our private sector partner (Blue Light Partnership [BLP]) is responsible for providing and making available the four PFI funded buildings throughout the 25-year life of the contract. At the end of the contract the legal ownership of the buildings will revert to the PCC (in the case of the shared facility it will revert to shared ownership) at nil cost.

As the PCC is deemed to control the services that are provided under the PFI schemes, and ownership of the buildings will pass to the PCC at the end of the contracts for no additional charge, the PCC accounts for these assets on its Balance Sheet as part of Property, Plant and Equipment.

The financial implications of this contract will see the PCC commit to an annual unitary charge across the 25-year life of the contract, being £10.3m in 2022/23 (£9.8m 2021/22), and £259.7m over the 25 years. The UK Government (Home Office) has committed to provide £187m capital funding ("PFI Credits") in the form of annual grants over 25 years.

The difference between the unitary charge cost for the provision of the buildings, and the PFI credits will be closed through a combination of the:-

- a. Interest earned on our sinking fund balance - being the reserve into which the timing difference between the receipt of the PFI credits and the actual requirement to use these funds, is accounted for.
- b. Contributions from our partners towards the running costs of the building - contributions from Gloucestershire and Wiltshire Constabulary will contribute towards the annual running costs of the shared firearms training facility.
- c. Revenue budgets of the Constabulary, which have been realigned following savings achieved because of the closure of other buildings.

8. OTHER CONSIDERATIONS

As is normal during our preparation of the draft financial statements we have had to make several considerations. These include:

- Asset valuations – In accordance with our policy for the valuation of our assets a desk top valuation was carried out by our in-house surveyor as at 31st March 2023. The properties have been valued

in accordance with the current RICS valuation standards and as such were reported on the basis of material valuation / market uncertainty principles. The results of this valuation have been captured within the financial statements presented.

- Related Parties – We have written to the members of the Joint Audit Committee, the PCC and his executive officers, and to the Chief Officers of the Constabulary to ascertain whether there were any financial transactions requiring disclosure. The result of this review is presented at note 13 (page 58) of the Group accounts and note 11 (page 47) of the Chief Constable’s accounts.
- Contingent Liabilities – In accordance with the requirements of the accounting standards we have considered whether there are any liabilities which have not been financially provided for because they are remote or cannot be accurately valued. The note includes reference to the following:
 - McCloud/Sargeant Judgment regarding the discrimination arising from the Transitional Provisions in the Police Pension Regulations 2015.
 - The Federation compensation claims from the McCloud discrimination for hurt feelings; and
 - Goodwin and O’Brien cases regarding other forms of discrimination within Pension scheme

The results of this review are presented at note 27 (page 73-75) of the Group accounts, and note 19 (page 56-58) of the Chief Constables Accounts.

9. EQUALITY ANALYSIS

The Statement of Accounts have been prepared in accordance with accounting conventions and the guidance contained within the CIPFA Code of Practice on Local Authority Accounting. Where possible we have included explanatory notes to aid the reader of the Accounts in interpreting the information included.

The Statement of Accounts are published through the website of the PCC and Chief Constable, and additional copies can be made available to members of the public who make a request to either of the Chief Finance Officers.

10. SUSTAINABILITY

The draft accounts continue to be very sizeable documents. We will continue to refine and where possible reduce the number of pages needed through formatting, and as in previous years we intend to keep the number of printed copies of the financial statements to a minimum. As the Finance team are now blended workers, no paper copies have been printed in the preparation of these accounts.

There are no specific requirements at this stage relating to sustainability issues which need to be included within the financial statements.

11. CONCLUSIONS AND RECOMMENDATIONS

As in previous years the Accounts have not yet been audited. The audit is due to commence in September and continue through October, with expectation that this will have been substantially completed to allow us to present audited accounts at the JAC meeting in December. Once the audit is completed the external auditors will issue an Audit Certificate, enabling the final Statement of Accounts to be signed and published.

The Joint Audit Committee is therefore invited to discuss the 2022/23 Draft Statements of Accounts.

Appendix A – Draft 2022/23 Group and PCC Financial Statements

Appendix B – Draft 2022/23 Chief Constable Financial Statements

Appendix C

Reconciliation between Net cost of police services in SOA and Outturn

	£000's
Net cost of police services in Statement of Accounts	492,122
Financial and investment income & Other operating expenditure	
External interest payable	5,713
Gain/loss on disposal of non-current assets	(1,974)
Interest and investment income	(1,633)
Income Investment properties	(178)
Included in net cost of police services in SOA but not in Outturn	
MOJ Commissioning Grant	-
Tax Income Guarantee Grant	-
Pension top up grant	(52,909)
Transfers to reserve included in Outturn	
Transfers to reserve	4,324
Adjustments between accounting & funding basis under regulations:	
Amortisation of intangible assets	(25)
Depreciation of fixed assets	(13,899)
Revaluation Loss	2,745
Holiday pay accrual adjustment	(1,416)
Net IAS 19 charge for retirement benefits	(149,483)
Minimum Revenue Provision	3,724
Revenue contribution to finance capital	5,056
IAS 19 employers contributions payable	61,538
Outturn	353,706
<i>Check</i>	<i>353,706</i>
<i>Difference</i>	<i>- 0 (Outturn roundings)</i>

Office of the Chief Constable for Avon & Somerset

Officers of the Office of the Chief Constable

The statutory Officers of the Office of the Chief Constable (OCC) are

Sarah Crew	Chief Constable Phone 01278 646212
Nick Adams	Chief Officer Finance, Resources and Innovation Phone 01278 646400
Address for Chief Officers	Valley Road Portishead Bristol BS20 8QJ

Office of the Chief Constable for Avon & Somerset



Statement of Accounts for Year Ended 31 March 2023

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Office of the Chief Constable for Avon & Somerset

Chief Finance Officer's Narrative Report

This section provides information about the Constabulary, enabling the reader to understand our objectives and strategies, as well as matters of financial and operational performance over the past year and issues which may affect these in the future. This statement should be read in conjunction with the Chief Finance Officer's Narrative Report in the Police and Crime Commissioner's Statement of Accounts.

1 Organisational Overview

The Avon and Somerset policing area serves the five principal local authority areas of South Gloucestershire, Bath & North East Somerset, Bristol, North Somerset, and the county of Somerset.

Around 1.7 million people live within the 1,844 square miles our area covers, with greater concentrations around our towns and cities, which include Bristol, Bath, Weston-Super-Mare, Taunton, and Yeovil.

The Police and Crime Commissioner (PCC) and the Chief Constable are established as separate legal entities. The PCC is elected by the public to secure the maintenance of an efficient and effective police force and to hold the Chief Constable to account for the exercise of their functions and those of persons under their direction and control. The Chief Constable has a statutory responsibility for the control, direction, and delivery of operational policing services in the Avon and Somerset police area.

The PCC for Avon and Somerset sets out their priorities in the Police and Crime Plan. These priorities are determined following consultation with the communities of Avon and Somerset, as well as incorporating the views of a range of stakeholders including the Police and Crime Panel, partners, the Chief Constable, and senior leaders within the Constabulary. Throughout 2022/23 the PCC's priorities have been

- ✚ Preventing and fighting crime
- ✚ Engaging, supporting and working with communities, victims and partner organisations
- ✚ Leading the police to be efficient and effective
- ✚ Increasing the legitimacy of and public confidence in the police and criminal justice system

The PCC oversees the delivery of services against their priorities, holding the Chief Constable and their team to account for those aspects of the plan that they are expected to deliver.

Under the direction and control of the Chief Constable and the Constabulary Chief Officer team, the Constabulary is divided into nine directorates, encompassing all aspects of operational and organisational delivery.

- ✚ Neighbourhood and Partnerships
- ✚ Response
- ✚ CID
- ✚ Operational Support
- ✚ Information Technology
- ✚ Finance and Business Services
- ✚ People and Organisational Development

- ✚ Office of the Chief of Staff
- ✚ Legal and Compliance Services

The Constabulary also partners with other police forces in the region to provide aspects of its service, including Forensic Science Services, Specialist Operational Training, and Major Crime Investigation.

The Constabulary’s Mission, Vision and Values are

- Mission** Serve, Protect, Respect
Vision Outstanding policing for everyone
Values Caring, Courageous, Inclusive, Learning

The Constabulary has an annual planning cycle, incorporating service, workforce, finances, and assets. Through this annual cycle the strategic plan will be reviewed and revised to establish in more detail how we intend to deliver against the PCC’s priorities, achieve our mission and bring our values to life.

The staffing information for both organisations as at 31 March 2023 is as follows

Employees	Actual FTE	Actual Headcount	Actual % Part-Time
Police Officers	3,343	3,406	7%
Police Community Support Officers	306	320	17%
Police Staff	2,689	2,974	28%
OPCC	28	39	46%
Total	6,367	6,739	19%

In addition, the Constabulary is supported by 235 Special Constables, 102 Police Cadets, and approximately 1,914 volunteers, of which 1,756 support community speedwatch throughout Avon and Somerset.

2 Operational Performance

The monthly Integrated Performance and Quality Report (IPQR) presents an overview of our performance and identifies key areas for improvement based on our Performance Control Strategy. This report is closely monitored and discussed in detail at the monthly Constabulary Management Board, as well as at the PCC’s Governance and Scrutiny Board, Performance Accountability Board and local Directorate Leadership meetings, where actions and interventions needed to maintain and enhance performance are determined.

From time to time, we will stand up further governance to focus on particular areas where we believe improvement is needed. During the year we have established an Investigative Standards Forum chaired by an Assistant Chief Constable, providing scrutiny and a problem-solving focus around investigative standards and case file quality. A Performance, Support and Learning meeting provides additional support to communicating and understanding good work and barriers to performance improvement.

There are a range of local and national outcome frameworks in place, including

- ✚ The PCC’s priorities as set out in the Police and Crime Plan
- ✚ The Home Office’s national policing outcomes (as part of the Beating Crime Plan)

- ✚ The key lines of enquiry used by HMICFRS when conducting their Police Efficiency, Effectiveness and Legitimacy (PEEL) reviews
- ✚ Other national frameworks that are in development (i.e. Violence against Women and Girls national performance framework)

Progress against the above frameworks are routinely monitored and captured across the organisations improvement plans to ensure we can assess where we are doing well and where improvements are needed.

Our local context continues to reflect several national opportunities and challenges, characterised by

- ✚ Our officer numbers have increased as we have delivered our share of the Government's Uplift programme, but the volume of police officer recruitment to achieve this has meant we have a large number of student officers to support through abstraction to college and 'on the job' tutoring
- ✚ Our officer experience and profile means that we continue to have some acute skills challenges, particularly in the number of accredited detectives within force. This results in a sub-optimal allocation of crime demand across our operational teams
- ✚ Our demand picture continues to evolve, with previous large increases in serious and complex demand volumes being sustained

In last year's Statement of Accounts, we reported increases in recorded crime as society emerged from the restrictions required in response to the global COVID-19 pandemic. Overall police recorded crime levels this year have become more stable, with a +1.3% increase against the previous year. This largely reflects crime patterns now returning to pre-pandemic levels, although some crime types, particular key theft based and volume crime types such as theft, burglary and vehicle offences have remained dampened (approximately 20% lower rates than pre-pandemic).

The large, previously noted increases in reported sexual offences have become more stable (-4.6%), as have stalking and harassment offences (-4.6%), hate crime (-1.2%) and domestic abuse (-8.1%). These more stable trends follow a period of significant increase across these crime types.

Recording crime accurately is a key priority to us. We have been progressing and evolving an extensive improvement plan in this area. While we know we have further to go, as confirmed by our recent HMICFRS PEEL assessment grade of 'Requires Improvement', we are confident that we have the right plans and activities in place to deliver the required improvements.

We have been a trailblazer in reviewing our end-to-end approach to investigating rape, working closely with independent academic experts as part of project Bluestone. This approach has helped form a national blueprint and has been led by our Chief Constable who is the national lead for Rape and Serious Sexual Offences. Following extensive feedback and findings we have been progressing a wide range of activities that have changed our approach to investigation. We continue to see double the amount of rape charge volumes compared to the previous year, while our charge rate has also nearly doubled to 7.5% for the latest 12 month period. Nationally, we have moved from previously being a bottom quartile performer in this area, to a top quartile performer. Currently, the positive outcome rate for Rape and Serious Sexual offences sees us with the 11th highest rate nationally from the 43 forces.

Like all emergency services, the force has experienced a significant increase in 999 calls over the previous 2 years. The rate of increase for 999 calls has grown by +14% during 2022/23. Despite these increases we have sustained outstanding performance within our Control Room, with a call abandonment rate for 999 calls of 0.2%. As a consequence of prioritising 999 performance, the 101 non-emergency call abandoned rate rose to an average of 10.5% (up from 6% the previous year). The victim satisfaction rate for initial contact stands at 85.3% for the last 12 months (down 6% pts on the previous year).

Public confidence, as measured by the crime survey for England and Wales, has remained paused following the COVID period, so recent data comparing Avon and Somerset police against other

forces is not available. The latest national results from March 2020 placed the force at 78.6% (+0.4% on the previous year) which put Avon & Somerset at 8th when ranked nationally. Our own local public confidence survey, which captures a wider and more representative sample, shows overall public confidence at 66.6% for the last 12 months (-7.5% on previous year). With no recent available national survey to benchmark against, it remains challenging to assess the extent to which national / macro factors may have affected our recent local results versus specific local issues.

Overall victim satisfaction to reports of volume crime stands at 67.8% (-6% on previous year), with victims of anti-social behaviour reporting satisfaction rates of 71%, victims of burglary 65.6% (dwelling burglary victims 80.3%), victims of hate crime 66.4% and victims of violent crime 70%. Overall victim satisfaction with the way victims are treated remains strong at 85.5%.

Whilst we have noted areas of strong performance, we recognise that there remain areas for improvement. Our file quality compliance rates against the new Directors Guidance Assessment show us at around 50% against a national rate of 55%. This will remain a key performance focus for the coming year. Our recent Criminal Justice review has brought about new processes that will improve the timeliness and quality of our case files moving forward. The changes, only introduced recently, are already showing very positive impacts that have also been noted by our criminal justice partners.

Our response timeliness for immediate and priority incidents remains below where we would want it to be. Progress and challenge here continues to link strongly to the level of officer inexperience and skill level from large volumes of new police officers' students under tutorship. This will improve over time and will remain an ongoing area of focus for us.

Our positive outcome rate, which is the measure of sanctioned detection outcomes or a restorative justice outcome as a percentage of crimes recorded, is 11.8%. This outcome rate places us mid-table nationally, a position we recognise is not where we want to be. Whilst the large improvements made in recording more crime will play a factor here, we recognise that this reflects on both our investigative standards work and on the capacity and capability within our investigative functions – both issues we have plans to address through our uplift investments.

During 2022/23 the Constabulary were inspected by HMICFRS under their PEEL framework, the nine areas being reviewed and graded with the following outcomes

Outstanding	Good	Adequate	Requires improvement	Inadequate
Treatment of the public	Developing a positive workplace	Preventing crime	Recording data about crime	
	Good use of resources	Protecting vulnerable people	Investigating crime	
			Responding to the public	
			Managing offenders	

While it is pleasing to receive recognition for areas of outstanding and good performance, we acknowledge that there remain areas where we need to improve, particularly as we continue to work through the growing pains of an organisation that has introduced such high volumes of new officers in a relatively short period of time. Our forward strategic plans will look to address the areas identified where improvement is needed.

3 Financial Performance

3.1 Revenue Expenditure

In 2022/2023 the approved net revenue budget was set at £353.7m, an increase of £12.8m (3.8%) on the previous year. This budget was funded through a combination of Government grants (£211.6m/59.4%) and local council tax (£144.7m/40.6%), with a residual surplus of £2.6m to be able to be returned to reserves.

Of this budget, £348.3m was provided to the Chief Constable to support the provision of policing services to the communities of Avon & Somerset, an increase of £12.7m (3.6%).

Financial performance against budget is monitored throughout the year, reported to senior managers of the OCC and through to the PCC. These reports are published to provide public transparency of our financial performance. The financial performance report for 2022/2023 was reported to the PCC in June 2023, and can be found published on the PCC's website.

The Constabulary's underlying net revenue expenditure in 2022/2023 was £344.8m. When compared to budget this means we have underspent by £3.5m (1.0%), prior to adjustments for provisions and for transfers to earmarked reserves. Once these adjustments were made this underspend was fully accounted for.

This revenue performance was the consequence of several factors, with the following being the most significant

- ✚ **Officer pay and allowances** – we overspent by £1.7m/1.1% against budget. This reflects the pay award agreed for officers at a fixed rate of £1,900 for each pay point, thereby driving a cost increase greater than the 3.5% increase we had originally budgeted for. The pressure created by the pay award was in part recognised by the Government who provided additional grant funding (see income below) to compensate. In addition, we have also seen spend pressures as a result of our review of the entry pay level for PCDA officers and our introduction of targeted variable payments directed towards those in or working towards detective roles.
- ✚ **Officer overtime** – we overspent by £3.3m/51.6% against budget. The overspend here is predominantly driven by both the reality of resourcing the abstraction and support to student officers while managing incoming demand from the public, as well as by specific policing events locally and nationally, including deployment of officers to support the Commonwealth Games in Birmingham and the funeral of the Queen – some of which is offset by income for special policing services or mutual aid reimbursement (see income below).
- ✚ **Staff pay and allowances** – we overspent by £0.8m/0.9% against budget. In common with officer pay the reason for this overspend was the pay award which mirrored that agreed for police officers. We estimate that this added £2.8m to our costs above the 3.5% originally budgeted for and therefore, were it not for this, we would recognise an underspend of £2.0m, thereby reflecting the vacancies we have seen in staff roles throughout the year.
- ✚ **Staff overtime** – we overspent by £0.8m/58.8% against budget. The staff overtime is driven by the underlying vacancies. Areas which have seen most acute pressures include our command and control function, our enquiry offices, our speed enforcement team and our intelligence and tasking directorate, all of which have seen large staff turnover during the year.
- ✚ **Pensions** – we underspent by £1.4m/17.2% against budget, which largely reflects the movement in the underlying provision for ill-health retirements needed at the end of the financial year.

- ✚ **Premises** – we underspent by £1.7m/11.4%, which is a reflection of the successful backdated appeal of the business rates charged on our PFI police centres which generated a refund of £2.4m in year. Were it not for this we would be reporting an overspend of £0.7m, reflecting in particular the inflationary pressures on our repairs and maintenance budgets experienced during the year.
- ✚ **Transport** – we overspent by £1.0m/19.6%, which is predominantly a reflection of inflationary increases to both fuel as well as the repairs and maintenance costs of our fleet of vehicles.
- ✚ **Other supplies and services** – we overspent by £1.0m/6.1%, however this includes a £1.7m increase to our provision for historical claims reflecting our revised assessment as to the likely costs of these. Underlying therefore we have underspent, which reflects a number of smaller areas of underspend across the organisation.
- ✚ **Partnerships** – we have underspent by £2.0m/11.1%, which is largely reflective of vacancies within the South West Regional Organised Crime Unit, and the delivery of in-year savings from the regional programme team.
- ✚ **Income** – we received £8.3m/30.2% more in income than was budgeted for. This includes additional specific purpose grant funding in support of the officer and staff pay awards (£1.6m), grant funding for temporary over-achievement of officer uplift (£1.6m) which has been ring-fenced to support cost pressures in 2023/24 arising from this over-recruitment, over-achievement of operational mutual aid and special services income (£1.4m) offsetting overtime pressures as above, and the over-achievement of income in a number of other areas (i.e. investment income).

The following table summarises the revenue financial performance for 2022/2023 after the agreed adjustments have been made to account for the reported underspend

	Budget	Expenditure	Over/ Under (-)
	£'000	£'000	£'000
Neighbourhood & Partnerships Response	45,949	43,524	-2,425
Operational support	77,739	84,802	7,063
Investigation	56,771	54,325	-2,446
Collaboration	36,893	34,070	-2,823
Enabling services	21,416	20,677	-739
Central costs & miscellaneous	79,756	78,704	-1,052
	17,069	19,539	2,470
Constabulary sub total	335,593	335,641	48
Office of the PCC	1,757	1,709	-48
Commissioning	3,529	3,529	0
Total revenue expenditures	340,879	340,879	0

It should be noted that the figures above cannot be agreed directly to the comprehensive income and expenditure statement on page 30 where the costs of policing activities include charges for the provision of pensions and the use of assets which are later reversed out through intragroup transfers from the PCC.

3.2 Capital, Reserves, and Treasury Management

The PCC owns all assets and controls decision making in relation to capital expenditure, capital financing, and borrowing, as well as holding responsibility for all reserves. Financial performance in relation to these aspects is reported on within the PCC's financial statements.

4 Financial Outlook

The PCC and Chief Constable jointly set out their forward financial forecasts within their Medium-Term Financial Plan (MTFP) each year. The MTFP, published in February 2023, covers the five year period from 2023/2024 through until 2027/2028. The below provides the headlines from this forecast.

4.1 Revenue Budget

Our immediate revenue forecasts show our costs increasing at a faster rate than our revenue funding. This reflects the inflationary challenges in pay and non-pay budgets, alongside specific risks, and issues such as with the costs of police pensions.

	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000	2026/2027 £'000	2027/2028 £'000
Budget requirement	376,084	392,393	404,128	414,962	424,501
Less total funding	-369,473	-379,343	-386,498	-393,833	-401,352
Surplus(-)/deficit before savings	6,611	13,049	17,630	21,129	23,149
Savings	-2,952	-3,084	-4,211	-4,217	-4,195
Planned use of reserves	-3,659				
Surplus(-)/deficit after savings	0	9,965	13,419	16,912	18,954

The key assumptions that underpin this forecast position are

- ✚ Our funding is forecast to grow by £45.0m/12.6% p.a. by 2027/2028, driven by increases to both grant funding (+£10.1m/4.8% by 2027/2028) and increases to council tax funding (+£34.9m/24.1% by 2027/2028)
- ✚ Our budget requirement is forecast to increase by £66.6m/18.8% p.a. by 2027/2028, driven by many factors, including
 - inflationary adjustments to officer and staff pay in line with nationally agreed assumptions for the first two years, with a local assumption for the final 3 years, increasing costs by £46.0m p.a. by 2027/2028.
 - increases to budgets in support of delivering and sustaining the uplift in officer numbers in line with the target headcount of 3,291, generating budget growth of £6.3m p.a. in 2023/2024 and each year thereafter.
 - increased pension costs to provide for current and anticipated deficits in both staff and officer pension schemes, as well as inflationary increases for injury pensions – an increase in cost of £6.1m p.a. by 2027/2028.

- inflationary increases to general and specific (eg fuel, utilities, etc) non-pay costs are assumed to add £10.4m p.a. by 2027/2028.
- investment and growth across the Constabulary, targeted to support recruitment into some of our harder to fill roles, as well as improving key strategic capabilities such as our workforce planning function - an increase of £3.9m p.a. by 2027/2028.
- increases to our share in the cost of partnerships, reflecting the pay and other inflationary assumptions within these collaborations, as well as the investment into the South West Regional Organised Crime Unit in line with their allocation officer uplift – an increase of £5.8m p.a. by 2027/2028.
- increases to the ring-fenced uplift grant funding by £3.2m effective from 2023/2024, which we expect to be maintained throughout our forecast to support our ability to maintain new officer numbers.
- increases to income budgets, reflecting inflationary increases and forecast increases in return on investments – an increase of £3.2m p.a. by 2027/2028.
- realisation of new planned and targeted revenue savings of £3.0m p.a. from 2022/2023, rising to £4.2m by 2027/2028.

At the time our 2023/2024 budget was set we balanced our revenue budget through the planned use of £3.7m in reserves. We know that the use of reserves to balance a revenue budget in any one year is not the basis for a sustainable plan. This is not something we would normally want to do, however, this reflected both the pace and scale of the increases to our costs combined with the need to prioritise our short-term focus on realising the Officer Uplift plans. Since the budget was set we have progressed our savings discussions as part of our strategic plans and are now confident of having identified sufficient savings in 2023/2024 to balance our budget without the need to rely on reserves. The ongoing identification and delivery of savings remains a key part of our strategic planning work.

4.2 Policing Precept

In December 2022, the policing minister confirmed that PCCs would have flexibility to raise the policing precept by up to £15 p.a. for an average band D property in setting the 2023/24 budget. This provided additional flexibility to previous announcements, reflecting the inflationary pressures faced by forces alongside the Government's ambition to maintain police officer uplift numbers. In accordance with this announcement and after public consultation, the PCC chose to recommend a raise of the maximum amount, an increase of 6.0%. Following review, the Police and Crime Panel endorsed this proposal, enabling the PCC to confirm his approval of this increase and the underlying budget.

4.3 Capital Programme

The MTFP includes a capital programme of £91.3m over the next five years, with identified capital funding at the time this programme was presented of £84.8m, resulting in a capital funding deficit of £6.5m.

The capital programme includes forecast investment into ICT, Estate, Fleet and other assets, both to support ongoing maintenance and renewal of existing capabilities as well as to support new investment. While the plan outlines the expected areas of spend, many of the individual areas for investment will still need to present a business case for approval to progress.

ICT projects include local initiatives as well as several national projects. The single biggest project forecast is the investment into our new Enterprise Resource Planning (ERP) corporate systems, which are scheduled for implementation in Spring 2024.

Estate projects include the completion of several projects in flight, as well as new projects, new or refurbished police stations for Yeovil, Minehead, Bristol East, Bristol South and Bath. We have

also identified spend to continue the introduction of electric vehicle charging infrastructure across our estate to support the continued increase in the number of electric vehicles across our fleet.

Our approach to accounting for the revenue underspend reported above has reflected on the deficit in funding across the five year programme and as a consequence of our confidence in savings identified to date, sought to address this through the ring-fencing of some of the underspend into ring-fenced capital reserve.

4.4 Approach to Future Challenges and Funding

The Spending Review announced in the autumn of 2021 (SR21), provided clarity around the medium-term financial commitment the Government was making to both deliver and sustain on its ambitions to grow police officer numbers by March 2023. Despite the economic uncertainties, this commitment was largely met through the 2023/2024 settlement, and we have no reason to doubt at this stage that 2024/2025 will not be the same. Forecasting beyond this is a challenge and will only be confirmed after a general election, expected to happen at some point during 2024. Our forecasts therefore reflect our prudent assessment as best we can make it at this stage. Our MTFP recognises the immediate challenges of balancing the 2023/24 budget without drawing down too significantly on reserves and then a growing challenge thereafter. We have made good progress to date in closing the 2023/24 deficit and have plans in various stages of development to unlock the further savings we forecast will be required of us for 2024/25 and potentially beyond.

Balancing our budgets is only half of the challenge. We are an innovative police force, and we remain focussed on releasing the capacity of our officers and staff to improve our efficiency and effectiveness in the services we provide to the public. Such innovation requires the financial capacity to support investment, and therefore the identification of savings is as much about supporting this need as it is to balance our budgets. In this respect our savings plans are integral to our wider strategic planning as an organisation.

Our record of accomplishment in delivering efficiencies and savings over the past ten years demonstrates our ability to effectively balance budgets and achieve capacity to support targeted investments that further our ambitions.

5 Procurement

Our strategic procurement service is provided by the South West Police Procurement Service (SWPPS), following a transfer of our team into this existing collaboration prior to this financial year. This service, which is hosted by Devon and Cornwall Constabulary on behalf of the five south west forces, ensures compliant delivery of contracted procurement with our suppliers.

During 2022/23 we have identified and delivered £0.8m savings through procurement and ongoing contract management. The delivery of procurement savings is an important component of demonstrating how we achieve value for money.

7 Accounting for Pensions

In line with International Accounting Standard (IAS) 19 on employee benefits, we are reporting a significant pensions liability of £3.1bn, shown on the balance sheet. This is reduced when the pension scheme assets of £0.5bn are taken into account. The net liability of £2.6bn is offset by an intragroup debtor with the PCC. More details are disclosed in notes 13-15. The liability has no impact on the reported outturn and the usable reserves.

8 Basis of Preparation

This Statement of Accounts has been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. This follows International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to local authority accounts as determined by Her Majesty's Treasury.

This Statement of Accounts summarises the financial year for 2022/2023. The income and expenditure, assets, liabilities and reserves which are recognised in the PCC's accounts and in the Chief Constable's accounts, reflect the current legislative framework as well as the local arrangements operating in practice. The key elements of the legislative framework and local arrangements include

- ✚ The Police Reform and Social Responsibility Act 2011 (The Act)
- ✚ The Home Office Financial Management Code of Practice for the Police Services of England and Wales (published in October 2013)
- ✚ Avon & Somerset PCC's Scheme of Governance

Our review of this framework has not altered from previous years, concluding that ultimately the control and risks associated with assets and liabilities rest with the PCC, whereas the day-to-day command and control of operational staff rests with the Chief Constable.

These financial statements include the following

- ✚ **A statement of responsibilities** - This sets out the responsibilities of the OCC and the CFO in respect of the Statement of Accounts
- ✚ **An annual governance statement** - These statements review the effectiveness of the OCC's internal control systems
- ✚ **A comprehensive income and expenditure statement** - This statement shows the accounting cost in the year of providing policing services in accordance with generally accepted accounting practices, together with the costs of providing pensions for officers and staff
- ✚ **A movement in reserves statement** – This statement shows the movement during the year in reserves and affirms that no actual reserve balances are held by the OCC at the end of the accounting period
- ✚ **A balance sheet at 31 March 2023** – The balance sheet shows the net pension liability, as well as other employee related balances recognised by the OCC and offset by a debtor from the PCC
- ✚ **A cash flow statement** - The cash flow statement shows the changes in cash and cash equivalents during the year. This statement in the OCC's accounts reflects the fact that there have been no cash transactions in the name of the OCC
- ✚ **A police officers pension fund account statement** - This statement summarises the total police officer pension contributions and pension benefits paid. The difference is funded by the Home Office

9 Conclusion

The financial affairs of PCC and Chief Constable have been and continue to be prudently and effectively managed. Best practices and CIPFA guidance and codes of practice in financial management, governance, and treasury management are being followed.

The PCC, the Chief Constable, and their CFO have a strong focus on managing costs, achieving value for money, driving innovation to deliver better and more efficient services, whilst ensuring that service performance is still being maintained or improved.

Looking ahead we recognise the ongoing challenges created as we manage the immediate and ongoing demand pressures at the same time as maturing our workforce capacity and capability that means it will take some time before we are able to fully achieve our target operating model. Our forward plans will help us navigate this period of growth and uncertainty, emerging from this with greater service strength which, when coupled with our effective operational processes, tools

and capabilities will ensure we are well placed to realise our vision and deliver the outcomes our communities rightly expect of us.

Nick Adams LLB (Hons), FCA
Chief Finance Officer to OCC

Office of the Chief Constable for Avon & Somerset

Statement of Responsibilities

This section explains our responsibilities for our financial affairs and how we make sure we carry out these responsibilities properly.

1 Chief Constable's Responsibilities

The Chief Constable is required to

- ✚ Make arrangements for the proper administration of the Office of the Chief Constable's financial affairs and to make sure that one of its officers, the Chief Finance Officer, has responsibility for the management of those affairs
- ✚ Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets
- ✚ Approve the Statement of Accounts

2 Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for preparing the Statement of Accounts for the Office of the Chief Constable in accordance with proper accounting practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (The 'Code').

In preparing this Statement of Accounts, the Chief Finance Officer has

- ✚ chosen suitable accounting policies and then applied them consistently
- ✚ made reasonable and prudent judgements and estimates
- ✚ complied with the CIPFA Code
- ✚ kept proper accounting records which were up to date
- ✚ taken reasonable steps for the prevention and detection of fraud including preparing an audit and ensuring appropriate risk management mechanisms are in place
- ✚ made sure that the internal control systems are effective – pages 15 to show this in more detail

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Office of the Chief Constable as at 31 March 2023 and its income and expenditure for the year ended 31 March 2023.

Sarah Crew
Chief Constable

Nick Adams LLB (Hons), FCA
Chief Finance Officer to OCC

Office of the Chief Constable for Avon & Somerset

Annual Governance Statement

1 Introduction

- 1.1** This annual governance statement sets out how the Avon and Somerset Office of the Chief Constable (hereafter referred to as OCC) has complied with the corporate governance framework set out in the Joint Scheme of Governance for the Avon and Somerset Police and Crime Commissioner (PCC) and the Chief Constable in place for the year ended 31 March 2023. It also details improvement areas to enhance further governance arrangements that the Constabulary plans to progress during 2023-24.
- 1.2** Its purpose is to supplement the Avon and Somerset PCC's annual governance statement to give the complete picture of the discharge of governance within the OCC and the Office of the PCC for Avon and Somerset.
- 1.3** The Constabulary follows the CIPFA Framework principles: 'Delivering Good Governance in Local Government' and the guidance notes for policing bodies (revised 2016). See section 4.5.
- 1.4** Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England). This term 'authority' includes the OCC and the PCC legal entities. This requirement is reflected in the Code of Practice on Local Authority Accounting in the United Kingdom published by the Chartered Institute of Public Finance & Accountancy (CIPFA).
- 1.5** The annual review (see 1.4) informs this statement of governance arrangements with assurance on compliance with the seven principles of the CIPFA framework by on-going audit inspection and external assessment. This statement also explains how the OCC complies with the principles and meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015 concerning publishing a statement on internal controls.

2 Scope of Responsibilities

- 2.1** The OCC and the PCC are responsible for ensuring their business is conducted according to the law and proper standards, ensuring that public money remains safeguarded, appropriately accounted for, and used economically, efficiently, and effectively.
- 2.2** Under the Policing Protocol 2011, the PCC has responsibility for delivering efficient and effective policing, management of resources and expenditure by the police force. The PCC has a statutory duty to obtain the views of victims of crime and the broader community about the policing of the Force area and must consider the views of responsible authorities. These views inform the PCC's Police and Crime Plan, which sets the Force's strategic direction and priorities.
- 2.3** The OCC is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Constabulary. In doing so, they are accountable to the PCC for how these arrangements enable the delivery of the PCP. It, therefore, follows that the PCC must be assured that the OCC has appropriate mechanisms in place for the maintenance of good governance and that these operate in practice.

- 2.4 The PCC and OCC share most core systems of control, including corporate finance, procurement, payroll and HR systems, a shared finance department, shared financial controls, and shared IT, legal, and information governance functions.
- 2.5 The OCC's Chief Finance Officer (OCC CFO) has responsibility for providing advice on all financial matters, maintaining financial records and accounts, and ensuring an effective system of financial control is in place. Together with the PCC Chief Finance Officer (PCC CFO), they conform to the governance requirements of CIPFA's Statement on 'The role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (March 2021).

3 The Purpose of the Governance Framework

- 3.1 The governance framework comprises systems, processes, culture, and values by which the Constabulary is directed and controlled.
- 3.2 Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, cost-effective, open, and accountable manner.
- 3.3 An effective governance framework enables the OCC to monitor the achievement of its strategic objectives, as set out by the PCC in the Police and Crime Plan (PCP) and the Strategic Policing Requirement (SPR), and to consider whether those objectives have led to appropriate delivery, cost-effective services, and overall achievement of value for money.
- 3.4 The fundamental function of good governance in the public sector is to ensure that intended outcomes are achieved whilst always acting in the public interest.

4 The Governance Framework

- 4.1 A joint governance framework, collectively known as the Joint Scheme of Governance, has been in place for the year ended 31/03/23 and includes the Code of Corporate Governance, Memorandum of Understanding, Decision-making Framework, Scheme of Delegation, Financial Regulations and Contract Standing Orders. The Joint scheme of Governance was reviewed and refreshed in by the OPCC during 2022/23 and clarifies the way in which the two corporations sole, will govern both jointly and separately to do business in right way, for the right reason at the right time.
- 4.2 The OCC governance framework has been reviewed and redesigned during this reporting period, including a significant change to the governance meeting structure, creating sub-committees of the Management Board and a reduced overall number of meetings.
- 4.3 The governance framework provides the structure for strategic decision making and oversight of internal control. A critical component of the framework is identifying, assessing, and controlling risk management to mitigate risk to a reasonable and foreseeable level. The Constabulary cannot eliminate all risk of failure to achieve its objectives; it can only provide reasonable but not absolute assurance of effectiveness.
- 4.4 Governance arrangements for both the OCC and the PCC are structured around the seven principles set out in the revised Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales (2016 Edition). The diagram below illustrates the various principles of good governance in the public sector and how they relate to each other. A summary of how the OCC complies with these principles is detailed below, see sections 4.5 – 4.11.

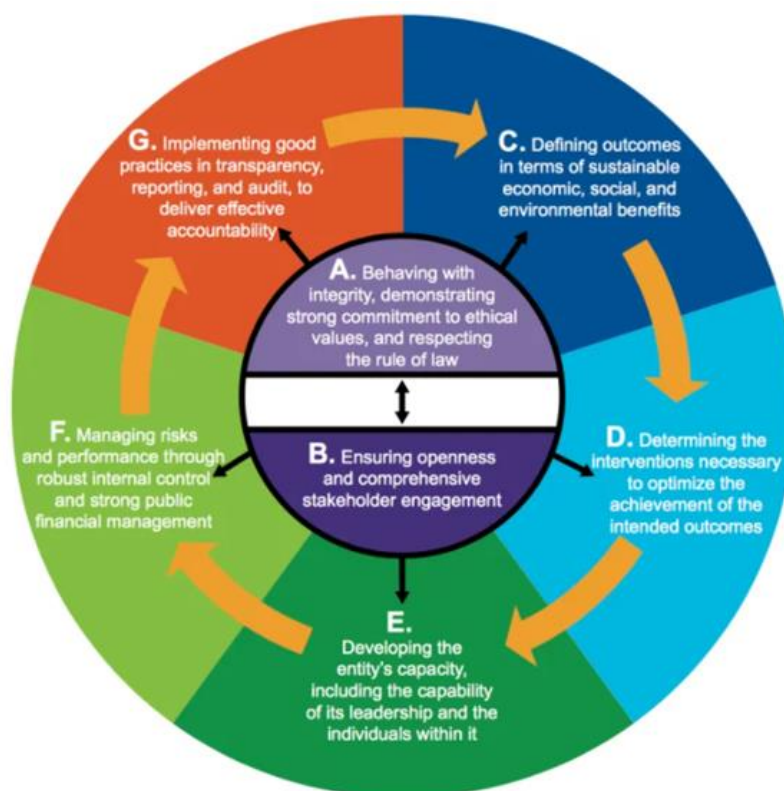


Figure 1 CIPFA Principles for Good Governance (taken from their publication 'Delivering Good Governance in Local Government: Framework 2016 Edition').

4.5 Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

The Chief Constable has set out and communicated the mission and vision for policing in Avon and Somerset, underpinned by our values. These are

Mission	Serve, Protect, Respect
Vision	Outstanding policing for everyone
Values	Caring, Courageous, Inclusive, Learning

The Chief Constable, and her Chief Officer Group set the tone for the organisation by creating a climate and culture of openness, support, and respect, reinforced regularly through internal communication and engagement, and demonstrating how we live our values every day. The Professional Standards Department oversees complaints, misconduct, and vetting processes that provide the formal structures for maintaining the right behaviours. In addition to the standards of professional behaviour and Code of Ethics, the conduct of officers and staff is governed by policies that provide specific guidance for areas of risk, vulnerability or which may present an actual or perceived conflict of interest. Examples of these include

- ✚ **Business Interests** – The force does not constrain police officers or staff from holding a business interest or additional occupation. It promotes consistent decision-making in the authorising of those business interests and additional occupations which do not conflict with the work of the police, and which will not adversely affect the reputation of the individual, the Constabulary, or the broader police service. Legal Services reviewed this policy as part of our internal control measures in November 2022.

- ✚ **Notifiable Associations** – This policy ensures that the risk of officers and staff engaging in associations with individuals or groups outside of the organisation who may present an actual or perceived conflict of interest or damage the integrity of the Constabulary are identified, mitigated, and managed appropriately. Legal Services reviewed this policy as part of our internal control measures in September 2022.
- ✚ **Gifts, Gratuities and Hospitality** – This policy addresses gifts, hospitality and sponsorship ensuring the registration of any gift given to a member of the organisation. This process is managed by the Professional Standards Department, helping to ensure proper governance and transparency. Legal Services reviewed this policy as part of our internal control measures in September 2022.
- ✚ **Whistleblowing** – This policy outlines the responsibility of staff and the support and protection they will receive, in reporting suspected fraud or corruption, dishonest or unethical behaviour by others in the Avon and Somerset Constabulary. This policy helps to create a climate where staff feel a genuine obligation to openness and transparency when reporting breaches of the Standards of Professional Behaviour. Legal Services reviewed this policy as part of our internal control measures in November 2022.

The Professional Standards Department works in a variety of ways to ensure that everyone who works in Avon and Somerset Constabulary demonstrates the highest levels of personal and professional standard of behaviours. The department receives and records complaints from members of the public against those who work in Avon and Somerset Constabulary, each complaint is assessed and managed in accordance with the Police Complaints and Misconduct Regulations 2020 and IOPC Statutory Guidance.

- ✚ National events across policing have seriously undermined public trust and confidence. It is, therefore, essential that such issues are dealt with robustly and openly. Avon and Somerset Police recognise that to repair the damage these incidents have undoubtedly caused; it must be open and transparent with the communities it serves and be clear about the decisive action taken when the conduct of its officers falls below the standards expected.
- ✚ Sexual misconduct and abuse of position for sexual purpose are treated as serious corruption and the Counter Corruption Unit proactively monitors police systems to identify employees engaged in wrongful behaviour. We have proactively published the sexual misconduct data on the forces website and are continuing to progress several new initiatives in support of the Violence against Women and Girls pledge and rooting out behaviours of misogyny and sexual misconduct. A new position within the Counter Corruption Unit, Misconduct Liaison Officer will play a vital role in this work.
- ✚ During 2023 the department is committed to improving our community engagement with our communities, planning Professional Standards insight events, to support the public in understanding the role of Professional Standards and encourage reporting through the appropriate channels.
- ✚ Handling complaints fairly and effectively is fundamental to a legitimate service and maintaining public confidence, the Professional Standards Department Senior Leadership Team has committed to build on our effectiveness by developing an assurance framework to review our data and legislative requirements, to understand risks and noncompliance. This framework has enabled the department to understand where to focus its improvement activity with our complaint handling procedures. Leading to improved effective procedures and handling of public complaints and regular communication and engagement.
- ✚ Last year we reported on the work by Professional Standards Department to create a cohort of volunteers, known as lived experience practitioners, who review complaint allegations relating to discrimination. We are pleased to update that we have successfully started embedding lived experience insight from our volunteers enabling us to gain 'lived

experience' in complaints and misconduct investigations to effectively address emerging issues of internal and external discrimination.

- ✚ A key focus of the department has been to establish a Learning Assessment Tasking Group that enables identification of lessons and CPD opportunities through the outcomes of complaints and misconduct cases. The department holds quarterly meetings with stakeholders across the organisation capturing and disseminating learning, resulting in improvements to force policy and procedure, and training.

Our Ethics Committee strengthens our approach to ethical decision-making by meeting six times yearly, chaired by an independent academic. It provides a platform to debate and engage in ethical dilemmas related to the effective service delivery of the organisation.

4.6 Principle B – Ensuring openness and comprehensive stakeholder engagement

Engaged Communities

The Constabulary has a comprehensive Independent Advisory Group (IAG) Framework built around a Strategic IAG, Geographic IAG's, Thematic IAG's and a Young Persons IAG. We continue to evolve these proactively. We have recently completed an overhaul of the Strategic IAG. We are also developing our consistency and expectations through Terms of Reference documentation, ensuring appropriate representation (understanding gaps) and having clarity on both tenure and turnover. We also participate in the PCC Scrutiny Panels.

An Engaged Workforce

During the summer of 2022, our Chief Officer Group and senior leaders participated in 31 staff engagement 'Talk Time' sessions across 10 locations throughout the force area. Through these sessions leaders engaged with more than 800 officers and staff from all areas of the organisation. These sessions provided an opportunity to listen and engage with colleagues on a range of local and national issues, including a chance to reflect on the continued growing pains we're experiencing across the Constabulary, and the role of leaders at all levels within the organisation.

The Constabulary undertakes an annual People Survey, which is used to understand what it's like to work for Avon and Somerset Police. The survey enables the measurement of workforce engagement and views across seven main themes. We can benchmark these results over time to identify trends, as well as benchmarking against other organisations.

The feedback from the people survey can strengthen work already in progress and help decide on new actions for the coming year. The survey results are analysed and shared with directorate leads, helping inform their ongoing activities and initiatives. This is supplemented by engagement within directorates in the form of webchats, and in-person meetings. As a direct result of these engagement activities and other forums such as our Respect and Dignity at Work survey and our Gender Engagement workshops, we have established our new Gender Equality Network to promote sex and gender equality in the workplace.

Our numerous staff networks empower staff and officers from under-represented groups, providing a voice and the power to influence decision-making and pursue change.

Addressing Disproportionality in the Local Criminal Justice System

The Constabulary has made additional progress in advancing the work supported by external consultancy during the period February to May 2023.

A Steering Committee has now transitioned to a 6-week meeting cycle. These meetings serve as a platform for checking and testing progress, as well as providing strategic decision-making and oversight. Chaired by Chief Constable Crew and newly appointed co-chair Councillor Asher Craig, the Steering Committee will benefit greatly from Councillor Craig's recent appointment, bringing valuable expertise to the table.

The Programme Team, consisting of a Programme Manager, Project Manager, Business Analyst, and communications and engagement lead are driving the tactical delivery of the report and although the Team Members are not full-time resources, they maintain regular meetings to drive the programme forward.

The Steering Committee recently convened in May 2023 and accomplished significant milestones. These include agreeing on the strategic ambition and outcomes, signing off on the proposed delivery model, allocating necessary resources relating to data and insight, and committing to the funding of an independent scrutiny board. Desmond Brown, the author of the report, assumes the role of chair on the scrutiny board, and Maya Mate-Kole has been appointed as the vice-chair.

Ambition

To make the A&S Criminal Justice System fair and transparent for all by establishing a proactive multi-agency approach to tackling disproportionality for Black, Asian and Minority Ethnic people across Avon and Somerset through

- Multi-Agency Collaboration, sharing unified values, language and common purpose, to foster an inclusive and equitable culture.
- Strategic prioritisation and commitment to achieving tangible outcomes.
- Criminal Justice Partners recognising and acknowledging the lasting impact of discrimination.
- Bringing together lived experience and community insights to inform decision making and embed meaningful outcomes.
- A holistic approach to the identification, measurement and root cause analysis of disproportionality across the A&S CJS, adopting the Explain or Reform principle.
- A methodology and framework to define and analyse the school-to-prison pipeline to identify 'pinch points' and opportunities for positive intervention.
- A Criminal justice System workforce that represents Black, Asian and Minority Ethnic people across Avon and Somerset.

Moving forward, the Programme Team has engaged with the chair and co-chair of the Scrutiny Board and is preparing for the recruitment of board members. A paramount consideration is ensuring representation of the communities and geographical area addressed in the report. Additionally, attention will be given to developing a robust communications and engagement strategy. Senior communications leaders will convene before the next Steering Committee meeting in June to delve into the details and formulate a comprehensive plan for effective outreach and stakeholder involvement.

Media Collaboration

The Constabulary are working with a trusted documentary maker, Story Films, on a three-part series for Channel 4 giving the public a unique insight into the work of the Professional Standards Department and Counter Corruption Unit. The decision to work with Story Films on this ambitious project reflects the long-standing relationship we have with the programme makers, having previously worked with them on BAFTA winning *The Murder Detectives* and a long-running series currently being made with the Southwest Regional Organised Crime Unit (SWROCU).

The filming for this programme has not yet finished as we are awaiting the conclusion of some of the cases followed in the documentary through the criminal justice system, but when the programme is able to be aired, we believe it will provide a critical insight into the important work of police professional standards.

4.7 Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

The Constabulary has a clearly defined mission and vision, supported by strong organisational values (see section 4.5 above), all of which are well embedded, having been in place since 2018. In 2021 the Constabulary approved its five-year sustainability plan, progress against which is monitored annually through reporting to the Constabulary Management Board. Our plan places particular emphasis on four sustainable development goals

- ✚ **Climate Action** – establishing our target to cut direct carbon emissions by a further 50% by 2026.
- ✚ **Responsible consumption and production** – through sustainable procurement and reducing our waste.
- ✚ **Sustainable cities and communities** – promoting the links between sustainability and our mission to serve, protect and respect our communities.
- ✚ **Partnerships for the goals** – developing good collaborations that support the achievement of our sustainability objectives.

Our Medium-Term Financial Plan (MTFP) is reviewed and refreshed annually to forecast out for a five year planning horizon. Through this plan we identify how we will make investment into policing that enable the Chief Constable and her team to build a force capable of successfully delivering both the Government’s national ‘**Beating Crime Plan**’ and the PCC’s ‘**Police and Crime Plan**’ for Avon and Somerset.

4.8 Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.

Through the Constabulary’s Neighbourhood and Partnership directorate we bring together those prevention and early intervention functions which are focussed on crime prevention. The growth in police officers is allowing us to grow our investment in this area, which over time we hope will further enhance our early intervention capabilities. The Constabulary has locally based early intervention and violence reduction teams working across the force area in conjunction with partners. These teams use both police and partner data to identify problems at an early stage and formulate joint action plans to mobilise partner resources towards identified prevention activity.

Violence Against Women and Girls Strategy

A series of tragic and disturbing national events have brought into sharp focus the issue of Violence Against Women and Girls (VAWG). VAWG has no place in our communities or within our organisation. The Constabulary are committed to tackling and eradicating all forms of VAWG to enable women and girls to live freely and without fear. We are developing and implementing a VAWG strategy to reduce the prevalence of these harmful and devastating crimes.

The thematic management of Domestic Abuse (DA) covers a comprehensive range of activity. This includes the Implementation of DARA (Domestic Abuse Risk Assessment) replacing/alongside the DASH (Domestic Abuse Stalking & Harassment) and understanding exactly what this will mean for us and how this will work for us. We are also working on Protection and Civil Orders. Phase One work of mapping is completed, and we are moving onto Phase Two which will involve understanding what other Forces do, stakeholder engagement and consultation with victims and survivors and then drafting improved ways of working. Domestic Abuse Matters training has shifted into the sustain phase with some of our staff being trained to be able to deliver the training to future cohorts of new officers as required. A Sustain the Change workshop has been held with Senior Leaders. The training saw over 1900 staff and officers trained through the programme. Work with perpetrators includes the creation of a DA cohort within IOM of managed DA offenders, and the expansion of ‘The Drive Project’ perpetrator behaviour change programme which has been piloted

in South Gloucestershire being expanded to other Local Authorities in the Force area We are anticipating a national DA Action Plan being introduced through the VAWG portfolio.

Mental Health

We are putting together a strategy for how we will deal with detentions under Section 136 MHA. This will include data improvement, better partnership working and staffing (Mental Health Link Officers are approved but not yet actually employed). This work links in to trying to reduce demand and making sure we are providing support in the right circumstances and for the right reasons. We are to relaunch the Tactical Advisors Cohort, making some changes to this resource, focussing on Communications and Response. The diagnostic overshadowing work is to continue - largely communications based - to bring clarity for Officers dealing with mental health situations as to what their responsibilities are.

4.9 Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Uplift Growth

The Constabulary has exceeded its target officer headcount by the end of March 2023, reporting a headcount of 3,393 – 102 officers more than our underlying target of 3,291. This temporary excess of officers reflects the agreement with the Home Office (who have provided some temporary funding) to over-achieve in support of the national target of 20,000 officers being reached.

This achievement reflects a specific milestone in our journey to rebuild the capacity of the Constabulary. It represents a significant achievement of many officers and staff throughout the Constabulary over the past four years and has required the recruitment of just over 1,500 new officers, the majority of whom have joined through brand new entry routes only implemented within this same timeframe. Having now achieved our officer numbers, our focus turns to building this capacity into a well led, deployable capability that will deliver the difference our communities will rightly expect to see of us.

Detective Numbers

As part of our forward plans, we intend to grow our detective capacity and capability, recognising this is important to our ability to manage current and future demands and deliver on the performance improvements we want to see. Nationally there have been challenges in attracting officers into the detective role for some time, and we are not immune to these challenges. During 2022/23 we have undertaken work to improve the attraction into the detective role. We have also reviewed our pipeline of officers into this role, including the use of both the degree holder entry programme and a new police staff investigator to detective constable conversion course.

Our plan and the monitoring arrangements we have implemented were reviewed by our internal auditors during the year. They provided a reasonable assurance opinion, reflecting and acknowledging the achievement of our goals remains some time off with forecasts suggesting we will only achieve our target number of accredited detectives at the end of 2024.

Investing in Leadership

The Constabulary recognises that the rebuilt strength in officer numbers provides an opportunity to deliver on improvements for the public. However, to realise this potential it is more important now than ever before that our officers and staff are well led.

During 2022/23 the Constabulary has introduced its new Leadership Academy platform, designed to provide all leaders at every level within the organisation a clear route map tailored to individual needs, signposting them to leadership training opportunities.

We have also progressed during the year a review specifically focussed on the leadership training offered to our first line leaders, developing a new target team leadership model aligned with the

College of Policing's national curriculum. We expect this work to conclude, with some investment into our leadership training capacity to take it forward, during 2023/24.

4.10 Principle F - Managing risks and performance through robust internal control and strong public financial management.

Governance Framework

During the year the Constabulary has implemented the recommendations that were made in the external review into our governance and meeting structures. While the review concluded that the Constabulary had a "clear, sensible governance framework that is exceptionally well documented and supported", it did nevertheless recommend improvements including an overall slight reduction to the overall quantity of meetings and introduced a new meeting to oversee and manage our portfolio of change activity. This work has coincided with and complimented the review completed by the OPCC into the mechanisms by which the hold the Chief Constable and wider Constabulary to account. New arrangements for these meetings, including the introduction of a new broadcast performance accountability board, were delivered during the year.

Managing Risk

The Constabulary's risk management framework, launched in November 2021, has continued to develop over the last 12 months. The approach adopted interacts with and complements our broader governance framework, with a clear threshold for reporting risks through our management and governance meeting structures. Over the last 12 months we have continued to mature our approach, most notably developing a data visualisation tool using our business analytics capabilities. We have moved away from report generation and now use data analytics tools to present information on risks across the organisation to our governance and management meetings. Our internal auditors reviewed our risk management practices during 2022/23, reporting positively on many aspects of the framework. While there is work ahead to define organisational risk appetite and continually mature, the organisation has been assessed independently as having a sound approach and management of this area.

Performance and Assurance

The Constabulary introduced its Integrated Performance and Quality Framework (IPQF) in June 2020. The IPQF combines national and local performance frameworks to enable monitoring and analysis across a range of areas and measures. The benefits of the framework are that it is simpler (as it merges a range of frameworks) and provides a platform for higher-quality reporting and understanding of issues. It facilitates both operational and enabling business area focus.

Within the framework we have established our 'Performance Control Strategy', which outlines and communicates current key performance challenges and the associated required improvement activity. This control strategy directs priority and broader delivery plan improvement activity and feeds into supporting governance committees.

The performance control strategy also drives local directorate, department, and tasking meetings. Progress on performance control strategy activity, emerging issues, and deep-dive analysis (called spotlights) are reported monthly to the Constabulary Management Board (CMB) and the PCCs Governance and Scrutiny Board.

Additionally, we have a suite of 17 Key Performance Questions (KPQs) which are periodically reviewed and assessed in conjunction with colleagues from the Office of the Police and Crime Commissioner. These are also reported on through our performance monitoring at our monthly Constabulary Management Board.

Financial Planning and Management

The force has a strong track record of effective financial planning and budgetary control, balancing its budget annually and maintaining essential controls to operate within budget. Our ability to

deliver quality policing services and value for money for residents of Avon and Somerset is dependent on our ability to put the Constabulary on a sustainable financial footing allowing us to invest in the needs of the present without compromising the ability to meet the challenges of the medium to longer term.

We recognise the immediate inflationary pressures have accelerated our need to bring forward savings plans with an underlying need of £3.7m needed to balance our 2023/24 revenue budget without having to draw down on reserves. We have progressed our work on this to date, and are confident at this stage in the pipeline of savings plans we have in place to deal with both the immediate and longer-term challenges we are forecasting.

4.11 Principle G - Implementing good practices in transparency, reporting and audit to deliver effective accountability.

We engage in an open and transparent working relationship with the OPCC, reflected by the publication of minutes and decision notices from meetings such as the Joint Audit Committee (JAC) and the Governance and Scrutiny Board (GSB). The Chief Constable and Deputy Chief Constable also participate in the publicly broadcast Performance and Accountability Board, which aims to increase public confidence, transparency, and engagement by carrying out effective scrutiny and accountability concerning core policing functions, especially pertaining to performance against the PCCs Police and Crime Plan and the National Crime and Policing measures.

JAC is an independent, non-executive body that plays a vital part in the governance and risk management of the OPCC and the OCC. JAC meetings are held quarterly and open to members of the public to attend. The purpose of the JAC is to provide independent oversight and advice on governance and risk management, allowing the PCC to discharge their statutory duties in holding the force to account, managing risk, and approving annual accounts and audit opinions. The JAC is where the independent Internal Audits are discussed, scrutinised, and agreed upon by the Committee, the OPCC and the Constabulary in a formal governance setting. All papers presented to JAC, including risk registers and documents from our internal and external auditors, are published on the PCC's website allowing public members to access these reports and their contents. In addition, quarterly financial performance reports presented to the GSB are also published, with all documentation adhering to Government Security Classification (GSC) markings.

The organisation has effective working relationships with internal and external auditors, and the Constabulary produces an annual Force Management Statement (FMS), making it available on the force website. We also publish other inspection reports from His Majesty's Inspectorate of Constabulary, Fire and Rescue (HMICFRS).

The Internal Audit function, commissioned through the JAC on behalf of the OPCC and the OCC, is undertaken by a third-party auditor for additional independence. Our internal auditors are South West Audit Partnership (SWAP). Working with SWAP, we produced an annual audit plan that scheduled 11 audits during 2022/23. Further details on the internal audit outcomes from 2022/23 can be found in section 5.2 of this report.

The Chief Constable and her teams also actively support the PCC in his regular engagement activity with communities and local councillors.

5 Review of Effectiveness

5.1 The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework. Several sources inform the review, including the internal audit assurance, the opinions and reports of our external auditors and other inspection bodies, as well as the work of the OCC CFO, and of managers within the Constabulary, whom which have responsibility for the development and maintenance of the governance environment. For 2022/23, this review included the following considerations

- the internal auditor’s reports to the Joint Audit Committee (JAC) throughout the year and their annual report to JAC.
- external auditors’ reports at JAC meetings.
- the HMICFRS ‘PEEL’ inspection outcomes.
- the Quarterly Corporate Risk Report.
- the 2022/23 financial outturn that delivered a balanced position.
- the planning and development of the MTFP for the next five years.

Matters arising from the audit and inspection activities are detailed below and have the appropriate leadership level, accountability and scrutiny applied to them through the governance framework (the five sub-committees – see below) and improvement actions captured within the Constabulary Single Delivery Plan.

Health & Safety Committee	Confidence & Legitimacy Committee	People Committee	Change Portfolio Committee	Finance & Assets Committee
<p>Chair Deputy Chief Constable</p> <p>Frequency Quarterly</p> <p>Type Statutory</p> <p>Remit Monitoring compliance with the Health and Safety Policy. Implementing health and safety legislation Consider reports of injuries, accidents, assaults, near misses and dangerous occurrences</p>	<p>Chair Deputy Chief Constable</p> <p>Frequency Monthly</p> <p>Type Governance</p> <p>Remit Police officer / staff conduct, complaints, whistleblowing / confidential reporting, grievances, statutory case reviews, information governance, security, crime recording, external inclusion & diversity matters (e.g. disproportionality in police processes), vulnerability governance</p>	<p>Chair Chief Officer People and Organisational Development</p> <p>Frequency Monthly</p> <p>Type Governance</p> <p>Remit Workforce diversity, inclusion, health, wellbeing, learning, development, people analytics workforce planning</p>	<p>Chair Deputy Chief Constable</p> <p>Frequency Quarterly</p> <p>Type Governance</p> <p>Remit Approve project mandates and close project, initiate Post Implementation Reviews, monitor horizon scanning and benefits management.</p> <p>The single entity within the formal Constabulary Governance Framework for the management of end to end activity associated with the delivery of corporate change.</p>	<p>Chair Chief Officer Finance, Resources and Innovation</p> <p>Frequency Bi-monthly</p> <p>Type Governance</p> <p>Remit Medium Term Financial Planning Ensure effective asset management planning for physical assets & procurement activity Annual joint internal audit planning</p>

Figure 2 Overview of the 5 sub-committees that report to CMB

5.2 Internal Audit

Quarter 1	<ul style="list-style-type: none"> IT Service Desk Management of Evidential Property
Quarter 2	<ul style="list-style-type: none"> Representative Workforce Key Financial Controls – Accounts Payable & Budgetary Control Firearms Licensing Reasonable Adjustments
Quarter 3	<ul style="list-style-type: none"> Risk Management Policy & Procedure Management
Quarter 4	<ul style="list-style-type: none"> Detective Numbers Assurance Mapping
Follow up audits from 21/22	<ul style="list-style-type: none"> Complaints Handling Remote Working Clinical Governance in Custody
Regional Audits	<ul style="list-style-type: none"> Digital Forensics

Figure 3 The 2022/23 audit schedule

Each internal audit conducted throughout the year receives a graded assurance opinion from the auditors. Each of the audits also provides recommendations for improvement, categorised into three priority categories reflecting their importance.

Audit Framework and Definitions	
Assurance Definitions	
None	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Corporate Risk Assessment Definitions	
Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.
Categorisation of Recommendations	
In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:	
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Figure 4 Audit Framework Definitions

In total, our internal auditors made forty recommendations during 2022/23, of which

- ✚ 21 were identified as findings that require attention, a priority 3 grading.
- ✚ 19 were identified as findings that are important and require the attention of management, a priority 2 grading.
- ✚ None were identified as findings that were fundamental requiring immediate attention, not necessitating a priority 1 grading.

5.3 His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

In this section below, we detailed the findings of inspection activity from HMICFRS.

‘PEEL’ Inspection

The primary framework by which police forces are inspected by HMICFRS is called 'Police Efficiency, Effectiveness and Legitimacy' (PEEL). This programme has evolved over time to become an intelligence-led, continual assessment approach, rather than the annual PEEL inspections we used in previous years. HMICFRS assess forces against the characteristics of good performance, and more clearly link their judgments to causes of concern and areas for improvement. The judgements are made across five tiers, those being

- ✚ Outstanding
- ✚ Good
- ✚ Adequate
- ✚ Requires improvement
- ✚ Inadequate

As a result, HMICFRS can state more precisely where they consider improvement is needed and highlight more effectively the best ways of doing things. However, these changes mean that it isn't possible to make direct comparisons between the grades awarded this year with those from previous PEEL inspections. A reduction in grade, particularly from good to adequate, does not necessarily mean that there has been a reduction in performance, unless specifically stated in the force's report.

The HMCIFRS Integrated PEEL Assessment is one of the most critical sources of assurance for both the PCC and OCC in delivering the Police and Crime Plan and realising our vision. Avon & Somerset were inspected in October 2022, with the HMCIFRS final report published in March 2023, in which we were assessed and graded as follows

Outstanding	Good	Adequate	Requires improvement	Inadequate
Treatment of the public	Developing a positive workplace	Preventing crime	Recording data about crime	
	Good use of resources	Protecting vulnerable people	Investigating crime	
			Responding to the public	
			Managing offenders	

Figure 5 HMCIFRS PEEL Inspection Gradings of A&S

At the end of March 2023, the current number of HMCIFRS recommendations being managed by the Constabulary was 185. A total of 37 of these are due to be signed off/closed internally and two recommendations are with HMCIFRS for sign off/closure.

5.4 Significant Risks

The two most significant risks facing the Constabulary over the coming year are

- ✚ **Public confidence and legitimacy** – the well-publicised events and incidents involving police officers and staff committing criminal acts or acting in ways that fall below the high standards expected of them are impacting on public confidence. The report by Baroness Casey into the culture within the Metropolitan Police Force has shone a light on cultures in policing which are not solely confined to the largest UK force. The Chief Constable and her senior leaders recognise the importance of this moment for policing and are leading conversations both within the Constabulary and with our partners and communities – with particular emphasis around delivering on the national race action plan and tackling violence against women and girls.
- ✚ **Financial uncertainty** – our MTFP recognises a very uncertain financial position, reflecting the wider economic uncertainties that are seeing high inflation and a challenging employment market adding to pressure on demands for higher public sector pay settlements. Our forecasts show that we will need to bring forward savings plans which enable us to maintain a sustainable financial position as well as free up the funds we would want to utilise to support new investment in emerging areas of risk and opportunity.

6 Governance Issues

6.1 Over the last 12 months, we have continued to embed the current governance framework into the organisation's fabric, having launched our revised arrangements in full by October 2022 further to the independent review by Leapwise Consultancy. We continue to refine elements of the framework, such as making amendments to Committee structures and terms of references, which outline the role of our committees and responsibilities. The Constabulary have recruited a third Assistant Chief Constable role in March 2023. This newly formed role, focussing on strategic performance and

planning, reflects the recognition that we needed to enhance our executive capacity to drive the improvements we are targeting through our uplift investments. We expect the impact of this additional capability to demonstrate a difference during 2023/24. The developing work of the Strategic Five Year Plan and simplified performance landscape may give rise to some final small adjustments to the formal Constabulary Governance Framework later in 2023. There is the opportunity to conduct a formal Post Implementation Review in 2024 to review the overall effectiveness of the final structures.

Finally, while we recognise the healthy state of our internal governance, we remain aware of the need to continually review our existing partnership and collaborative governance arrangements, which is a priority for us in the coming twelve months.

7 Conclusion and Certification

This statement has been prepared based on the review of the effectiveness of governance arrangements. We are satisfied that the OCC has proportionate and adequate internal control systems, including arrangements for good governance and the management of risk. However, we acknowledge that no method of internal control can provide absolute assurance.

Over the coming year, we propose taking steps to address the areas for improvement identified through our internal control activity to enhance our governance arrangements and commit to monitoring their implementation and impact as part of our next annual review.

Sarah Crew
Chief Constable

Nick Adams LLB (Hons), FCA
Chief Finance Officer to the OCC

Office of the Chief Constable for Avon & Somerset

Comprehensive Income and Expenditure Statement for Year Ended 31 March 2023

The comprehensive income and expenditure statement shows the resources consumed by the OCC in undertaking operational policing activities. These costs have been funded by the PCC through intragroup adjustments.

OCC Expenditure £'000	OCC Income £'000	Total 2021/2022 £'000	Comprehensive Income and Expenditure Statement - OCC	OCC Expenditure £'000	OCC Income £'000	Total 2022/2023 £'000
544,486	-46,347	498,139	Police Services	539,901	-53,969	485,932
-544,486	46,347	-498,139	Intragroup funding adjustment	-539,901	53,969	-485,932
0	0	0	Net cost of police services	0	0	0
		86,681	Net interest on pensions			110,987
		-86,681	Intragroup adjustment (pension interest cost)			-110,987
0	0	0	Financial and investment income and expenditure	0	0	0
		0	Taxation and non-specific grant income			0
		0	Surplus(-)/deficit on provision of services			0
		260,724	Intragroup adjustment (Re-measurement of pension assets and liabilities)			1,879,534
		-260,724	Re-measurement of pension assets and liabilities (note 13)			-1,879,534
0	0	0	Other comprehensive income and expenditure	0	0	0
0	0	0	Total comprehensive income and expenditure	0	0	0

Office of the Chief Constable for Avon & Somerset

Movement in Reserves Statement 2021/2022 and 2022/2023

All reserves are held by the PCC.

Movement in reserves statement 2021/2022					
	Revenue General Fund	Capital Receipts Reserves	Total Usable Reserves	Total Unusable Reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2021	0	0	0	0	0
Total comprehensive income and expenditure	0	0	0	0	0
Adjustments between accounting & funding basis under regulations	0	0	0	0	0
Increase/decrease(-) in 2021/2022	0	0	0	0	0
Balance as at 31 March 2022	0	0	0	0	0

Movement in reserves statement 2022/2023					
	Revenue General Fund	Capital Receipts Reserves	Total Usable Reserves	Total Unusable Reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2022	0	0	0	0	0
Total comprehensive income and expenditure	0	0	0	0	0
Adjustments between accounting & funding basis under regulations	0	0	0	0	0
Increase/decrease(-) in 2022/2023	0	0	0	0	0
Balance as at 31 March 2023	0	0	0	0	0

Office of the Chief Constable for Avon & Somerset

Balance Sheet as at 31 March 2023

The balance sheet shows the pension liability, other employee related creditors, and provisions accrual offset by debtors from the PCC.

2022 £'000	Balance Sheet	2023 £'000
	Long term assets	
4,325,494	Long term intragroup debtor (note 2)	2,644,892
4,325,494	Total non-current assets	2,644,892
15,709	Intragroup debtor (note 2)	17,075
15,709	Total current assets	17,075
-11,280	Creditors (note 17)	-12,975
-4,429	Short term provisions (note 18)	-4,100
-15,709	Total current liabilities	-17,075
	Long term liabilities	
-25	Provisions (note 18)	-25
-4,325,469	Net defined pension liability (note 13 to 15)	-2,644,867
-4,325,494	Total long term liabilities	-2,644,892
0	Net assets	0
0	Total usable reserves	0
0	Total unusable reserves	0
0	Total reserves	0

Nick Adams LLB (Hons), FCA

Chief Finance Officer to OCC

Office of the Chief Constable for Avon & Somerset

Cash Flow Statement

This note does not show any cash flows for the year ending 31 March 2023 as all payments are made from the PCC and all income for the year received by the PCC. The financial consequences of the operational activities undertaken by the OCC can be seen within the comprehensive income and expenditure statement.

Cash Flow Statement	
2021/2022	2022/2023
£'000	£'000
0	0
Net surplus(-)/deficit on the provision of services	
867	328
Increase(-)/decrease in provision charged back to service	
0	0
Charges for retirement benefits in accordance with IAS 19	
-499	1,367
Increase/decrease(-) in long and short term debtors	
-368	-1,695
Increase(-)/decrease in long and short term creditors	
0	0
Adjust net surplus or deficit on the provision of services for non-cash movements	
0	0
Net increase(-)/decrease in cash and cash equivalents	

Office of the Chief Constable for Avon & Somerset

Notes to the Financial Statements

1 Statement of Accounting Policies

1.1 General Principles

The general principles adopted in compiling these accounts are in accordance with the recommendations of CIPFA. They accord with CIPFA's Code of Practice on Local Authority Accounting 2022/2023 and the Accounts and Audit (Amendment) Regulations 2021 and are based on the following standards

- ✚ International Financial Reporting Standards (IFRSs) as adopted by the UK
- ✚ International Public Sector Accounting Standards (IPSASs)
- ✚ UK Generally Accepted Accounting Practice (GAAP); (Financial Reporting Standards (FRSs), Statements of Standard Accounting Practice (SSAPs) and Urgent Issues Task Force (UITF) abstracts) as far as they are applicable.

Further information is included within notes 13-15 regarding the assumptions that have been used by the actuaries to provide an estimate of the liability

1.2 Accruals of Income and Expenditure

Activity is accounted for and recorded on an accruals basis. This means that income is recorded in the accounts when it becomes due, rather than when it is received, and the outstanding amounts are included as debtors. Expenditure is included in the accounts when the goods or services are received or supplied, and any outstanding amounts are included as creditors. The OCC established a de minimis level of £5,000 for accruals in both 2021/2022 and 2022/2023.

1.3 VAT

The OCC does not submit a Value Added Tax return to HMRC as this is submitted as a single return for the group by the PCC. Income and expenditure in the OCC's comprehensive income and expenditure statement excludes VAT, except where it is non-recoverable.

1.4 Employee Benefits

1.4.1 Benefits Payable During Employment

Employee benefits that are due to be settled wholly within 12 months of the year end are recognised as an expense for services in the year which the employees rendered services for the Chief Constable. These include: salaries; annual leave; sick leave; bonuses; and non-monetary benefits (cars).

An accrual is made for the cost of holiday entitlements earned by employees but not taken before year end which employees can carry forward in to the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves statement to the accumulated absences account so that the holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

1.4.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the group to terminate an employee's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. These benefits are charged on an accruals basis to the appropriate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

1.4.3 Post-Employment Benefits

Employees of the Chief Constable are members of four separate pension schemes

- ✚ The Police Officer 1987 scheme (PPS)
- ✚ The Police Officer 2006 scheme (NPPS)
- ✚ The Police Officer 2015 scheme (CARE)
- ✚ The Local Government Pension scheme (CARE)

1.4.3.1 Police Officers Pension Scheme

All Police Officers pension schemes are accounted for as defined benefits schemes.

The liabilities of the police officers pension scheme are included in the balanced sheet on an actuarial basis using the projected unit method. The projected unit method is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projected earnings for current employees.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of all police schemes. These estimated cashflows are then used to derive a single equivalent discount rate (SEDR). The discount rate derived is such that the net present value of the notional cashflow, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA-rated corporate bond yield curve.

1.4.3.2 Local Government Pension Scheme

All Police Staff and PCSOs can become members of the Local Government Pension Scheme which is accounted for as a defined benefits scheme.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of all police schemes. These estimated cashflows are then used to derive a single equivalent discount rate (SEDR). The discount rate derived is such that the net present value of the notional cashflow, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA-rated corporate bond yield curve.

The assets of the Somerset County Council pension fund attributable to the group are included in the balance sheet at their fair value

- ✚ Quoted securities – current bid price
- ✚ Unquoted securities – professional estimate
- ✚ Unlisted securities – current bid price
- ✚ Property securities – current bid price
- ✚ Property – market value

1.4.3.3 Net Pensions Liability

The change in the net pensions liability for the pension scheme is analysed into the following components

Service cost comprising

- ✚ Current service cost – this is the increase in liabilities as a result of years of service earned this year which is allocated in the CIES to the services for which the employees worked;
- ✚ Past service cost – this is the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the CIES;
- ✚ Net interest on the net defined benefit liability or asset – this is the change during the period in the net defined benefit liability or asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability or asset at the beginning of the period and taking into account any changes in the net defined liability or asset during the period as a result of contribution and benefit payments.
- ✚ Re-measurements comprising:
 - ✚ The return on plan assets excludes the amounts included in the net interest on the net defined benefit liability or asset which is charged to the pensions reserve as Other Comprehensive Income and Expenditure. This is only applicable to the Local Government Pension Scheme.
 - ✚ Actuarial gains and losses are changes in the net pension's liability that arise because events have not coincided with assumptions made at the last valuation or because the actuaries have updated their assumptions. These changes are charged to the pensions reserve as Other Comprehensive Income and Expenditure.

1.5 Provisions

Provisions are made where an event has taken place that gives the Office of the Chief Constable a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the obligation.

Provisions are charged to the comprehensive income and expenditure statement in the year the Office of the Chief Constable becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation taking into account the relevant risks and uncertainties. When settled, the amounts agreed will be charged against the provision.

1.6 Joint Arrangements

Joint Arrangements are classified as either Joint Operations or Joint Ventures. Joint Operations are where activities are agreed through a shared control (usually through a shared board) and the parties have rights to the assets and obligations for the liabilities relating to the arrangement. Joint Ventures are where the parties have rights to the net assets of the arrangement. The Group does not participate in any joint ventures.

The PCC recognises its share of the assets, liabilities and expenditure relating to its involvement in the joint operations.

The Police and Crime Commissioner has entered into collaborative arrangements with other police forces and local authorities. Details of these are disclosed in the notes to the accounts.

1.7 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Office of the Chief Constable a possible obligation whose existence can only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Office of the Chief

Constable. Contingent liabilities also arise in the situation where a provision would otherwise be made but where it is possible but not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the balance sheet but disclosed in a note to the accounts.

1.8 Post Balance Sheet Events

These are events occurring after the balance sheet date but before the Statement of Accounts are authorised for issue. Two types of events can be identified

- ✚ Adjusting events - where there is evidence that the conditions existed at the end of the reporting period and the accounts are adjusted to reflect these events.
- ✚ Non-adjusting events – where these are indicative of conditions that arose after the balance sheet date, the Statement of Accounts are not amended, but a note is included to provide an explanation of the nature and the effect of the event.

Events that have taken place after the authorised date of issue are not reflected within the Statement of Accounts.

2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements in the Statement of Accounts are:

As a result of the Police Reform and Social Responsibility Act 2011 (the Act), two corporations sole were formed - the Police and Crime Commissioner (PCC) for Avon and Somerset and the Office of the Chief Constable (OCC). The PCC is responsible for the formal oversight of the Avon and Somerset Police and the Chief Constable, including setting the strategic direction and holding the police to account; whilst the Chief Constable has the direction and control over the force's officers and staff. For accounting purposes, the PCC is the parent entity of the Office of the Chief Constable and together they form the PCC group.

The accounting recognition of the PCC Group assets, liabilities and reserves reflects the powers and responsibilities of the Police and Crime Commissioner and the Chief Constable as designated by the Police Reform and Social Responsibility Act 2011 and the Revised Home Office Financial Management Code of Practice for the Police Service, England and Wales 2018. This accounting treatment is also underpinned by the relationships as defined by local regulations, local agreement and practice.

The PCC receives all Government funding and income, and the Chief Constable uses the PCC's financial resources against an annual budget in order to discharge their operating policing responsibilities. The Chief Constable does not hold any cash or reserves. The PCC has the responsibility for managing the financial relationship with third parties.

All the assets, liabilities and reserves of the PCC Group are recognised on the PCC Balance Sheet except for the liabilities for employee benefits. As a result, there is a nil balance on the Chief Constable's Movement of Reserves Statement and no cash transactions on the Chief Constable's cashflow statement. The financial results of the PCC resources used by the Chief Constable are shown in the Comprehensive Income and Expenditure Statement (CIES). As the Chief Constable does not hold reserves the financial consequences recognised in the CIES are offset by intra-group adjustments to reflect the funding of PCC resources consumed at the request of the Chief Constable to give a nil balance on the General Reserves of the Chief Constable at the year end. These intra-group adjustments are mirrored in the PCC accounts to reflect the funding of resources at the request of the Chief Constable.

Police pension costs are recognised in the Chief Constable's Accounts in accordance with IAS 19 (Employee Benefits). The liability for police pensions on the Chief Constable's Balance Sheet however is offset by an intra-group debtor reflecting the PCC's responsibility to provide funds from the police fund each year to enable the Chief Constable to administer police pension payments. Similarly, within the Chief Constable's CIES the IAS 19 pension costs are offset by intra-group funding adjustments within the Net Cost of Policing Services and within 'Financing and Investment' lines. The PCC's Balance Sheet shows a matching liability and police pension reserve to reflect its responsibility to provide funds for the payment of police pensions. The same accounting treatment has been adopted in respect of accumulated absences due to employees, but not taken at the reporting date. The liabilities in the Chief Constable's Balance Sheet are offset by an intra-group transfer from the PCC's to reflect the fact that the PCC ultimately funds the Chief Constable's employee costs.

A judgement has been made to include the impact of the McCloud/Sargeant ruling. Whilst the regulations underpinning the Local Government Pension Scheme (LGPS) and police pension schemes have not yet been amended, a change to the remedy is not anticipated.

3 Accounting Standards Issued but not Adopted

The following accounting standards have been issued but not adopted and are unlikely to have a material impact on the financial statements.

- ✚ Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- ✚ Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- ✚ Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- ✚ Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.
- ✚ IFRS 16 Leases

IFRS 16 Leases has not been adopted and is too early to judge the impact on the financial statements. CIPFA LASAAC have decided to defer the implementation of IFRS 16 until 1 April 2024 due to severe delays in the publication of audited local authority financial statements in England. IFRS 16 will now be included in the 2024/25 code. Early adoption as of 1 April 2022 or 1 April 2023 is permitted.

4 Assumptions made about the Future and the Sources of Estimations

In some areas figures in the accounts are based on estimates which take into account past experience, current trends and other relevant factors. By their nature these figures could vary and as such the material areas based on estimates are detailed below.

4.1 Pension Service Costs

The estimation of the service cost to pay pension depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are expected to increase, changes in retirement ages, mortality rates and the expected return on the fund's assets. Actuaries provide the PCC Group with expert advice about the assumptions that have been applied.

Further information is included within notes 0 to 0 regarding the assumptions that have been used by the actuaries to provide an estimate of the liability.

The following tables show the impact of a small change in the assumptions made for the Police Officer and Police Staff Pension Schemes.

Police Officer Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	2,570,868	2,611,528	2,653,258
Projected service cost	36,045	37,517	39,042
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	2,616,282	2,611,528	2,606,801
Projected service cost	37,543	37,517	37,492
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	2,649,243	2,611,528	2,574,814
Projected service cost	39,062	37,517	36,025
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	2,703,632	2,611,528	2,522,672
Projected service cost	38,955	37,517	36,118

Police Staff Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	507,647	517,991	528,653
Projected service cost	15,887	16,536	17,210
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	519,001	517,991	516,991
Projected service cost	16,547	16,536	16,525
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	527,883	517,991	508,449
Projected service cost	17,219	16,536	15,878
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	535,576	517,991	501,044
Projected service cost	17,144	16,536	15,944

4.3 Short and Long Term Provisions

In determining the provisions set aside at 31 March 2023 to pay for known future costs it has been necessary to estimate and make assumptions about the future. More detail around the sources of these estimations and the underlying assumptions made are included within note 18, Short and Long Term Provisions.

5 Events After the Balance Sheet Date

There are no post balance sheet events to date.

6 Expenditure and Funding Analysis

This note shows how the annual expenditure is allocated and the funding available to the Constabulary in a format which is used for decision making purposes. It is reconciled to the comprehensive income and expenditure statement.

As reported to Management	2021/2022					OCC Expenditure and Funding Analysis	2022/2023				
	Adjustments to arrive at the chargeable to general reserves	Net expenditure chargeable to general fund	Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E	As reported to Management		Adjustments to arrive at the chargeable to general reserves	Net expenditure chargeable to general fund	Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E	
£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	
335,640	48,360	384,000	114,139	498,139	Police Services	348,285	53,320	401,605	84,327	485,932	
-335,640	-48,360	-384,000	-114,139	-498,139	Intragroup adjustment	-348,285	-53,320	-401,605	-84,327	-485,932	
0	0	0	0	0	Net cost of police services	0	0	0	0	0	
0	0	0	86,681	86,681	Net interest on pensions	0	0	0	110,987	110,987	
0	0	0	-86,681	-86,681	Intragroup adjustment (Pension interest cost)	0	0	0	-110,987	-110,987	
0	0	0	0	0	Financial and investment income and expenditure	0	0	0	0	0	
0	0	0	0	0	Taxation and non-specific grant income	0	0	0	0	0	
0	0	0	0	0	Surplus(-)/deficit on provision of services	0	0	0	0	0	

Capital Purposes £'000	2021/2022			OCC Expenditure and Funding Analysis Adjustment between accounting & funding basis	2022/2023			
	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000		Capital Purposes £'000	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000
-2,322	121,391	-4,929	114,139	Police Services	-1,131	87,945	-2,487	84,327
2,322	-121,391	4,929	-114,139	Intragroup adjustment	1,131	-87,945	2,487	-84,327
0	0	0	0	Net cost of police services	0	0	0	0
0	86,681	0	86,681	Net interest on pensions	0	110,985	0	110,985
0	-86,681	0	-86,681	Intragroup adjustment (Pension interest cost)	0	-110,985	0	-110,985
0	0	0	0	Financial and investment income and expenditure	0	0	0	0
0	0	0	0	Taxation and non-specific grant income	0	0	0	0
0	0	0	0		0	0	0	0
0	0	0	0	Difference between surplus on the general fund and deficit on the provision of services	0	0	0	0

7 Income and Expenditure Analysed by Nature

2021/2022 £'000	Income and Expenditure analysed by nature	2022/2023 £'000
276,705	Employee costs	294,084
14,508	Premises costs	13,138
5,017	Transport costs	6,068
31,499	Supplies & services	41,356
16,140	Partnership costs	16,206
14,070	Misc, central, & grants	15,600
11,695	Depreciation, amortisation, & impairment	11,179
122,077	Employee benefit expenses	89,361
86,681	Net interest on pensions	110,987
52,775	Police pension top up grant	52,909
-631,167	Intragroup adjustment	-650,888
0	Total expenditure	0
-16,712	Sales, rent, fees, & charges	-18,313
-1,383	Seconded officers	-1,395
-11,499	Counter terrorism policing grant	-12,294
-774	Serious violence grant	-718
-2,474	Uplift grant	-3,088
-2,828	Officer pensions grant	-15,066
-10,606	Other specific grants	-2,828
46,276	Intragroup adjustment	53,702
0	Total income	0
0	Surplus/deficit on provision of services	0

8 Paying Staff

Disclosure of Remuneration for Senior Employees 2021/2022						
Post Holder Information (post title and name)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2021/2022	Pension Contributions	Total Remuneration Including Pension Contributions 2021/2022
		£	£	£	£	£
Chief Constable - A Marsh	1	46,064	2,388	48,452	0	48,452
Chief Constable - S Crew	1	125,105	5,297	130,402	38,782	169,184
		<u>171,168</u>	<u>7,685</u>	<u>178,853</u>	<u>38,782</u>	<u>217,636</u>

Disclosure of Remuneration for Senior Employees 2022/2023						
Post Holder Information (post title and name)		Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2022/2023	Pension Contributions	Total Remuneration Including Pension Contributions 2022/2023
		£	£	£	£	£
Chief Constable - S Crew		168,020	11,466	179,486	52,086	231,572
		<u>168,020</u>	<u>11,466</u>	<u>179,486</u>	<u>52,086</u>	<u>231,572</u>

Note 1 A Marsh retired from the role of Chief Constable with effect from 01/07/2021, and S Crew was appointed as Temporary Chief Constable with effect from 02/07/2021, before being made permanent in the role on 26/11/2021. The annualised salary is £166,911.

Disclosure of Remuneration for Senior Employees 2021/2022

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2021/2022	Pension Contributions	Total Remuneration Including Pension Contributions 2021/2022
		£	£	£	£	£
Deputy Chief Constable	1	34,426	2,670	37,096	10,672	47,768
Temporary Deputy Chief Constable	2	111,411	0	111,411	0	111,411
ACC - Investigations & Operational Support		33,331	0	33,331	0	33,331
Temporary ACC - Investigations & Operational Support	3	84,521	0	84,521	24,464	108,985
ACC - Neighbourhoods, Partnerships & Response	4	2,372	0	2,372	719	3,090
ACC - Neighbourhoods, Partnerships & Response	4	125,546	0	125,546	36,594	162,140
Chief Officer - Finance, Resources and Innovation		119,220	12,677	131,897	19,433	151,330
Chief Officer - People and Organisational Development		118,576	6,229	124,805	18,564	143,368
Force Medical Officer - D Bulpitt		154,884	0	154,884	25,246	180,130
		784,287	21,576	805,863	135,691	941,554

Note 1 The Deputy Chief Constable replaced the Chief Constable on a temporary basis with effect from 02/07/2021.

Note 2 The ACC Investigations & Operational Support became the temporary Deputy Chief Constable with effect from 02/07/2021; this became permanent with effect from 27/01/2022. The annualised salary is £137,703.

Note 3 A temporary ACC Investigations & Operational Support was appointed on 02/07/2021. The annualised salary is £105,600.

Note 4 The ACC – Neighbourhoods, Partnerships, & Response retired on 07/04/2021, with the new ACC in the role having been appointed on 22/02/2021. The annualised salary is £119,220.

Disclosure of Remuneration for Senior Employees 2022/2023

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2022/2023	Pension Contributions	Total Remuneration Including Pension Contributions 2022/2023
		£	£	£	£	£
Deputy Chief Constable - N Watson		151,413	0	151,413	0	151,413
ACC - Strategic Improvement		119,294	0	119,294	34,656	153,950
ACC - Investigations & Operational Support	1	10,268	0	10,268	2,975	13,244
ACC - Neighbourhoods, Partnerships & Response		127,830	0	127,830	37,302	165,132
Chief Officer - Finance, Resources and Innovation		120,330	12,677	133,007	19,614	152,620
Chief Officer - People and Organisational Development	2	101,945	8,200	110,145	16,617	126,762
Chief Officer - People and Organisational Development	3	17,456	0	17,456	2,660	20,115
Force Medical Officer - D Bulpitt		161,854	0	161,854	26,382	188,236
		810,389	20,877	831,266	140,206	971,472

Note 1 New ACC appointed on 27/02/2023

Note 2 Chief Officer – People and Organisational Development left ASC on 05/02/2023

Note 3 Chief Officer – People and Organisational Development temporarily appointed on 06/02/2003

The number of staff to whom we pay more than £50,000 a year is shown below. Pay includes salary, taxable travel and expenses. Bands with nil values in both years have been removed.

2021/2022 Number	Pay Range	2022/2023 Number
278	£50,000 - £54,999	404
210	£55,000 - £59,999	250
67	£60,000 - £64,999	116
19	£65,000 - £69,999	26
12	£70,000 - £74,999	10
6	£75,000 - £79,999	13
6	£80,000 - £84,999	5
5	£85,000 - £89,999	5
6	£90,000 - £94,999	6
0	£95,000 - £99,999	3
0	£105,000 - £109,999	1
609		839

The numbers within each band can be impacted year on year by inflationary changes.

For further details on gender pay please see our gender pay gap report, which has been published on the Avon and Somerset website.

9 Exit Packages

The costs for 24 staff redundancies were recognised during the 2022/2023 year, the details of which are presented in the table below.

Compulsory & Voluntary 2021/2022		Exit Packages	Compulsory & Voluntary 2022/2023	
Number	£'000	Banding	Number	£'000
7	82	£0 - £19,999	19	201
6	155	£20,000 - £39,999	5	134
1	44	£40,000 - £59,999	0	0
0	0	£60,000 - £79,999	0	0
14	281		24	335

10 External Audit Costs

External audit services are provided to the CC by Grant Thornton. The amounts paid in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to any non-audit services are shown in the following table.

2021/2022 £'000	External Audit Costs	2022/2023 £'000
	Chief Constable:	
20	Fees for external audit services paid to Grant Thornton	26
<u>20</u>		<u>26</u>

As part of the Government's response to the Redmond Review, the Department for Levelling Up, Housing, and Communities (DLUHC) provided a grant of £21,886 split by PCC £14,105 and CC £7,780 (2021/22 £21,873 split by PCC £14,430, CC £7,443) to assist with the anticipated rise in fees, driven by new requirements on auditors, including new burdens relating to the implementation of the Redmond Recommendations and the National Audit Office's Code of Audit Practice 2020. Fees paid by the PCC in 2022/2023 were based on the scale fee. The final fees for the audit have not yet been confirmed.

11 Transactions with Related Organisations and People

There is a requirement to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the PCC or to be controlled or influenced by the PCC. In doing this we are required to consider the materiality from the viewpoint of both the PCC and the related party.

11.1 Key Management Personnel and Members of the Joint Audit Committee

The PCC and the OCC were asked to disclose details of any transactions between themselves or members of their immediate family with the PCC which either total over £1,000 or which might require separate explanation. No transactions were disclosed in 2022/2023 (£nil in 2021/2022).

11.2 Other Related Parties

The Home Office and the DLUHC exert significant influence on the PCC Group through legislation and grant funding.

The PCC also has a relationship with the Police Community Trust and the Avon and Somerset Constabulary Force Club. Payments were made to the Police Community Trust of £21,065 in 2022/2023 (£20,355 in 2021/2022). Payments were also made to the Avon and Somerset Constabulary Force Club in 2022/2023 of £14,641 (£7,045 in 2021/2022).

12 Joint Arrangements

The PCC participates in a number of joint arrangements, contributions to which are disclosed below

2021/2022 Expenditure £'000	Joint Operations	2022/2023 Expenditure £'000
3,153	South West Regional Organised Crime Unit	4,099
1,410	Firearms Training	1,619
587	Counter Terrorism Specialist Firearms Officers	744
5,451	Major Crime Investigation (Brunel)	5,548
7,547	South West Forensic Services	8,126
1,094	South West Region - Special Branch	0
53	Regional ACC	103
27	Disaster Victim Identification / Casualty Bureau	23
326	Other Regional Programmes	368
19,648	Total	20,630

12.1 South West Regional Organised Crime Unit (SW ROCU)

SW ROCU is a regional collaboration set up to combat serious and organised crime across the South West of England. Avon and Somerset are the lead force with a 30.7% share of net expenditure. Other partners are Devon and Cornwall (31.8%), Dorset (13.5%), Gloucestershire (12.1%) and Wiltshire (11.9%). The total net cost of the operation, after government grants and sundry income, was £13,358,978 in 2022/2023 (£10,277,501 in 2021/2022).

12.2 Firearms Training

Firearms Training is run in partnership between Avon and Somerset, Gloucestershire and Wiltshire. The split of expenditure between the forces is different for premises and non-premises related costs. The overall percentage allocation for 2022/2023 was 41.8% for Avon and Somerset, 32.7% for Gloucestershire, and 25.5% for Wiltshire. The total cost of the operation was £3,679,798 in 2022/2023 (£3,181,816 in 2021/2022).

12.3 Counter Terrorism Specialist Firearms Officers (CTSFO)

The CTSFO collaboration was set up in April 2017 to provide a resilient and rapidly available specialist firearms capability. The collaboration is between Avon and Somerset (53.6%), Gloucestershire (23.2%) and Wiltshire (23.2%). The total cost of the operation was £1,386,930 in 2022/2023 (£1,095,186 in 2021/2022).

12.4 Major Crime Investigation (Brunel)

This is a collaboration between Avon and Somerset (64%), Gloucestershire (17%) and Wiltshire (19%) for the purposes of providing regional oversight and scrutiny of major incidents. The total cost of the service was £8,668,710 in 2022/2023 (£8,517,449 in 2021/2022).

12.5 South West Forensic Services

South West Forensic Services is a collaboration between Avon and Somerset (36.6%), Devon and Cornwall (30.5%), Dorset (18.7%) and Wiltshire (14.2%) to provide forensic services. The total cost of the operation was £22,812,481 in 2022/2023 (£21,016,000 in 2021/2022).

12.6 South West Region – Special Branch

This is a collaboration to provide Special Branch policing across the South West Region. From April 2022 this became 100% grant funded and moved to be part of Counter Terrorism Policing South West.

12.7 Regional ACC

This post was put in place from May 2016 to oversee the regional collaborations for Forensics, Special Branch, SW ROCU, and CTPSW. The costs are shared between Avon and Somerset (30.7%), Gloucestershire (11.9%), Devon and Cornwall (31.8%), Dorset (13.5%) and Wiltshire (12.1%). The total cost for the ACC was £324,764 in 2022/2023 (£172,085 in 2021/2022).

12.8 Disaster Victim Identification / Casualty Bureau

This is a collaboration between Avon and Somerset (30.7%), Gloucestershire (11.9%), Devon and Cornwall (31.8%), Dorset (13.5%) and Wiltshire (12.1%) to provide two posts to assist with officer deployment across the South West. The total cost of the operation was £75,200 in 2022/2023 (£89,300 in 2021/2022).

12.9 Other Regional Programmes

These are collaborations between Avon and Somerset, Gloucestershire, Devon and Cornwall, Dorset, and Wiltshire covering activities such as the Emergency Services Mobile Communications Programme, shared ways of working for record management systems, and regional governance and oversight of existing collaborations. The percentage split varies between projects. The total cost of all programmes was £1,182,565 in 2022/2023 (£1,063,877 in 2021/2022).

13 Pensions Costs and Liabilities

The full costs of retirement benefits earned by employees during the year are recognised through the comprehensive income and expenditure statement net cost of police services as they are accrued. These costs are then reversed through the movement in reserves statement so that there is no impact on the general fund. It should be noted that the charge against council tax for pension benefits is based upon the cash value of employer's contributions.

	Police Staff		Police Officers	
	2021/2022 £'000	2022/2023 £'000	2021/2022 £'000	2022/2023 £'000
Comprehensive income and expenditure statement				
Cost of services:				
Current service cost	51,604	47,203	127,680	101,916
Administration expenses	208	267	0	0
Past service cost including curtailments	127	97	0	0
Financing and investment income and expenditure:				
Net interest cost	8,809	10,007	77,872	100,980
Total post employment benefits charged to the comprehensive income and expenditure statement	60,748	57,574	205,552	202,896
Other post employment benefits charged to the comprehensive income and expenditure statement				
Return on plan assets	26,150	-22,279	0	0
Changes in demographic assumptions	0	63,726	0	0
Changes in financial assumptions	63,171	419,207	126,996	1,651,214
Experience gain/loss(-) on defined benefit obligations	-1,731	-59,708	-5,891	-224,308
Other actuarial gain/loss(-)	0	-1,131	52,029	0
Total other comprehensive income	87,590	399,815	173,134	1,426,906
Movement in reserves statement				
Reversal of net charges made for retirement benefits in accordance with the code	-60,748	-57,574	-205,552	-202,896
Actual amount charged against the general fund balance for pensions in the year				
Employer's contribution to scheme	17,416	18,396	33,459	36,422
Retirement benefits payable to pensioners	107	104	7,246	6,720

2022 £'000	IAS 19 Pension Liabilities	2023 £'000
-3,931,493	Police officers	-2,611,528
-393,976	Police staff	-33,339
-4,325,469		-2,644,867

14 Pensions for Police Officers

Employee contributions levels are based on percentages of pensionable pay set nationally by the Home Office. From 1 April 2014 contributions increased and officers will pay contributions ranging from 11.00% to 15.05% depending on their pay scale and the scheme they are in. Employer contributions to the Police Officer Pension Scheme are projected at £36,422,000 in financial year 2023/2024.

Benefits payable are funded by these contributions and any difference between benefits payable and contributions receivable, except for those amounts relating to injuries received in service, is payable by the PCC Group and then reclaimed from the Home Office.

The first table below shows the amount met by the PCC Group and second shows those met by the PCC Group and then reclaimed through the top-up grant from the Government.

2021/2022 £'000	Cost of Injury and Ill-Health Benefits - Police Officers	2022/2023 £'000
7,246	Payments to pensioners	6,720

2021/2022 £'000	Pensions Account	2022/2023 £'000
102,332	Benefits paid to officers	105,793
-49,557	Less contributions received from officers	-52,884
52,775	Balance met from PCC Group	52,909

A full valuation of the pension scheme liabilities was undertaken for 31 March 2023. This work was carried out by independent actuaries who have taken account of the requirements of IAS 19 to assess the liabilities of the fund. Liabilities have been calculated by reference to police officers who are members of the fund as well as those who are already receiving pensions. The estimate of the weighted average duration of the scheme's liabilities is 18 years. Using the assumptions detailed in the tables below an estimate of the costs and liabilities associated with police officer's pensions has been made.

Life Expectancy from Age 65 Years	2022/2023	2021/2022
Current pensioners		
Males	21.2	21.1
Females	23.5	23.4
Retiring in 20 years		
Males	22.5	22.4
Females	25.0	24.9

The main assumptions used for the purposes of IAS 19 are shown as yearly percentages.

2021/2022 %		2022/2023 %
2.60	Discount rate	4.80
4.30	Rate of increase in salaries	3.90
3.30	Rate of increase in pensions in payment	2.90
3.75	Change in Retail Price Index (RPI)	3.20
3.30	Change in Consumer Price Index (CPI)	2.90

The movement in the present value of scheme liabilities for the year to 31 March 2023 is as follows

2021/2022 £'000	Present Value of Police Pension Scheme Liabilities	2022/2023 £'000
-3,939,780	Present value of schemes liability as at 1 April	-3,931,493
	Movements in the year	
-127,680	Current service cost	-101,916
0	Past service cost	0
107,156	Estimated benefits paid (net of transfers in)	111,341
-14,422	Contributions by scheme participants	-15,386
-77,872	Interest costs	-100,980
126,996	Change in financial assumptions	1,651,214
0	Change in demographic assumptions	0
-5,891	Experience gain/loss on defined benefit obligations	-224,308
-3,931,493	Present value of schemes liability as at 31 March	-2,611,528

The movement in the fair value of scheme assets for the year to 31 March 2023 is as follows

2021/2022 £'000	Fair Value of Police Pensions Scheme Assets	2022/2023 £'000
0	Present value of schemes assets as at 1 April	0
	Movements in the year	
52,029	Other actuarial gain/loss(-)	52,813
40,705	Contributions by employer	36,422
14,422	Contributions by scheme participants	15,386
-107,156	Estimated benefits paid (net of transfers in)	-104,621
0	Present value of schemes assets as at 31 March	0

15 Pensions for Police Staff

Police staff can choose to join the Somerset County Council Local Government Pension Scheme, which is a defined benefit scheme based on career average salary. Government regulations define the level of funding required to meet the full cost of current and future pensions.

The total amounts paid into the fund by the PCC Group and the percentage of employees' contributions are shown below.

2021/2022		Pension Costs - Police Staff		2022/2023	
Payments	Percentage of			Payments	Percentage of
£'000	Employees'			£'000	Employees'
	Contributions				Contributions
17,478	130-296	PCC's contribution		18,286	130-296

During 2022/2023 the Constabulary paid into the fund at rates of between 130% and 296% of the rate which employees paid, depending upon the whole time equivalent salary paid to employees. Employer contributions to the Police Staff Pension Scheme are projected at £18,286,000 in financial year 2022/2023.

Since April 2021 the Constabulary has paid 16.3% of the employee salary in pension contribution (previously 13.2%) for current active members and an annual fixed sum to pay for past service deficit recovery. The fixed sum paid in 2021/2022 was £2,340,000, the amount due in 2022/2023 is £2,420,000.

It should be noted that the actuary has used an estimated value in respect of police staff employers pension contributions in arriving at the calculation of pension costs included in the comprehensive income and expenditure statement as disclosed in note 13.

A full valuation of the pension scheme liabilities was last undertaken as at 31 March 2019. This work has been updated for the 2022/2023 financial year by independent actuaries to the Somerset County Council pension fund, who have taken account of the requirements of IAS 19 to assess the liabilities of the fund. Liabilities have been calculated by reference to police staff who are members of the fund as well as those who are already receiving pensions. The estimate of the duration of the employer's liabilities is 21 years. Using the assumptions detailed in the tables below an estimate of the costs and liabilities associated with police staff pensions has been made.

Life Expectancy from Age 65 Years		2022/2023	2021/2022
Current pensioners			
	Males	21.4	23.1
	Females	23.2	24.7
Retiring in 20 years			
	Males	22.7	24.4
	Females	24.7	26.1

The main assumptions used for the purposes of IAS 19 are shown as yearly percentages.

2021/2022			2022/2023	
%			%	
2.60	Discount rate		4.80	
4.15	Rate of increase in salaries		3.90	
3.15	Rate of increase in pensions in payment		2.90	
3.45	Change in Retail Price Index (RPI)		3.20	
3.30	Change in Consumer Price Index (CPI)		2.90	

The return on the pension fund assets on a bid value basis for the year to 31 March 2023 is estimated to be 8.39%. The estimated value of the PCC's share of the fund's assets is £487,693,000 on a bid value basis (2021/2022 £488,920,000). The assets are made up of the following

2021/2022		Assets	2022/2023	
£'000	%		£'000	%
		Equities		
0	0.0	UK - Quoted	0	0.0
0	0.0	Overseas - Quoted	0	0.0
88,006	18.0	UK - Unquoted	52,671	10.8
252,381	51.6	Overseas - Unquoted	292,031	59.9
14,641	3.0	Private equity	19,057	3.9
355,028	72.6		363,758	74.6
		Gilts - Public Sector		
9,998	2.0	UK fixed interest	8,719	1.8
14,668	3.0	UK index linked	8,719	1.8
0	0.0	Overseas index linked	0	0
24,666	5.0		17,437	3.6
		Other Bonds		
33,131	6.8	UK	34,825	7.1
14,178	2.9	Overseas	15,850	3.3
47,309	9.7		50,675	10.4
39,269	8.0	Property	39,130	8.0
22,648	4.7	Cash (invested internally)	16,693	3.4
488,920	100	Total assets	487,693	100

The following amounts were measured in line with the requirements of IAS 19

2021/2022	Police Staff Pensions	2022/2023
£'000		£'000
488,920	Share of assets in pension fund	487,693
-881,385	Estimated liabilities in pension fund	-519,921
-1,511	Estimated unfunded liabilities	-1,111
-393,976	Deficiency in fund	-33,339

The movement in the present value of schemes obligations for the year 31 March 2023 is as follows

2021/2022 £'000	Present Value of Police Staff Liabilities	2022/2023 £'000
-881,115	Present value of defined obligations as at 1 April	-882,896
	Movements in the year	
-51,604	Current service cost	-47,203
12,390	Estimated benefits paid (net of transfers in)	15,084
-5,989	Contributions by scheme participants	-6,406
-17,998	Interest costs	-22,843
107	Unfunded pension payments	104
63,171	Change in financial assumptions	419,207
0	Change in demographic assumptions	63,726
-1,731	Experience loss(-)/gain on defined benefit obligations	-59,708
-127	Past service cost, including curtailments	-97
-882,896	Present value of defined obligations as at 31 March	-521,032

The movement in the fair value of scheme assets for the year to 31 March 2023 is as follows

2021/2022 £'000	Fair Value of Police Staff Scheme Assets	2022/2023 £'000
442,774	Fair value of scheme assets as at 1 April	488,920
	Movements in the year	
9,189	Interest on assets	12,836
26,150	Return on assets less interest	-22,279
0	Other actuarial gain/loss(-)	-1,131
-208	Administration expenses	-267
17,523	Contributions by employer	18,396
5,989	Contributions by scheme participants	6,406
-12,497	Estimated benefits paid (net of transfers in)	-15,188
488,920	Fair value of scheme assets as at 31 March	487,693

Further information in relation to the Police Staff Pension Scheme can be obtained from Peninsula Pensions, Great Moor House, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7NL.

16 Payments In Advance

There are no payments in advance in either 2022/2023 or 2021/2022.

17 Creditors

All creditors are accounted for by the PCC. Those which are accounted for within the CC are employees' leave not taken before the year end that can be carried forward into the following financial year, and other employee overtime expenses. Total creditors for 2022/2023 is £12,975,000 (2021/2022 £11,280,000).

18 Short and Long Term Provisions

Short and Long Term Provisions	Balance 1 April 2022 £'000	Reversed Unused £'000	Used in Year £'000	New in Year £'000	Balance 31 March 2023 £'000
Ill-health & termination benefits	1,259	0	-1,259	126	126
Overtime liability	3,195	0	0	804	3,999
	4,454	0	-1,259	930	4,125

The ill health and termination benefits provision of £126,000 is in respect of ill health retirement payments where approval was agreed at 31 March 2023.

The overtime liability provision at 31 March 2023 is in respect of claims for overtime worked in prior years.

19 Contingent Liabilities

We have reviewed the position in respect of contingent liabilities as at 31 March 2023.

Annual assessments are carried out to manage our key risks and set the level of our reserves. As a result, the following contingent liabilities have been identified

19.1 McCloud/Sargeant

19.1.1 Impact on Police Officer pension liability

Two employment tribunal cases (McCloud/Sargeant) were brought against the Government in relation to possible discrimination in the implementation of transitional protection following the introduction of the reformed 2015 public service pension schemes from 1 April 2015. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination.

In December 2018, the Court of Appeal ruled that the transitional protection offered to some members as part of the reforms amounts to unlawful discrimination. On 27 June 2019 the Supreme Court denied the Governments request for an appeal in the case. On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to pension benefits in response to the McCloud and Sargeant cases. The consultation closed on 11 October 2020 and the response was published on 4 February 2021 confirming the final remedy.

The remedy will apply to those members that were in active service on or prior to 31 March 2012 and on or after 1 April 2015. These members will choose which scheme they are to accrue benefits

in over the remedy period (1 April 2015 to 31 March 2022). From 1 April 2022, everyone is assumed to accrue benefits in the 2015 scheme.

The scheme actuaries previously estimated the potential increase in scheme liabilities for Avon & Somerset force due to the for McCloud/Sargeant cases to be £200m of pensions scheme liabilities and this increase was reflected in the 2018/2019 accounts. In 2019/2020 scheme actuaries reviewed these assumptions at a force level and estimated a further increase of £17.2m in scheme liabilities.

The scheme actuary has updated their calculations for the final remedy, and this was reflected in the IAS19 disclosure in the 2020/2021 accounts. The impact of the final remedy was a reduction in the defined benefit obligation of approximately £19m. The actuary had previously assumed that all members who were previously in a final salary scheme would move back to that scheme. When calculating the impact of the remedy, the actuary has only included those members that were active as at 31 March 2012 and on or after 1 April 2015. The actuary has assumed that these members would choose the scheme that they could accrue the most benefits in over the remedy period based on the actuarial assumptions at the last valuation date. Given that members' final salary schemes tended to provide the higher benefit in the first place, the overall effect of the proposal is a slight reduction in the defined benefit liability.

The impact of a change in scheme liabilities arising from the McCloud/Sargeant judgment will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2023/2024, although this timetable is subject to change.

The impact of a change in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a police pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the Police and Crime Commissioner in the form of a central Government top-up grant.

19.1.2 Impact on Police Staff pension liability

The Government has confirmed that they expect to have to make an amendment to all public service schemes as a result of the McCloud judgement. Our scheme actuaries have estimated the potential increase in scheme liabilities for Avon & Somerset force to be £5.648m. This increase was reflected in the IAS 19 disclosure as a past service cost in the 2019/2020 accounts. The scheme actuaries do not believe that there are any material differences to the staff pension liability as a result of the Governments final published remedy.

19.1.3 Compensation claims

In addition to the McCloud/Sargeant remedy, claimants have lodged claims for compensation for injury to feelings. Test cases for these claims were heard by the Employment Tribunal in December 2021. Claims for financial losses for the Leigh day claims have been settled by Government during 2021/22 therefore the provision that was held at 31 March 2021 was released in 2021/22. However, there are a series of claims brought by the Police Federation that are still to be considered but as they are similar in nature to the Leigh Day claims a precedent may already have been set. There is a potential risk that the Police Federation claims will not be settled by Government and the extent or likelihood of any further settlement is not possible to reliably estimate, so a contingent liability has been recognised.

19.2 Other Pension Cases

There are 2 further cases which are included in the report from our actuaries

Goodwin Case – This case relates to differences between survivor benefits payable to members with same-sex or opposite-sex survivors and has been identified in several public sector pension schemes. There is not yet a remedy in place and our actuaries have not made allowances for the impact of this within the liabilities existing at 31 March 2022 due to there being insufficient information upon which to make an accurate estimation.

O'Brien Case – This case relates to the discrimination against part-time judges in the calculation of pensions. A ruling stated that service prior to 7 April 2000 must be taken into account under the Part Time Workers Directive (PTWD) for the purpose of calculating a retirement pension. The Government have stated that those who have previously claimed under the PTWD would be entitled to further remedy in respect of service prior to 7 April 2000. A remedy has not yet been decided and there isn't sufficient data available for actuaries to make an estimate on the impact of this to our pension liabilities

Office of the Chief Constable for Avon & Somerset

Avon & Somerset Police Officers Pension Fund Account Statements

This fund includes the income and expenditure in respect of police officers pensions which has been accounted for on an accruals basis. At the end of the financial year if the expenditure on the pension benefits is greater than the contributions received during the year, the PCC makes a payment to the pension fund and the Home Office pays a top-up grant for this liability to the PCC. The income received and expenditure paid to the pension fund is shown within the comprehensive income and expenditure statement within the PCC Group accounts, showing the net figure as nil. It should be noted that this statement does not take account of liabilities to pay pensions and other benefits after the year end.

This note provides a more detailed breakdown of the figures shown in note 14 of the accounts.

2021/2022 £'000	Police Officers Pension Fund Account	2022/2023 £'000
	Contributions receivable	
	Employers contributions:	
-33,459	Normal 31% contributions	-35,930
-811	Ill health/early retirements	-925
-34,270		-36,855
	Employee contributions	
-881	1987 Police Pension Scheme	-11
-40	2006 Police Pension Scheme	-1
-13,501	CARE Police Pension Scheme	-15,374
-14,422		-15,386
-864	Transfers in from other schemes	-643
	Benefits payable	
85,395	Pensions	89,100
15,779	Commutations and lump sum retirement benefits	15,893
101,174		104,993
	Payments to and on account of leavers	
139	Refund of contributions	170
1	Transfers out to other schemes	101
1,017	Other	529
1,157		800
52,775	Net amount payable for the year	52,909
0	Additional contribution from the local policing body	0
-52,775	Transfer from Police Fund to meet deficit	-52,909
0	Net amount payable/receivable for the year	0

This note shows the pension fund account assets and liabilities as at 31 March 2023.

31 March 2022 £'000	Pension Fund Net Assets	31 March 2023 £'000
	Current assets	
0	Amounts due from Central Government	0
	Current liabilities	
0	Amounts owing to pensioners	0
<u>0</u>	Net assets	<u>0</u>

Glossary of Terms

Term	Definition
ACC	Assistant Chief Constable
Accounting policies	These are a set of rules and codes of practice we use when preparing the accounts.
ASPIRE	Internal Avon and Somerset development programme
Balance Sheet	This represents our overall financial position as at 31 March.
Capital programme	This is a list of projects for buying or improving fixed assets.
Cash flow statement	Summarises the income and outgoings of cash during the financial year
CC	Chief Constable
CFO	Chief Financial Officer
CIPFA	Chartered Institute of Public Finance and Accountancy
CMB	Constabulary Management Board
Comprehensive income and expenditure statement	Summarises the income and expenditure during the financial year within the PCC's statement of accounts.
Contingent liabilities	A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
Creditors	Amounts which are owed to others.
CSB	Constabulary Strategy Board
CTSFO	Counter Terrorism Specialist Firearms Officers
Current service cost	The value of projected retirement benefits earned by pension scheme members in the current financial year.
DARA	Domestic Abuse Risk Assessment
DASH	Domestic Abuse Stalking & Harrassment
Debtors	Amounts which are due from others.
The Drive Project	The Drive Project challenges and supports high-harm, high-risk perpetrators to change whilst working closely with partner agencies – like the police and social services – to manage risk and disrupt abuse.
Expenditure and funding analysis	This shows the performance reported and the adjustments made to reconcile to the comprehensive income and expenditure statement.
Financial instruments	Contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
Financial year	Refers to the period covered by the accounts and runs from 1 April to 31 March.
FRS	Financial Reporting Standards. Standards of accounting practice to be adopted to ensure that accounts provide a true and fair view.
GAAP	Generally Accepted Accounting Principles. These refer to the standard framework of guidelines for financial accounting used in any given jurisdiction and generally known as accounting standards.
GSC	Government Security Classification

Term	Definition
HMICFRS	Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services
HMICFRS PEEL	The HMICFRS PEEL assessment stands for Police Effectiveness, Efficiency and Legitimacy.
IAS	International Accounting Standard. An international accounting standard to help harmonise company financial information across international borders. Subsequently superseded by International Financial Reporting Standards (IFRS).
IFRS	International Financial Reporting Standards. A set of international accounting and reporting standards that will help to harmonise company financial information across international borders.
ILM	Institute of Leadership and Management
IOPC	Independent Office for Police Conduct
IPR	Individual Performance Review
IPSAS	International Public Sector Accounting Standards
I&E	Income and Expenditure Account
JAC	Joint Audit Committee
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
Movement in reserves statement	Summarises the movement in the reserves of the OCC during the financial year.
MTFP	Medium Term Financial Plan
OCC	Office of the Chief Constable
PCB	Police and Crime Board
PCC	Police and Crime Commissioner for Avon and Somerset
PCC Group	The term PCC Group refers to the Police and Crime Commissioner (PCC) for Avon and Somerset and the office of the Chief Constable (OCC).
PCSO	Police community support officer
PFI	Private Finance Initiative
Police pension top-up grant	The OCC operates a Pension Fund, which is balanced to nil at the end of the year. The PCC receives a top-up grant from the Home Office equal to this deficit to balance the fund.
Police revenue grant	The revenue grant is provided by the Home Office as part of the funding required by an authority to finance a budget in line with the Governments assessment. The balance of funding is from business rates, revenue support grant and council tax.
Precept	The amount of council tax collected on the PCC's behalf by local billing authorities.
Prepayment	A payment in advance for goods or services.
Provision	This is the money we keep to pay for known future costs.
Receipt in advance	Income received in advance of the financial year in which the services will be provided.
Seconded officers	These are police officers and staff who, for agreed periods, temporarily work for other organisations. Their salaries and expenses are shown as expenditure and the money the organisation pays us for their placements is shown as income.

Term	Definition
SOLACE	Society of Local Authority Chief Executives
SWAP	South West Audit Partnership
SWPPS	South West Police Procurement Service
SW ROCU	South West Regional Organised Crime Unit
TOR	Terms of Reference
VRU	Violence Reduction Units

Police & Crime Commissioner for Avon & Somerset

Officers of the Police & Crime Commissioner

The statutory Officers of the Police & Crime Commissioner (PCC) are

Mark Shelford	Police & Crime Commissioner for Avon & Somerset Phone 01278 646188
Alice Ripley	Chief of Staff and Monitoring Officer to the Police & Crime Commissioner for Avon & Somerset Phone 01278 646188
Paul Butler	Chief Finance Officer to Police & Crime Commissioner for Avon & Somerset Phone 01278 646188
Address for Chief Officers	Valley Road Portishead Bristol BS20 8QJ

The statutory Officers of the Office of the Chief Constable (OCC) are

Sarah Crew	Chief Constable Phone 01278 646212
Nick Adams	Chief Officer Finance, Resources and Innovation Phone 01278 646400
Address for Chief Officers	Valley Road Portishead Bristol BS20 8QJ

Police & Crime Commissioner for Avon & Somerset



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Police & Crime Commissioner for Avon & Somerset

Chief Finance Officers Narrative Report

This section highlights and explains some of the more relevant areas of finance, financial strategy and other key issues that are reported in the accounts and provides commentary on the key issues that have had a major effect on the finances now and those which may do so in the future. This statement should be read in conjunction with the Chief Finance Officer's Narrative Report in the Office of the Chief Constable's Statement of Accounts.

1 Introduction

The Statement of Accounts summarises the financial year for 2022/2023. The income and expenditure, assets, liabilities and reserves which are recognised in the accounts of the Police and Crime Commissioner (PCC) reflect the current legislative framework as well as the local arrangements operating in practice. The key elements of the legislative framework and local arrangements include

- ✚ The Police Reform and Social Responsibility Act 2011 (The Act)
- ✚ The Home Office Financial Management Code of Practice for the Police Services of England and Wales (published in October 2013)
- ✚ Avon & Somerset PCC's Scheme of Governance

These financial statements include the following

- ✚ **A statement of responsibilities** - This sets out the responsibilities of the PCC and the CFO in respect of the Statement of Accounts
- ✚ **An annual governance statement** - This statement reviews the effectiveness of the PCC's internal control systems
- ✚ **A comprehensive income and expenditure statement** - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Taxation is raised to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the movement in reserves statement
- ✚ **A movement in reserves statement** - This statement shows the movement during the year on the different reserves held by the PCC
- ✚ **A balance sheet at 31 March 2023** - The balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the PCC. The net assets of the PCC (assets less liabilities) are matched by the reserves held
- ✚ **A cash flow statement** - The cash flow statement shows the changes in cash and cash equivalents during the year. The statement shows how cash and cash equivalents are generated and used by classifying cash flows under operating, investing or financing activities
- ✚ **A police officers pension fund account statement** - This statement summarises the total police officer pension contributions and pension benefits paid. The difference is funded by the Home Office

2 Presentation of the Statement of Accounts

This Statement of Accounts is prepared in accordance with Chartered Institute of Public Finance and Accountancy's Code of Practice on Local Authority Accounting in the United Kingdom (referred to hereafter as the CIPFA Code).

The Police and Crime Commissioner (PCC) and the Chief Constable are established as separate legal entities. The PCC is elected by the public to secure the maintenance of an efficient and effective police force and to hold the Chief Constable to account for the exercise of their functions and those of persons under their direction and control. The Chief Constable has a statutory responsibility for the control, direction, and delivery of operational policing services in the Avon and Somerset police area. Both the PCC and OCC are Schedule 2 bodies under the Local Audit and Accountability Act 2014 and are both required to publish a statement of accounts and be subject to audit.

3 Financial Performance

3.1 The Revenue Budget

The budget supports the policing requirement for the Avon and Somerset policing area which serves the five principal local authority areas of South Gloucestershire, Bath & North East Somerset, Bristol, North Somerset, and the county of Somerset. Around 1.7 million people live within the 1,844 square miles our area covers, with greater concentrations around our towns and cities, which include Bristol, Bath, Weston-Super-Mare, Taunton and Yeovil.

In February 2022 the PCC approved a 2022/2023 net revenue budget of £353.7m, an increase of £12.7m (3.6%) on the previous year. This budget was funded through a combination of Government grants (£211.6m/59.5%) and local council tax (£144.1m/40.5%). In total £348.3m was provided to the Chief Constable in order to support the provision of policing services to the communities of Avon & Somerset.

In order to manage ongoing inflationary and other cost pressures the Constabulary needed to identify and deliver savings of £3.0m, which when combined with the increase in funding enabled us to deliver a balanced budget. This took our cumulative savings since 2010/2011 to £93m.

Financial performance against budget is monitored throughout the year, reported to senior managers of the OCC and through to the PCC. These reports are published in order to provide public transparency of our financial performance.

Once year-end adjustments have been made, a break-even position has been achieved during 2022/23. The underlying performance showed a £3.7 million/1% underspend, of which £3.5m relates to performance against Constabulary managed budgets and £0.2m against PCC managed budgets. £0.4 million of this underspend will be carried forward for planned expenditure, £1.8 million will be put in reserve for insurance provisions and £1.4 million will be put into the capital reserve.

Revenue performance and the small underspend before adjustments were a consequence of several factors and reflected a complex financial environment with a changing inflationary position, nationally agreed pay awards and a number of changes to income during the year. The key areas include

- ✚ **Officer pay and allowances** – This saw an overspend of £1.7m/1.1% against budget reflecting the flat rate pay award of £1,900 for each pay point which had a greater cost than the 3.5% budgeted for. The pressure created by the pay award was in part recognised by the Government with additional grant funding.
- ✚ **Officer overtime** – An overspend of £3.3m/51.6% against budget was driven by supporting and resourcing the increase in officer numbers through uplift, as well as by provision of policing to support local and national events for which there is frequently offsetting income.

- ✚ **Staff pay and allowances** – The £2.8m additional cost of the pay award was offset by ongoing vacancies which resulted in a net overspend of £0.8m/0.9% against budget.
- ✚ **Staff overtime** – Cover for vacancies in areas that have been challenged by recruitment and retention largely generated the £0.8m/58.8% against the overtime budget.
- ✚ **Pensions** – An underspend of £1.4m/17.2% against budget, largely reflects the movement in the underlying provision for ill-health retirements needed at the end of the financial year.
- ✚ **Premises** – The underspend of £1.7m/11.4%, is a reflection of the successful backdated appeal of the business rates charged on our PFI police centres which generated a refund of £2.4m in year. Were it not for this we would be reporting an overspend of £0.7m, reflecting in particular the inflationary pressures on our repairs and maintenance budgets experienced during the year.
- ✚ **Transport** – we overspent by £1.0m/19.6%, which is predominantly a reflection of inflationary increases to both fuel and the repairs and maintenance costs of our fleet of vehicles.
- ✚ **Other supplies and services** – we overspent by £1.0m/6.1%. This includes a £1.7m increase to our provision for historical claims reflecting our revised assessment as to the likely costs of these. The underlying position was therefore a modest underspend.
- ✚ **Partnerships** – we have underspent by £2.0m/11.1%, which is largely reflective of vacancies within the South West Regional Organised Crime Unit, and the delivery of in-year savings from the regional programme team.
- ✚ **Income** – we received £8.3m/30.2% more in income than was budgeted for. This includes additional grant funding in support of the officer and staff pay awards (£1.6m), grant funding for temporary over-achievement of officer uplift (£1.6m) which has been ring-fenced to support cost pressures in 2023/24 arising from this over-recruitment), over-achievement of operational mutual aid and special services income (£1.4m) offsetting overtime pressures as above, and the over-achievement of income in a number of other areas (i.e. investment income).

A full account of the financial performance report for 2022/2023 is reported to the PCC at the Governance and Scrutiny Board, and can be found published on the PCC's website.

4 Financial Outlook

The PCC and Chief Constable jointly set out their forward financial forecasts within their Medium Term Financial Plan (MTFP) each year. The MTFP, published in February 2023, covers the five-year period from 2023/2024 through until 2027/2028. The below provides the headlines from this forecast, however we recognise the current economic climate which will continue to present challenges in common with those faced by other organisations and we will continue to proactively monitor and adjust our forecasts as necessary.

4.1 Revenue Budget

Our current revenue forecasts show our costs increasing at a faster rate than our revenue funding. This reflects the inflationary challenges in both pay and non-pay budgets, alongside specific risks, and issues such as with the costs of police pensions.

	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000	2026/2027 £'000	2027/2028 £'000
Budget requirement	376,084	392,393	404,128	414,962	424,501
Less total funding	-369,473	-379,343	-386,498	-393,833	-401,352
Surplus(-)/deficit before savings	6,611	13,049	17,630	21,129	23,149
Savings	-2,952	-3,084	-4,211	-4,217	-4,195
Planned use of reserves	-3,659				
Surplus(-)/deficit after savings	0	9,965	13,419	16,912	18,954

The key assumptions that underpin this forecast position are

- ✚ Our funding is forecast to grow by £45.0m/12.6% p.a. by 2027/2028, driven by increases to both grant funding (+£10.1m/4.8% by 2027/2028) and increases to council tax funding (+£34.9m/24.1% by 2027/2028).
- ✚ Our budget requirement is forecast to increase by £66.6m/18.8% p.a. by 2027/2028, driven by many factors, including
 - inflationary adjustments to officer and staff pay in line with nationally agreed assumptions for the first two years, with a local assumption for the final 3 years – increasing costs by £46.0m p.a. by 2027/2028.
 - increases to budgets in support of delivering and sustaining the uplift in officer numbers in line with the target headcount of 3,291 – generating budget growth of £6.3m p.a. in 2023/2024 and each year thereafter.
 - increased pension costs to provide for current and anticipated deficits in both staff and officer pension schemes, as well as inflationary increases for injury pensions – an increase in cost of £6.1m p.a. by 2027/2028.
 - inflationary increases to general and specific non-pay costs (e.g. fuel, utilities, etc.) are assumed to add £10.4m p.a. by 2027/2028.
 - investment and growth across the Constabulary, targeted to support recruitment into some of our harder to fill roles, as well as improving key strategic capabilities such as our workforce planning function - an increase of £3.9m p.a. by 2027/2028.
 - increases to our share in the cost of partnerships, reflecting the pay and other inflationary assumptions within these collaborations, as well as the investment into the South West Regional Organised Crime Unit in line with their officer uplift allocation – an increase of £5.8m p.a. by 2027/2028.
 - increases to the ring-fenced uplift grant funding by £3.2m effective from 2023/2024, which we expect to be maintained throughout our forecast to support our ability to maintain new officer numbers; and
 - increases to income budgets, reflecting inflationary increases and forecast increases in return on investments – an increase of £3.2m p.a. by 2027/2028.
 - realisation of new planned and targeted revenue savings of £3.0m p.a. from 2022/2023, rising to £4.2m by 2027/2028.

At the time our 2023/2024 budget was set we made provision to balance our revenue budget through the planned use of £3.7m in reserves. We know that the use of reserves to balance a revenue budget in any one year is not the basis for a sustainable plan. This is not something we would normally want to do; however, this reflected both the pace and scale of the increases to our costs combined with the need to prioritise our short-term focus on realising the officer Uplift plans. Since the budget was set, we have progressed our savings discussions as part of our strategic plans and are now confident of having identified sufficient savings in 2023/2024 to balance our budget without the need to rely on this reserve provision. The ongoing identification and delivery of savings remains a key part of our strategic planning work.

4.2 Policing Precept

In December 2022 the policing minister confirmed that PCCs would have flexibility to raise the policing precept by up to £15 p.a. for an average band D property in setting the 2023/24 budget. This provided additional flexibility to previous announcements, reflecting the inflationary pressures faced by forces alongside the government's ambition to maintain police officer uplift numbers. In order to protect services to our communities in the context of significant cost increases and after public consultation, the PCC chose to recommend a raise of the maximum amount, an increase of 6.0%. Following review, the Police and Crime Panel endorsed this proposal, enabling the PCC to confirm his approval of this increase and the underlying budget.

4.3 Capital Programme

The MTFP includes a capital programme of £91.3m over the next five years, with identified capital funding at the time this programme was presented of £84.8m, resulting in a capital funding deficit of £6.5m.

The capital programme includes forecast investment into ICT, Estate, Fleet and other assets – both to support ongoing maintenance and renewal of existing capabilities as well as to support new investment. While the plan outlines the expected areas of spend, many of the individual areas for investment will still need to present a business case for approval to progress.

ICT projects include local initiatives, as well as several national projects. The single biggest project forecast is the investment into our new Enterprise Resource Planning (ERP) corporate systems, which are scheduled for implementation in Spring 2024.

Estates projects include the completion of several projects in flight, as well as new projects new or refurbished police stations for Yeovil, Minehead, Bristol East, Bristol South and Bath. We have also identified spend to continue the introduction of electric vehicle charging infrastructure across our estate to support the continued increase in the number of electric vehicles across our fleet.

Our approach to accounting for the revenue underspend reported above has reflected on the deficit in funding across the five-year programme, and as a consequence of our confidence in savings identified to date, sought to address this through the ring-fencing of some of the underspend into ring-fenced capital reserve.

4.4 Approach to Future Challenges and Funding

The Spending Review announced in the autumn of 2021 (SR21), provided clarity around the medium-term financial commitment the Government was making to both deliver and sustain its ambitions for growth in police officer numbers by March 2023. Despite the economic uncertainties, this commitment was largely met through the 2023/2024 settlement, and we have no reason to doubt at this stage that 2024/2025 will not be the same. Forecasting beyond this is a challenge and will only be confirmed after a general election expected to happen at some point during 2024. Our forecasts therefore reflect our prudent assessment as best we can make it at this stage.

Our MTFP recognises the immediate challenges of balancing the 2023/24 budget without drawing down too significantly on reserves, and then a growing challenge thereafter. Significant progress has been made in closing the 2023/24 deficit and there are a range of plans in various stages of development to unlock the further savings we forecast will be required for 2024/25 and potentially beyond.

The challenge of balancing our budgets does not undermine our ambitions for continuous improvement. Avon and Somerset are an innovative police force, and remains focussed on releasing the capacity of its officers and staff to improve our efficiency and effectiveness in the services we provide to the public. Such innovation requires the financial capacity to support investment, and therefore the identification of savings is as much about supporting this need as it is to balance our budgets. In this respect our savings plans are integral to our wider strategic planning as an organisation.

Our record of accomplishment in delivering efficiencies and savings over the past ten years demonstrates our ability to effectively balance budgets and achieve capacity to support targeted investments that further our ambitions.

5 Commissioning

Over £8.9 million has been spent by the PCC in 2022-23 to support delivery of the Police and Crime Plan for Avon and Somerset. The PCC has been able to do this both through local investment and by successfully securing additional government funding for specific purposes to the benefit of local communities.

The OPCC's work over this year has been strengthened by the development of an updated Commissioning Strategy which is shortly due for publication. The aim of the new strategy is to inform and standardise the OPCC approach to commissioning as well as let stakeholders know how the OPCC works to commission services and outcomes. The updated strategy details the different ways we commission service depending on our role, budget and remit and also provides the team with a decision making template for new opportunities to support our efficiency and effectiveness.

PCC funding has contributed towards a number of OPCC portfolios over 22/23

- ✚ **Victim Services** - In 2022/23 the PCC received a total of £4.02m Ministry of Justice funding for victims services. Services commissioned include advocacy, support related to abuse and exploitation, restorative justice and sexual assault support services. The total number of victims supported by MOJ funded services in Avon and Somerset 22/23 was 53,511 (inclusive of Lighthouse) or 16,298 outside of Lighthouse (largely within the Voluntary, Community and Social Enterprise (VCSE) sector.
- ✚ **Serious Violence** – The OPCC received £2.01m from the Home Office to support the work of the Violence Reduction Unit and Serious Violence Duty in 22/23. The Avon and Somerset model is devolved seeing the OPCC work in collaboration with the five Community Safety Partnership areas with these local VRUs overseen through a Strategic Governance Group chaired by the DPCC.
- ✚ **Perpetrators and Prevention** – The OPCC continues to invest in services related to mental health, police custody and reducing reoffending as well as local community safety initiatives via a grant to Community Safety Partnerships. To further the PCC's ambitions to prevent crime, April 2022 saw the launch of the Commissioner's Crime Prevention Fund which supports community projects and activities across Avon and Somerset that help to reduce crime and anti-social behaviour. £200,000 was made available to support this work in 22/23 with £177,971 being awarded in grants.

6 Procurement

Our strategic procurement service is provided by the South West Police Procurement Service (SWPPS), following a transfer of our team into this existing collaboration prior to this financial year. This service, which is hosted by Devon and Cornwall Constabulary on behalf of the five south west forces, ensures compliant delivery of contracted procurement with our suppliers.

During 2022/23 we have identified and delivered £0.8m savings through procurement and ongoing contract management. The delivery of procurement savings is an important component of demonstrating how we achieve value for money.

7 Accounting for Pensions

In line with International Accounting Standard (IAS) 19 on employee benefits, we are reporting a significant pensions liability of £3.1bn shown on the balance sheet. This is reduced when the pension scheme assets of £0.5bn are taken into account. The net liability of £2.6bn is offset by an intragroup debtor with the PCC. More details are disclosed in notes. The liability has no impact on the reported outturn and the usable reserves.

8 Conclusion

The financial affairs of PCC and Chief Constable have been and continue to be prudently and effectively managed. Best practices and CIPFA guidance and codes of practice in financial management, governance, and treasury management are being followed.

The PCC, the Chief Constable, and their CFOs have a strong focus on managing costs, achieving value for money, driving innovation to deliver better and more efficient services, whilst ensuring that service performance is still being maintained or improved.

Looking ahead we recognise the ongoing challenges created as we manage the immediate and ongoing demand pressures in a time of economic challenge, whilst also training and maturing the uplifted workforce capacity and capability. Our forward plans will help us navigate this period of growth and uncertainty, maintaining our focus on efficiency and effectiveness and continued service improvement, which when coupled with effective operational processes, tools and capabilities will ensure we are well placed to realise our vision and deliver the outcomes our communities rightly expect of us.

Paul Butler

Chief Finance Officer to the PCC

Police & Crime Commissioner for Avon & Somerset

Statement of Responsibilities

This section explains our responsibilities for our financial affairs and how we make sure we carry out these responsibilities properly.

1 Police and Crime Commissioner's Responsibilities

The Police and Crime Commissioner is required to

- ✚ Make arrangements for the proper administration of the Police and Crime Commissioner's financial affairs and to make sure that one of its officers, the Chief Finance Officer, has responsibility for the management of those affairs
- ✚ Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- ✚ Approve the Statement of Accounts

2 The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for preparing the Statement of Accounts for the Police and Crime Commissioner for Avon and Somerset in accordance with proper accounting practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (The 'Code').

In preparing the Statement of Accounts, the Chief Finance Officer has

- ✚ chosen suitable accounting policies and then applied them consistently
- ✚ made reasonable and prudent judgements and estimates
- ✚ complied with the CIPFA Code
- ✚ kept proper accounting records which were up to date
- ✚ taken reasonable steps for the prevention and detection of fraud, including preparing an audit and risk-management strategy
- ✚ made sure that the internal control systems are effective – pages 12 to 25 show this in more detail.

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Police and Crime Commissioner as at 31 March 2023 and its income and expenditure for the year ended 31 March 2023.

Mark Shelford
Police and Crime Commissioner

Paul Butler
Chief Finance Officer to PCC

Police & Crime Commissioner for Avon & Somerset

Auditor's Report

Independent auditor's report to the Police and Crime Commissioner
for Avon and Somerset

Report on the Audit of the Financial Statements

To be added

Police & Crime Commissioner for Avon & Somerset

Annual Governance Statement

Introduction

Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, cost effective, open and accountable manner. It comprises the systems, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and lead their communities.

There is a statutory requirement to conduct a review, at least once a year, of the effectiveness of the organisation's governance. This statement gives the results of our yearly assessment of how well we are managing and controlling risks in achieving our aims and meeting the responsibilities that we have by law.

The financial year 2022/23 was the first full year for Police & Crime Commissioner (PCC), Mark Shelford and for the Chief of Staff of the Office of the PCC (OPCC).

This last year has been particularly challenging for policing with ongoing negative media attention and decreasing public confidence. There have been continued stories of police wrongdoing and criminality: in the most appalling case David Carrick was convicted of multiple rapes and domestic abuse offences over two decades whilst serving as a police officer in The Metropolitan Police. Towards the end of the year these issues were really brought to a head with the publication of *An independent review into the standards of behaviour and internal culture of the Metropolitan Police Service* (The Baroness Casey Review) on 21st March 2023. Although this was a review of The Metropolitan Police (Britain's biggest police force) this has had broader ramifications for British policing.

Given these problems the independent scrutiny and accountability of policing by PCCs has arguably become even more important. You will see throughout this statement how the Avon and Somerset PCC is discharging his duties in holding the Chief Constable to account.

1 Scope of Responsibilities

The PCC and Office of the Chief Constable (OCC) are responsible for ensuring their business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the PCC and OCC are responsible for putting in place proper arrangements for the governance of their affairs and facilitating the exercise of their functions, which includes ensuring that a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. The PCC and OCC have a joint governance framework which is published on the OPCC website at www.avonandsomerset-pcc.gov.uk¹.

This statement covers the group accounts, incorporating governance arrangements of both the PCC and the OCC, and outlines how these ensure appropriate practice in accordance with the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)". Here within, the detailed arrangements are outlined to support the view of the PCC and their Chief Finance Officer (CFO) that the financial management arrangements conform to the governance requirements of the CIPFA statement on the role of the CFO in Local Government published in 2016.

¹ www.avonandsomerset-pcc.gov.uk/reports-publications/policies-procedures/joint-governance-framework/

In discharging this overall responsibility, the PCC is responsible for establishing proper arrangements for the governance of its affairs in accordance with the Joint Scheme of Governance, and in so doing the PCC is ensuring a sound system of internal control is maintained throughout the year, including appropriate arrangements for the management of risk.

The PCC and OCC share most core systems of control including the SAP ERP systems, finance function with shared financial controls and the IT, legal and information governance functions. Under the scheme of governance, most of the staff, officers and processes deployed in the systems of internal control are under the direction and control of the OCC.

The PCC has oversight and scrutiny of the OCC's delivery arrangements including governance, risk management and systems of internal control. As a result, the PCC places reliance on the OCC to deliver and support the governance and risk management processes and the framework described in this statement refers to the PCC's own activity and where reliance is placed on the systems, people and processes of the OCC.

The PCC's Chief Finance Officer (CFO) has responsibility for providing advice on all financial matters, maintaining financial records and accounts and ensuring an effective system of financial control is in place. This role (together with the Chief Constable's CFO) conforms to the governance requirements established in the CIPFA statement on the roles of the CFOs for both the PCC and OCC.

2 The Governance Framework

The governance framework in place throughout the 2022/2023 financial year covers the period from 1 April 2022 to 31 March 2023 and up to the date of approval of the annual Statement of Accounts.

The governance framework enables the PCC and CC to monitor the achievement of their strategic objectives and to consider whether those objectives have led to the delivery of appropriate services which provide value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot, however, eliminate all risk of failure to achieve aims and objectives and therefore only provides reasonable and not absolute assurance of effectiveness.

This statement provides a summary of the extent to which the aspirations set out in the PCC's Code of Corporate Governance are currently being met. This statement has been written to evidence how the CIPFA principles of good governance are being delivered. It is important to note that this group Annual Governance Statement should not be read in isolation but in conjunction with the Annual Governance Statement of the Chief Constable. The Chief Constable's governance is integral to, and underpins, the PCC's system of governance as the vast majority of the PCC's funding is delegated to the Chief Constable and the Constabulary is the primary organisation that will deliver the Police and Crime Plan.

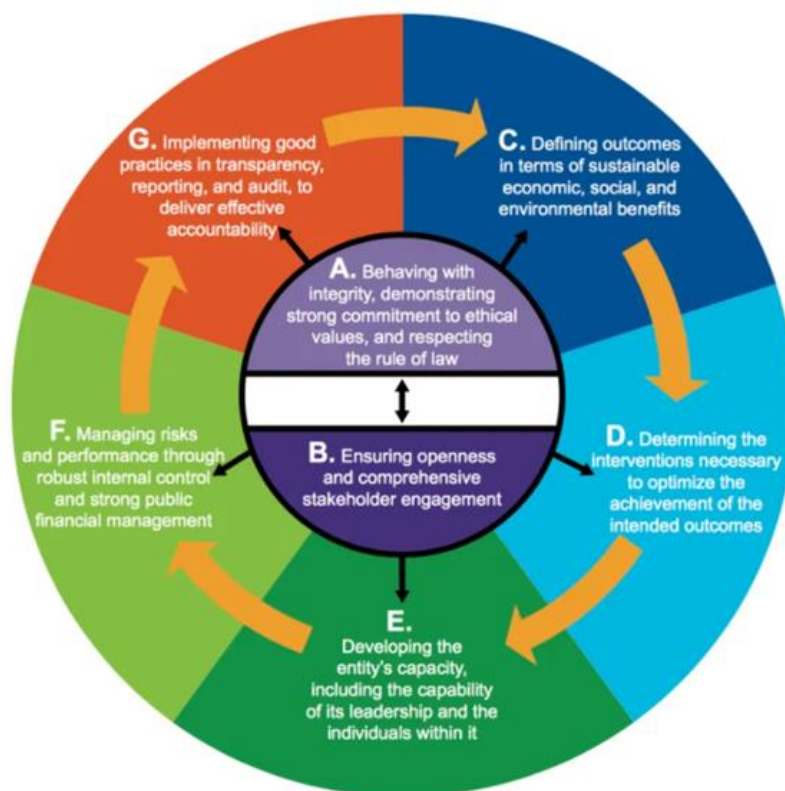


Figure 1 CIPFA principles of good governance

2.1 Principle A - behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

The OPCC has an ethical framework which incorporates the seven Nolan Principles – nationally agreed standards for those in public service – with additional elements of the College of Policing code of ethics. Integrity is a core principle of this framework. The OPCC also has a code of conduct – which builds upon the ethical principles – and is incorporated into staff members’ contracts of employment. The code of conduct forms part of the formal induction for new members of staff. In addition to these the OPCC has published policies and procedures covering important and specific areas such as: anti-fraud, bribery and corruption, data protection and freedom of information, equal opportunities and whistleblowing. The OPCC has also defined a set of organisational values which all employees are expected to embody and demonstrate in the way they work

- Openness
- Partnership
- Compassion
- Courage

The PCC maintains scrutiny of the Constabulary’s Professional Standards Department and the Constabulary’s complaints process. This scrutiny includes oversight of those complaints that are handled externally by the Independent Office for Police Conduct (IOPC). This has been done informally through meetings and updates with or from senior officers as well as a formal quarterly review at the Governance and Scrutiny Board.

The PCC has a legal responsibility for complaint reviews. In the first instance all complaints about the police must be made to the police. If a person makes a low-level service complaint, and at the conclusion of the complaint they are dissatisfied with how it has been handled, they can request a

PCC review. During 2022/23 the OPCC dealt with 167 complaint reviews of which 20% were upheld.

Another important system of redress, that the PCC has responsibility for, relates to police officer misconduct. A panel led by an independent Legally Qualified Chair (LQC) and accompanied by a police Superintendent and an Independent Panel Member (IPM) hear misconduct hearings. Both the LQCs and the IPMs are recruited and appointed independently by the OPCC. In the last year, there have been challenges with the numbers of LQCs willing to chair misconduct hearings due to an ongoing legal case which would have national implications for indemnity of LQCs. The OPCC have worked with colleagues across the country to stabilise this provision and ensure adequate numbers of LQCs and IPMs to support the Police Misconduct Regime.

Where an officer is subject to a misconduct hearing and is dissatisfied with the result they can appeal. This appeals process is known as a Police Appeal Tribunal and is coordinated by the OPCC. During 2022/23 there were two appeals.

2.2 Principle B - ensuring openness and comprehensive stakeholder engagement

The PCC is elected to be the 'voice of the people' in overseeing the delivery of their police service. The PCC has a statutory duty to secure an efficient and effective police for their area. Therefore, the two most important stakeholders are the public and the Constabulary. Since taking office the PCC has wanted to ensure a strong focus on engagement with two days a week spent on engagement.

2.1.1 Public

The PCC has a social media footprint and often communicates with and through other national and local media such as television, radio and newspapers: the PCC has regular pieces in both local papers and on local radio. The PCC has a phone line and e-mail which are available for anybody to make contact and every contact is listened to. The PCC has a website, separate from the Constabulary, through which many key documents and updates can be accessed by anybody.

The PCC also conducts a Local Police and Crime Survey: a survey of 3,000 local residents a year which reports quarterly. It is used to understand public sentiment about the PCC and police as well as asking about issues important to the community and views on precept funding.

Public opinion is of particular importance to the PCC when deciding if, and by how much, to raise the Council Tax Precept. The Government set the maximum precept amount PCCs could ask for at £15. This increase meant that the responses gathered through the regular survey would not have been directly applicable. As a result of this a standalone online survey was run, as was a stratified, randomised postal survey. In just six weeks these surveys resulted in 3,760 responses and had the best ethnic diversity of respondents that these surveys have ever achieved. The survey results supported the precept increase proposed to, and approved by, the Police and Crime Panel (see below).

The PCC has a number of independent panels to scrutinise the performance of the Constabulary and provide feedback and learning. The panels assess cases/incidents based on all the information available including body worn video footage. The selection of cases is usually random to ensure independence. However, the choice of case or incident to review can also be informed by particular themes or resulting from specific points of public interest or issues of public confidence. The panels issue reports to the PCC and Chief Constable and are published on the PCC's website. The panels are described below

-  **Independent Scrutiny of Police Complaints Panel** – formerly the Independent Residents Panel – volunteers from the communities of Avon and Somerset come together with the PCC's office in order to examine complaints made against the Constabulary. In the financial year 2022/23 the panel met quarterly as planned in June, September, December 2022 and March 2023.

- ✚ **Independent Scrutiny of Police Powers Panel** – volunteers from the communities of Avon and Somerset come together with the PCC’s office to examine the use of Taser, stop and search, body worn video and the use of force by the police. This panel was highlighted by HMICFRS as positive practice in their report ‘Disproportionate use of police powers - A spotlight on stop and search and the use of force’ (February 2021). In the financial year 2022/23 the panel met four times: in April, twice in July, and October 2022. It should be noted that the March meeting was cancelled due to a lack of capacity within the OPCC to support this.
- ✚ **Out of Court Disposal Panel** – Out of court disposals are a means of resolving an investigation without prosecution through the courts. This panel brings together professionals from numerous criminal justice agencies and victims services who review the use of out of court disposals. In the financial year 2022/23 the panel met quarterly as planned in June, September, December 2022 and March 2023.

2.2.2 Constabulary

The PCC usually spends one day each week meeting with the police workforce both through formal and informal meetings.

There continues to be a good, open relationship between the OPCC and the Constabulary. This is facilitated through informal working relationships and formal governance structures. The Constabulary extends an open invite to their meetings and during the last year the OPCC have continued to attend key meetings such as Strategic Planning Meetings, the Constabulary Management Board and the Committees which sit under this. The Constabulary have also maintained their attendance at the PCC’s weekly SLT meeting.

Both organisations continue to work closely together on budgets and managing these. This is evident in the way in which forward financial planning is undertaken, and through the management of in-year financial performance. In the last year the organisations worked together to improve financial forecasting and deliver more consistent reporting.

2.2.3 Partners and Other Local Stakeholders

The PCC has been clear about the need to engage with other elected officials across Avon and Somerset. When undertaking engagement days the PCC will often do this with Councillors and MPs. The PCC and Chief of Staff have continued to meet as a group with the Local Authority leaders and CEOs from across Avon and Somerset.

In addition to this, in the last year the PCC has started a new element of engagement through Councillor Forums. Nine forums were held from October 2022 to March 2023: one for each of the local authority areas with two in Bath and North East Somerset. The forums lasted for two hours each and saw the PCC and Constabulary colleagues engaging with local councillors on police and crime issues.

The OPCC continue to represent the PCC at Community Safety Partnerships (CSP) meetings across each of the Local Authority areas engaging with numerous key stakeholders. The PCC also provides a Police and Crime Grant to CSPs (through the local authorities) which is used to achieve joint outcomes. The OPCC further worked with CSPs to develop their Community Safety Plans throughout the last year.

The PCC Chairs the Local Criminal Justice Board in order to engage with partners such as CPS, courts and probation.

The CFO chairs a Business Crime Forum for the Avon and Somerset area on a quarterly basis and the OPCC have continued to regularly attend the Rural Crime Forum.

Violence Reduction Units discussed below are a further example of key stakeholder engagement.

2.2.4 Regional Representation

There are a number of significant regional collaborations, including the Regional Organised Crime Unit (ROCU), Counter Terrorism Policing, Forensics, Major Crime Investigation Teams, firearms training and the South West Police Procurement Department.

As well as collaboration boards, the PCC and Chief Constable meet regularly with the other four regional PCCs and Chief Constables in the South West of England to seek ways to enhance regional cooperation and collaboration. This regional meeting is also undertaken at a PCC CEO/Chief of Staff level.

The South West PCCs (and forces) have continued to collaborate on Operation Scorpion which tackles drug crimes.

2.2.5 National Representation

The PCC is a member of the national Association of Police and Crime Commissioners (APCC). Through membership of this association, access is gained to various national agencies and groups. Within the APCC the PCC is the national lead for the Economic and Cyber Crime portfolio. In addition the OPCC are part of the Association of Policing and Crime Chief Executives (APACCE) network which is a group for OPCCs that share information and best practice. The CFO is a member of the Police and Crime Commissioners Treasurer Society (PACCTS), a national network for CFOs.

The OPCC have regularly taken part in and engaged with various national forums on topics such as victims and victims' services including meetings held with the Ministry of Justice and Victims' Commissioner.

2.3 Principle C - defining outcomes in terms of sustainable economic, social and environmental benefits

The priorities and strategic objectives of the PCC are set out in the PCC's Police and Crime Plan 2021-25. This was developed with significant consultation as discussed above. There are four priorities each underpinned by six areas of focus

- Priority 1** Preventing and fighting crime.
- Priority 2** Engaging, supporting and working with communities, victims and partner organisations.
- Priority 3** Leading the police to be efficient and effective.
- Priority 4** Increasing the legitimacy of, and public confidence in, the police and criminal justice system.

The full plan can be accessed on the website at www.avonandsomerset-pcc.gov.uk.²

The outcomes are defined in the plan's objectives which are

- ✚ Reduce crime and anti-social behaviour (ASB).
- ✚ Increase the proportion of crimes reported to the police.
- ✚ Increase positive outcomes from reported crime and ASB.
- ✚ Fewer people to be killed and seriously injured on the roads.
- ✚ Increase engagement with and from communities.
- ✚ Increase victim satisfaction.

² www.avonandsomerset-pcc.gov.uk/wp-content/uploads/2022/03/AS-Police-Crime-Plan-2021-2025-HR-Spreads.pdf

- ✚ Increase feelings of safety.
- ✚ Increase the morale of the police workforce.
- ✚ Increase the capability of the police workforce to deliver against local and national priorities.
- ✚ Reduce the negative environmental impact whilst maintaining operational efficiency.
- ✚ Increase satisfaction with the service provided by the police.
- ✚ Increase confidence in the police.

2.4 Principle D - determining the interventions necessary to optimise the achievement of the intended outcomes

As part of the review of the OPCC a business plan was created which set out five strategic aims for the OPCC

- Aim 1** Engage with diverse communities and facilitate external scrutiny of police performance, supporting legitimacy and public confidence
- Aim 2** Support and challenge ASP to provide an efficient and effective service, focussed on preventing crime
- Aim 3** Work with partners to improve community safety, provide an effective criminal justice system, and support victims of crime
- Aim 4** Support delivery of OPCC aims in line with our values, including through improved digital tools and learning and development
- Aim 5** Lead the national PCC approach to economic and cyber crime, informing national strategy and supporting local response to fraud.

Against each of these aims are a number of key deliverables against which progress is tracked and overseen by the Senior Leadership Team through the OPCC Management Board.

About 98% of the funding that the PCC receives is delegated to the Chief Constable to manage. Of the remaining budget, directly controlled by the PCC, a significant amount is used to commission victim support services from third party organisations. These services operate through a grant agreement following a competitive commissioning process. New contracts started from 1st April 2019 and the early stages of the re-commissioning work began in 2023.

As mentioned above, the PCC also provides Police and Crime Grants to the five CSPs across Avon and Somerset; the total grant is approximately £740,000. The application of this grant is overseen by the OPCC and must be used on services which help deliver against the Police and Crime Plan.

In recent years, serious violence has increasingly been recognised as a national problem. As part of the Home Office Serious Violence Strategy, the PCC has successfully secured funding from 2019/20 to run Violence Reduction Units (VRUs). The PCC successfully secured VRU funding for a further three years at an increased level: £2.04 million (2022/23); £1.53 million (2023/24); and £1.51 million (2024/25).

Avon and Somerset operate a hub and spoke approach. The funding is divided between the five CSP areas (the spokes) based on population and levels of serious violence. All VRUs continued to be overseen through a Strategic Governance Group (the hub), chaired by the Deputy PCC, which includes a Chief Officer from Avon and Somerset Police, local authority leaders and representatives from other partners. This sets a strategic work plan and the spokes collectively deliver against working on their own local delivery plans. A separate VRU Annual Report is published which can be accessed on the website at www.avonandsomerset-pcc.gov.uk³.

³ www.avonandsomerset-pcc.gov.uk/working-for-you/partnerships/violence-reduction-units/

PCCs have a statutory duty to deliver an Independent Custody Visitors (ICV) Scheme. This scheme involves volunteers from the community visiting police centres to check on the welfare of detainees in custody, the conditions in which they are held and that their rights and entitlements are being observed. Beyond being a statutory duty this scheme is a critical part in ensuring all detainees are treated fairly and respectfully and receive the best possible policing service. This scheme delivers openness and accountability because the ICVs are members of the public. A separate annual report is published on the PCC's website www.avonandsomerset-pcc.gov.uk⁴.

In February 2022 *Identifying Disproportionality in the Avon and Somerset Criminal Justice System*⁵ was published. This report contains 83 recommendations for different agencies across the five workstreams: stop and search; youth justice; out of court disposals; prisons; and HR. Avon and Somerset Police have the most recommendations and implementation of these will be overseen by the PCC through the Governance and Scrutiny Board (see 2.6 below). The Local Criminal Justice Board has established a sub-group to oversee implementation of all recommendations and this is chaired by the Chief Constable. In order to support this work a programme management framework was established and an independent person has been appointed to lead this.

2.5 Principle E - developing the entity's capacity, including the capability of its leadership and the individuals within it

When the permanent Chief of Staff started in January 2022 one of her first tasks was to conduct a review of the OPCC. This continued through the first three quarters of 2022/23 and there was a phased delivery of the new structure and practices throughout September and October 2023.

During the last year, the PCC and OPCC have also made a number of appointments to increase the organisation's collective capacity and capability, all of which help deliver against the Police and Crime Plan.

- ✚ **Director of Performance and Accountability** – a new role within the Senior Leadership Team that leads the directorate responsible for performance, scrutiny, contacts, complaints, misconduct hearings, Police Appeals Tribunals, and the secretariat function. They also act as the Deputy Monitoring Officer in the absence of the Chief of Staff.
- ✚ **Senior Scrutiny and Assurance Manager** – leads the team that deals with volunteers, scrutiny panels, contacts, misconduct hearings and Police Appeals Tribunals.
- ✚ **Secretariat Manager** – ensures the PCC, DPCC and Statutory Officers receive high quality briefing, advice and logistical support, and managing the business of key PCC oversight meetings.

Despite these many important appointments there have been a number of challenges with staffing.

In the new staffing structure a new engagement role was first advertised in August 2022. At the time of writing this role has not been filled but a person is due to start in June 2023.

One of the two Scrutiny and Assurance Managers was absent for a long period and then left the organisation, meaning the role was vacant for seven months.

A long standing member of the office, who dealt with contacts, sadly passed away. During this period the other Contact and Scrutiny Officer also had a prolonged period of absence.

These highlight the fragile nature of the resource model in the OPCC and the lack of resilience.

During quarter four of 2022/23 the OPCC ran a training needs analysis which all staff were asked to complete. The findings from this process will be considered by the SLT in the coming year and will form a new development plan for the office.

⁴ www.avonandsomerset-pcc.gov.uk/reports-publications/independent-custody-visiting-schemes-annual-reports/

⁵ www.avonandsomerset-pcc.gov.uk/wp-content/uploads/2022/01/Identifying-Disproportionality-Report.pdf

2.6 Principle F - managing risks and performance through robust internal control and strong public financial management

In May 2022 the most senior meeting in the PCC's and Chief Constable's governance structure changed from being the Police and Crime Board to the Governance and Scrutiny Board (GSB). Although there was a change of name, a refresh of the terms of reference and a reduction in time from four hours to two and a half hours, the fundamental aspects of the meeting remained the same. This is where necessary, high-level decisions were signed off and was the formal holding to account of the Chief Constable. This had standing agenda items for performance, assurance and for both organisations to bring forward risks and issues for discussions and questions which formed an important part of the risk management process. Over the last year this meeting has continued to operate successfully with meetings held every month (except August 2022) with relevant papers included, minutes and actions taken and responded to and followed up. The minutes continued to be published on the PCC website www.avonandsomerset-pcc.gov.uk⁶.

The GSB was reviewed and revised with the new format launched in March 2023. It is now a monthly meeting scheduled to last three hours. The meeting will also be divided into two clear parts of Governance and Scrutiny. This was done to ensure that there was sufficient time for scrutiny; as over the last year there were some occurrences of the GSB where scrutiny was not as thorough as it could have been due to the time constraints of the meeting.

2.6.1 Risk Management

Risk is maintained under constant review and is summarised in the Strategic Risk Register of the PCC and the Constabulary's Corporate Risk Reports. The OPCC register is formally reviewed, internally, at the OPCC Management Board. Both registers/reports are also scrutinised by the Joint Audit Committee (JAC) (see 2.7.2 below).

When the OPCC are considering and assessing risk, it takes account of the Constabulary view of risk, particularly as articulated in the Constabulary's Corporate Risk Reports. This does not mean risks will always be viewed the same by both organisations as their remits are different.

Financial control involves the existence of a control structure which ensures that all resources are used as efficiently and effectively as possible to attain the PCC's overall objectives and targets. Internal financial control systems are in place to minimise the risk of loss, unlawful expenditure or poor value for money, and to maximize the use of the PCC's assets and limited resources to best achieve the PCC's objectives and targets.

Over the last year the key financial reporting to, and scrutiny at, GSB has continued as part of the risk management process. This includes quarterly and year-end financial performance reports; annual accounts; treasury management annual report and strategy; and the five year Medium Term Financial Plan (MTFP).

2.6.2 Performance

The OPCC have continued to publish a quarterly performance report which covers both the national policing priorities and Avon and Somerset Police and Crime Plan. This report is subject of the Performance and Accountability Board and is scrutinised by the Police and Crime Panel.

The above is the top, public facing, layer of performance reporting and other structures sit under this. One of the other key mechanisms of performance oversight is the Constabulary's Integrated Performance Quality Framework. Reporting on this framework is structured around performance priorities, good performance, where improvements are needed and emerging risks, issues and opportunities. The report has continued to be discussed at the Constabulary Management Board (CMB) and also scrutinised at GSB throughout the last year.

⁶ www.avonandsomerset-pcc.gov.uk/reports-publications/police-crime-board-reports/

During the last year the OPCC have also developed an internal performance dashboard based on the Constabulary performance against the plan. This uses the same data in the public report but adds statistical analysis of the performance over time to provide a red, amber, green system of assessment. This provides an independent aid to the OPCC as to where they need to direct scrutiny and ask questions. The first version of this dashboard was produced in May 2023 to inform questions at the GSB.

Another of the most powerful tools in performance management in Avon and Somerset are our data analytics and data visualisation capabilities. These have been deployed throughout the Constabulary, democratising data and providing a tool to drive performance improvements. The OPCC has access to this tool, providing live time data which supports the PCC's ability to scrutinise and hold the Chief Constable to account.

In terms of financial performance, as can be seen in these group accounts, once year-end adjustments have been made, a break-even position has been achieved during 2022/23. The underlying performance showed a £3.7 million/1% underspend, of which £3.5m relates to performance against Constabulary managed budgets and £0.2m against PCC managed budgets. £0.4 million of this underspend will be carried forward for planned expenditure, £1.8 million will be put in reserve for insurance provisions and £1.4 million will be put into the capital reserve.

The current MTFP shows larger deficits than at the time of writing last year. Reserves will be used to balance year 1 but the deficit is £10 million in year 2, growing to £19 million in year 3.

The forecast deficits will require further significant savings to be delivered. This will be challenging, and by necessity need to focus on those areas of our budget where we retain discretion, including sizeable police staff headcount reductions and savings from third party costs.

2.7 Principle G - implementing good practices in transparency, reporting, and audit to deliver effective accountability

In May 2022 a new Performance and Accountability Board (PAB) was introduced which really addressed both Principles F and G of this statement. This board was held for 90 minutes a time in May, August and November 2022 as well as February 2023. The meetings are broadcast live online and the recordings are also kept on the PCC's website www.avonandsomerset-pcc.gov.uk⁷. The purpose of this meeting is to manage performance and for the PCC to hold the Chief Constable to account in an open way. This new structure was reviewed and revised with a new format launched in March 2023. The PAB is now held on a monthly basis for 30 minutes each time and is broadcast using Facebook. The core purpose of the meeting remains the same, but the changes were made to increase the public engagement with the PAB.

Both the Constabulary and the OPCC adhere to the use of Government Security Classification (GSC) markings. In doing so, we are able to determine those documents which can be published through the PCC's website so that they are visible to the public.

Items which are published include

- ✚ Significant decisions of the PCC
- ✚ PCC responses to HMICFRS recommendations
- ✚ Reports of scrutiny panels
- ✚ Performance reports
- ✚ Expenses and gifts
- ✚ Freedom of Information requests; other statutory and non-statutory reports
- ✚ The Strategic Risk Register

2022/23 is the first full year of reporting in line with the amended Specified Information Order. A quarterly performance report has continued to be published which combines reporting on the local

⁷ www.avonandsomerset-pcc.gov.uk/reports-publications/oversight-boards/

and national position. The reports are available to review through the PCC's website www.avonandsomerset-pcc.gov.uk⁸.

2.7.1 Internal Audit

The Internal Audit function is commissioned by the OPCC and OCC on behalf of the Joint Audit Committee and is undertaken by a third party auditor for additional independence. The South West Audit Partnership (SWAP) continued as the internal auditor for the third year. At the time of writing SWAP have completed the substantive audit schedule as proposed and were just finishing a regional audit.

2.7.2 Joint Audit Committee (JAC)

The independent JAC has concluded another year of work in accordance with their Terms of Reference (TOR) and publishes an annual report on their work which can be found on the website www.avonandsomerset-pcc.gov.uk. The four meetings of the JAC for the financial year took place in July and October 2022 as well as January and March 2023.

The current Chair's term officially came to an end in March 2023 however – as the recruitment of a new Chair was initially unsuccessful – the Chair agreed to stay on until July 2023.

2.7.3 Police and Crime Panel

The Police and Crime Panel were established as part of the statutory governance structure when the role of PCCs were introduced. The Panel consists of elected Local Authority members from across Avon and Somerset as well as members of the public. The Panel scrutinises, challenges and maintains a regular check and balance on the performance and activities of the PCC. The Panel are therefore a key stakeholder of the PCC and OPCC.

In the last year the Panel has continued to meet, on at least a quarterly basis, to fulfil its duties. In addition to this it has again scrutinised the PCC's proposed precept increase.

3 Review of Effectiveness

The PCC has responsibility for conducting, at least annually, a review of the system of internal control. This review is informed by the internal audit assurance, the opinions and reports of our external auditors and other inspection bodies, as well as the work of senior managers in both the OPCC and Constabulary who have responsibility for the development and maintenance of the governance environment.

For 2022/23 these considerations took account of

- ✚ HMICFRS PEEL Report (see below)
- ✚ the internal auditor's reports to the Joint Audit Committee (JAC) throughout the year and their annual report to JAC
- ✚ external auditors' reports at JAC meetings
- ✚ the Constabulary Strategic Risk Register
- ✚ the PCC's Strategic Risk Register
- ✚ the 2022/23 financial outturn position that delivered a balanced position
- ✚ the planning and development of the MTFP for the next five years

On the basis of the review of the sources of assurance set out in this statement, we are satisfied that the Avon and Somerset PCC has in place satisfactory and adequate systems of internal

⁸ www.avonandsomerset-pcc.gov.uk/reports-publications/performance/

control which facilitate the effective exercise of their functions and which include arrangements for good governance and risk management.

In last year's statement we talked about a review of the Joint Governance Framework. This was not able to progress to completion and is now waiting on guidance and best practice from a national level.

3.1 Internal Audit

Throughout 2022/23 the Internal Audit function completed nine substantive audits, one graded follow-up review as well as contributing towards regional advisory work and conducted follow-up work on previous audits. The nine substantive audits were

- ✚ Representative Workforce
- ✚ IT Service Desk
- ✚ Management of Evidential Property
- ✚ Key Financial Controls
- ✚ Firearms Licensing
- ✚ Reasonable Adjustments
- ✚ Policy and Procedure Management
- ✚ Detective Numbers
- ✚ Assurance Mapping

Each internal audit conducted throughout the year receives a graded assurance opinion from the auditors. The assurance levels are; none, limited, reasonable and substantial.

Seven of the audits resulted in a reasonable assurance opinion and three resulted in a limited assurance opinion. The conclusion of our internal auditors was that they were able to offer a **reasonable assurance** annual opinion.

Each of the audits also provides recommendations for improvement which are categorised into three priority categories reflecting their importance. In total our internal auditors made 36 recommendations during 2022/23, of which

- ✚ 21 were identified as findings that require attention, the lowest grading
- ✚ 15 were identified as findings that are important and require the attention of management, the medium grading
- ✚ None were identified as findings that were fundamental requiring immediate attention.

Whilst we take assurance from the fact that none of the findings is considered to be fundamental, we recognise that the recommendations from our internal auditors provide us with a number of important actions which we need to progress.

3.2 HMICFRS PEEL Inspection

The primary framework by which police forces are inspected by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) is called 'Police Efficiency, Effectiveness and Legitimacy' (PEEL). Avon and Somerset Police were inspected in this last year with the report published in March 2023. All forces are inspected using this consistent methodology – and although no overall grade is given – the outcome is graded assessments for different aspects of the force's service

Outstanding	Good	Adequate	Requires improvement	Inadequate
Treatment of the public	Developing a positive workplace	Preventing crime	Investigating crime	
	Good use of resources	Protecting vulnerable people	Recording data about crime	
			Responding to the public	
			Managing offenders	

The HMICFRS Integrated PEEL Assessment is one of the most important sources of assurance for both the PCC and OCC, in both the delivery of the Police and Crime Plan and the realisation of the Constabulary’s vision. Although the grades are less than ideal some assurance was taken from the fact that the particular issues were known to the Chief Constable and mitigations in place.

As well as the grades there are also Areas for Improvement and other commentary on the Constabulary’s performance. The Constabulary have created an action plan to address the findings of the report and the PCC will be overseeing progress against this plan through the Governance and Scrutiny Board.

3.3 Significant Risks

At the point of writing the most significant risks identified by the OPCC are

Risk	Progress
Failure to deliver the Police and Crime Plan (SR2)	<p>Arguably the biggest risk to policing at the moment – which applies equally in Avon and Somerset – is a lack of public confidence in the police. This undermines the British model of policing by consent and priority four of the Police and Crime Plan. There are issues with police misconduct, male violence against women and girls as well as disproportionality, particularly experienced by Black, Asian, Mixed and minoritised communities. These are not new issues but a spotlight has been shone on them and the negative media coverage seems to have grown exponentially. Although some action has been taken to address these the public are unlikely to have seen or felt a tangible change in the level of service they receive or the outcomes. Cultural change is required to address these institutional issues and this will likely take years.</p> <p>The Police and Crime Plan is a very broad and ambitious plan with prevention being a key focus. Prevention cannot be achieved in isolation by the police, and requires partnership working.</p> <p>Despite the increased officer numbers through Uplift there remain significant challenges in terms of the inexperience of the workforce with so many new officers. The lack of accredited detectives continues to be a challenge and the target numbers will not be reached until 2025.</p> <p>The Constabulary acknowledge these issues and have been in a phase – anticipated last year – called the “implementation</p>

Risk	Progress
	<p>dip”. This means that while there is significant organisational growth and change underway – which will provide benefits in the medium term – in the short term, performance is not likely to improve much.</p> <p>The pandemic exacerbated delays in the criminal justice system with large Crown Court backlogs remaining. Although outside the control of local agencies, this clearly has a negative impact on the delivery of the Police and Crime Plan.</p>
<p>Financial incapability or ineffectiveness (SR3)</p>	<p>The current MTFP shows larger deficits than at the time of writing last year. Reserves will be used to balance year 1 but the deficit is £10 million in year 2, growing to £19 million in year 3.</p> <p>The forecast deficits will require further significant savings to be delivered. This will be challenging, and by necessity need to focus on those areas of our budget where we retain discretion, including sizeable police staff headcount reductions and savings from third party costs.</p>

4 Conclusion

No system of internal control can provide absolute assurance. However, on the basis of the review of the sources of assurance set out in this statement, we are satisfied that the Avon and Somerset PCC has in place satisfactory and adequate systems of internal control which facilitate the effective exercise of their functions and which include arrangements for good governance and for the control, mitigation, and management of risk.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Mark Shelford
Police and Crime Commissioner

Alice Ripley
Chief of Staff to the PCC

Police & Crime Commissioner for Avon & Somerset

Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2023

Gross Expenditure £'000	Gross Income £'000	Total 2021/2022 £'000	Comprehensive Income and Expenditure Statement - Group	Gross Expenditure £'000	Gross Income £'000	Total 2022/2023 £'000
			Expenditure			
544,486	-46,347	498,139	Police Services - OCC	539,901	-53,969	485,932
1,828	-27	1,801	OPCC	2,254	0	2,254
8,509	-4,244	4,265	Commissioning costs	8,678	-4,742	3,936
554,823	-50,618	504,205	Net cost of police services	550,833	-58,711	492,122
		-52,775	Police pension top-up grant			-52,909
		-101	Gain on disposal of non-current assets			-1,974
		-52,876	Other operating expenditure			-54,883
		5,876	External interest payable			5,713
		-260	Interest and investment income			-1,632
		0	Income and expenditure in relation to investment properties			-178
		0	Changes in the market value of investment properties			-791
		86,681	Net interest on pensions			110,987
		92,297	Financial and investment income and expenditure			114,099
		-121,928	Police - revenue grant			-129,059
		-63,856	Ex-DCLG formula funding			-67,642
		-304	Capital grant and contributions			-84
		-3,331	Council tax top-up grant			-3,331
		-11,378	Council tax support and transition grant			-11,378
		-211	Council tax income guarantee grant			0
		-2,266	Local council tax support grant			0
		-138,171	Council tax - local authorities (Note 12)			-146,169
		-341,445	Taxation and non-specific grant income			-357,663
		202,181	Deficit on provision of services			193,675
		-260,724	Re-measurement of pension assets (Note 18) and liabilities			-1,879,534
		-16,976	Gain/loss on revaluation			-5,128
		-277,700	Other comprehensive income and expenditure			-1,884,662
		-75,519	Total comprehensive income and expenditure			-1,690,987

Police & Crime Commissioner for Avon & Somerset

PCC Comprehensive Income and Expenditure Statement for the year ended 31 March 2023

PCC Expenditure £'000	PCC Income £'000	Total 2021/2022 £'000	Comprehensive Income and Expenditure Statement - PCC	PCC Expenditure £'000	PCC Income £'000	Total 2022/2023 £'000
			Expenditure			
1,828	-27	1,801	OPCC	2,254	0	2,254
8,509	-4,244	4,265	Commissioning costs	8,678	-4,742	3,936
10,337	-4,271	6,066	Net cost of police services before funding	10,932	-4,742	6,190
544,486	-46,347	498,139	Intragroup funding adjustment	539,901	-53,969	485,932
554,823	-50,618	504,205	Net cost of police services	550,833	-58,711	492,122
		-52,775	Police pension top-up grant			-52,909
		-101	Gain on disposal of non-current assets			-1,974
		-52,876	Other operating expenditure			-54,883
		5,876	External interest payable			5,713
		-260	Interest and investment income			-1,632
		0	Income and expenditure in relation to investment properties			-178
		0	Changes in the market value of investment properties			-791
		86,681	Intragroup adjustment (pension interest cost)			110,987
		92,297	Financial and investment income and expenditure			114,099
		-121,928	Police - revenue grant			-129,059
		-63,856	Ex-DCLG formula funding			-67,642
		-304	Capital grant and contributions			-84
		-3,331	Council tax freeze grant			-3,331
		-11,378	Council tax support and transition grant			-11,378
		-211	Council tax income guarantee grant			0
		-2,266	Local council tax support grant			0
		-138,171	Council tax - local authorities (Note 12)			-146,169
		-341,445	Taxation and non-specific grant income			-357,663
		202,181	Deficit on provision of services			193,675
		-260,724	Intragroup adjustment (Re-measurement of pension assets and liabilities)			-1,879,534
		-16,976	Gain on revaluation			-5,128
		-277,700	Other comprehensive income and expenditure			-1,884,662
		-75,519	Total comprehensive income and expenditure			-1,690,987

Police & Crime Commissioner for Avon & Somerset

Group Movement in Reserves Statements 2021/2022 and 2022/2023

Movement in reserves statement 2022/2023					
	Revenue General Fund £'000	Capital Receipts Reserves £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total £'000
Balance as at 31 March 2022	53,868	6,375	60,243	-4,212,935	-4,152,692
Total comprehensive income and expenditure	-193,675	0	-193,675	1,884,662	1,690,987
Adjustments between accounting & funding basis under regulations	195,093	2,171	197,264	-197,264	0
Increase/decrease(-) in 2022/2023	1,418	2,171	3,589	1,687,398	1,690,987
Balance as at 31 March 2023	55,286	8,546	63,832	-2,525,537	-2,461,705

Police & Crime Commissioner for Avon & Somerset

Movement in reserves statement 2022/2023					
	Revenue General Fund £'000	Capital Receipts Reserves £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total £'000
Balance as at 31 March 2022	53,868	6,375	60,243	-4,212,935	-4,152,692
Total comprehensive income and expenditure	-193,675	0	-193,675	1,884,662	1,690,987
Adjustments between accounting & funding basis under regulations	195,093	2,171	197,264	-197,264	0
Increase/decrease(-) in 2022/2023	1,418	2,171	3,589	1,687,398	1,690,987
Balance as at 31 March 2023	55,286	8,546	63,832	-2,525,537	-2,461,705

Police & Crime Commissioner for Avon & Somerset

PCC Movement in Reserves Statements 2021/2022 and 2022/2023

Movement in reserves statement 2021/2022					
	Revenue General Fund £'000	Capital Receipts Reserves £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total £'000
Balance as at 31 March 2021	51,455	5,602	57,057	-4,285,268	-4,228,211
Total comprehensive income and expenditure	-202,181	0	-202,181	277,700	75,519
Adjustments between accounting & funding basis under regulations	204,594	773	205,367	-205,367	0
Increase/decrease(-) in 2021/2022	2,413	773	3,186	72,333	75,519
Balance as at 31 March 2022	53,868	6,375	60,243	-4,212,935	-4,152,692

Movement in reserves statement 2022/2023					
	Revenue General Fund £'000	Capital Receipts Reserves £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total £'000
Balance as at 31 March 2022	53,868	6,375	60,243	-4,212,935	-4,152,692
Total comprehensive income and expenditure	-193,675	0	-193,675	1,884,662	1,690,987
Adjustments between accounting & funding basis under regulations	195,093	2,171	197,264	-197,264	0
Increase/decrease(-) in 2022/2023	1,418	2,171	3,589	1,687,398	1,690,987
Balance as at 31 March 2023	55,286	8,546	63,832	-2,525,537	-2,461,705

Police & Crime Commissioner for Avon & Somerset

Group Balance Sheet as at 31 March 2023

Note that the intragroup liability has been removed on consolidation at the group level.

OCC	PCC	Group	Balance Sheet	OCC	PCC	Group	Notes
£'000	£'000	2022		£'000	£'000	2023	
		£'000				£'000	
			Property, plant and equipment				19
0	201,507	201,507	Land and buildings	0	199,681	199,681	
0	16,224	16,224	Vehicles, plant and equipment	0	17,391	17,391	
0	544	544	Assets under construction	0	320	320	
0	250	250	Surplus Assets	0	2,277	2,277	
0	0	0	Investment Properties	0	2,776	2,776	20
0	490	490	Intangible fixed assets	0	465	465	
			Long term assets				
0	1,311	1,311	Prepayments	0	799	799	
4,325,494	0	0	Long Term Liability - intragroup adjustment	2,644,892	0	0	
4,325,494	220,326	220,326	Total non-current assets	2,644,892	223,709	223,709	
0	1,127	1,127	Inventories (stock)	0	1,175	1,175	
0	23,000	23,000	Short term investments	0	22,000	22,000	30
0	39,855	39,855	Debtors and payments in advance	0	58,515	58,515	22
0	37,744	37,744	Cash and cash equivalents	0	32,891	32,891	23
0	519	519	Assets held for sale	0	114	114	
15,709	0	0	Intragroup debtor	17,075	0	0	
15,709	102,245	102,245	Total current assets	17,075	114,695	114,695	
0	-2,185	-2,185	Bank overdraft	0	-4,391	-4,391	23
0	-3,647	-3,647	Short term borrowing	0	-1,147	-1,147	24
-11,280	-28,311	-39,591	Creditors and receipts in advance	-12,975	-32,512	-45,487	25
0	-15,709	0	Intragroup creditor	0	-17,075	0	
-4,429	-374	-4,803	Short term provisions	-4,100	-325	-4,425	26
0	-1,877	-1,877	Short term PFI Lease liability	0	-1,281	-1,281	21
-15,709	-52,103	-52,103	Total current liabilities	-17,075	-56,731	-56,731	
0	-40,662	-40,662	Long term borrowing	0	-42,015	-42,015	24
-25	-7,311	-7,336	Provisions	-25	-8,059	-8,084	26
0	-49,693	-49,693	PFI liability	0	-48,412	-48,412	21
0	-4,325,494	0	Pensions - intragroup adjustment	0	-2,644,892	0	
-4,325,469	0	-4,325,469	Net Defined Pension Liability	-2,644,867	0	-2,644,867	
-4,325,494	-4,423,160	-4,423,160	Total long term liabilities	-2,644,892	-2,743,378	-2,743,378	
0	-4,152,692	-4,152,692	Net assets	0	-2,461,705	-2,461,705	
0	60,243	60,243	Total usable reserves	0	63,832	63,832	7
0	-4,212,935	-4,212,935	Total unusable reserves	0	-2,525,537	-2,525,537	7
0	-4,152,692	-4,152,692	Total reserves	0	-2,461,705	-2,461,705	

Paul Butler

Chief Finance Officer to PC

Police & Crime Commissioner for Avon & Somerset

Group Cash Flow Statement

OCC £'000	PCC £'000	Group 2021/2022 £'000	Cash Flow Statement	OCC £'000	PCC £'000	Group 2022/2023 £'000
0	202,182	202,182	Net surplus(-)/deficit on the provision of services	0	193,675	193,675
0	-11,579	-11,579	Depreciation and impairment of property, plant and equipment	0	-11,154	-11,154
0	-115	-115	Amortisation of intangible assets	0	-25	-25
0	0	0	Movement in Fair Value Investment properties	0	791	791
867	1,545	2,412	Increase(-)/decrease in provision charged back to service	328	-682	-354
0	-208,072	-208,072	Charges for retirement benefits in accordance with IAS 19	0	-198,932	-198,932
0	-672	-672	Carrying amounts of non-current assets sold	0	-414	-414
0	-48	-48	Other	0	0	0
-499	5,849	5,350	Increase/decrease(-) in long and short term debtors	1,367	17,073	18,440
-368	-1,522	-1,890	Increase(-)/decrease in long and short term creditors	-1,695	-3,023	-4,718
0	25	25	Increase/decrease(-) in stock/WIP	0	48	48
0	-214,590	-214,590	Adjust net surplus or deficit on the provision of services for non-cash movements	0	-196,318	-196,318
0	773	773	Proceeds from the sale of property, plant and equipment	0	2,388	2,388
0	304	304	Capital grants credited to the surplus or deficit on the provision of service	0	84	84
0	207	207	Interest received	0	1,258	1,258
0	-5,761	-5,761	Interest paid	0	-5,539	-5,539
0	-4,477	-4,477	Adjust net surplus or deficit on the provision of services that are investing or financing activities	0	-1,809	-1,809
0	-16,885	-16,885	Net cash flows from operating activities	0	-4,452	-4,452
0	10,452	10,452	Purchase of property, plant and equipment	0	7,678	7,678
0	-773	-773	Capital receipts	0	-2,388	-2,388
0	-304	-304	Capital grant/contribution income due for the year	0	-84	-84
0	-1,000	-1,000	Purchase of short & long term investments	0	-1,000	-1,000
0	-207	-207	Interest received	0	-1,258	-1,258
0	8,168	8,168	Net cash flow from investing activities	0	2,948	2,948
0	1,923	1,923	Repayment of long term loans	0	1,147	1,147
0	1,766	1,766	Repayment of PFI liability	0	1,877	1,877
0	5,761	5,761	Interest paid	0	5,539	5,539
0	9,450	9,450	Net cash flow from financing activities	0	8,563	8,563
0	734	734	Net increase(-)/decrease in cash and cash equivalents	0	7,059	7,059
0	-36,290	-36,290	Cash and cash equivalents at the beginning of the reporting period	0	-35,559	-35,559
0	-35,559	-35,559	Cash and cash equivalents at the end of the reporting period	0	-28,500	-28,500

Police & Crime Commissioner for Avon & Somerset

Notes to the Financial Statements

1 Statement of Accounting Policies

1.1 General Principles

The general principles adopted in compiling these accounts are in accordance with the recommendations of CIPFA. They accord with CIPFA's Code of Practice on Local Authority Accounting 2022/2023 and the Accounts and Audit Regulations 2015 and are based on the following standards:

International Financial Reporting Standards (IFRSs) as adopted by the UK;

International Public Sector Accounting Standards (IPSASs);

UK Generally Accepted Accounting Practice (GAAP); (Financial Reporting Standards (FRSs), Statements of Standard Accounting Practice (SSAPs) and Urgent Issues Task Force (UITF) abstracts) as far as they are applicable.

1.2 Accruals of Income and Expenditure

Activity is accounted for and recorded on an accruals basis. This means that income is recorded in the accounts when it becomes due, rather than when it is received, and outstanding amounts are included as debtors. Expenditure is included in the accounts when the goods or services are received or supplied, and any outstanding amounts are included as creditors. The PCC Group established a de-minimis level of £5,000 for accruals in both 2021/2022 and 2022/2023.

1.3 Council Tax

Council tax income included within the comprehensive income and expenditure statement includes our share of the surplus or deficits from other local authority collection funds.

1.4 Government Grants

1.4.1 Revenue Grant

Government grants are shown as income within the comprehensive income and expenditure statement and are used to fund the expenditure on policing activities.

1.4.2 Capital Grant

Income received from the Home Office in respect of the capital grant is shown within the comprehensive income and expenditure statement. When the income is matched to the capital expenditure it is transferred to the Capital Adjustment Account. Any unused capital grant is allocated to the Capital Grant Unapplied Account within reserves. Capital grants with outstanding conditions attached have been transferred to the Capital Receipts in Advance Account.

1.4.3 Specific Grants

Specific grant income is recognised immediately within the comprehensive income and expenditure statement on an accruals basis. If there are conditions outstanding to be achieved on the specific grants at the end of the financial year they are recognised as a creditor receipt in advance.

1.5 VAT

Value Added Tax is not included as income or expenditure of the PCC except where it is non-recoverable.

1.6 Interest

External interest receivable on investments and the interest payable on borrowing are charged to the comprehensive income and expenditure statement.

1.7 Employee Benefits

1.7.1 Benefits Payable During Employment

Employee benefits that are due to be settled wholly within 12 months of the year end are recognised as an expense for services in the year which the employees rendered services for the Chief Constable. These include: salaries; annual leave; sick leave; bonuses; and non-monetary benefits (cars).

An accrual is made for the cost of holiday entitlements earned by employees but not taken before year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves statement to the accumulated absences account so that the holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

1.7.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the group to terminate an employee's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. These benefits are charged on an accruals basis to the appropriate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

1.7.3 Post-Employment Benefits

Employees of the Chief Constable are members of four separate pension schemes

- ✚ The Police Officer 1987 scheme (PPS)
- ✚ The Police Officer 2006 scheme (NPPS)
- ✚ The Police Officer 2015 scheme (CARE)
- ✚ The Local Government Pension scheme (CARE)

1.7.3.1 Police Officers Pension Scheme

All police officers pension schemes are accounted for as defined benefits schemes.

The liabilities of the police officers pension scheme are included in the balance sheet on an actuarial basis using the projected unit method. The projected unit method is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projected earnings for current employees.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of all police schemes. These estimated cashflows are then used to derive a single equivalent discount rate (SEDR). The discount rate derived is such that the net present value of the notional cashflow, discounted at the single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA-rated corporate bond yield curve.

1.7.3.2 Local Government Pension Scheme

All police staff and PCSOs can become members of the Local Government Pension Scheme which is accounted for as a defined benefits scheme.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of all police schemes. These estimated cashflows are then used to derive a single equivalent discount rate (SEDR). The discount rate derived is such that the net present value of the notional cashflow, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA-rated corporate bond yield curve.

The assets of the Somerset County Council pension fund attributable to the group are included in the balance sheet at their fair value

- ✚ Quoted securities – current bid price
- ✚ Unquoted securities – professional estimate
- ✚ Unitised securities – current bid price
- ✚ Property securities – current bid price
- ✚ Property – market value

17.3.3 Net Pensions Liability

The change in the net pensions liability for the pension scheme is analysed into the following components

Service cost comprising

- ✚ Current service cost – this is the increase in liabilities as a result of years of service earned this year which is allocated in the CIES to the services for which the employees worked;
- ✚ Past service cost – this is the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the CIES;
- ✚ Net interest on the net defined benefit liability or asset – this is the change during the period in the net defined benefit liability or asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate (used to measure the defined benefit obligation at the beginning of the period) to the net defined benefit liability or asset at the beginning of the period and taking into account any changes in the net defined liability or asset during the period as a result of contribution and benefit payments.

Re-measurements comprising

- ✚ The return on plan assets excludes the amounts included in the net interest on the net defined benefit liability or asset which is charged to the pensions reserve as Other Comprehensive Income and Expenditure. This is only applicable to the Local Government Pension Scheme.
- ✚ Actuarial gains and losses are changes in the net pension's liability that arise because events have not coincided with assumptions made at the last valuation or because the actuaries have updated their assumptions. These changes are charged to the pensions reserve as Other Comprehensive Income and Expenditure.

1.8 Leased Assets

All leases have been reviewed to determine if they are operational or finance leases.

- ✚ Finance leases – these are recognised where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. Property, plant and equipment held under finance lease is recognised as an asset on the balance sheet at the commencement of the lease, matched by a liability for the obligation to pay the lessor;
- ✚ Operating leases – rents payable under operating leases are charged to the comprehensive income and expenditure statement.

All significant contracts or transactions have been reviewed for any 'embedded leases' (which convey the right to use an asset in return for a payment or series of payments). If embedded leases are found to exist they would be treated in line with formal leases as described above. No embedded leases have currently been identified.

1.9 Property, Plant and Equipment

Expenditure on capital assets is recognised in the accounts when the work has been completed or when the asset has been delivered. The latest valuation was undertaken on 31 March 2023 by our internal Chartered Valuation Surveyor.

1.9.1 Recognition

Expenditure on the acquisition, creation, or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the group and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential is charged as an expense when it is incurred.

1.9.2 Measurement

Assets are initially measured at cost comprising

- ✚ The purchase price
- ✚ Any costs attributable to bringing the asset to the location and condition necessary for it to operate in the manner it was intended.

Assets are then carried in the balance sheet using the following bases

- ✚ Properties have been valued in accordance with CIPFA code of guidance and with the current RICS valuation – Global standards UK national supplement, on the basis of existing use value, depreciated replacement cost or fair value.
- ✚ Operational assets that are not specialised have been valued at existing use value. Existing use value is defined as the estimated amount for which a property should exchange on the valuation date between a willing buyer and seller at an arm's length transaction.
- ✚ Operational assets for which no market is in existence or which are specialised in nature have been valued at depreciated replacement cost. Depreciated replacement cost is defined as the current cost of replacing an asset with its modern equivalent asset, less deductions.

1.9.3 Revaluation

The revaluation reserve is used to record gains arising from the revaluation of non-current assets until they are disposed. Revaluation losses that cannot be met from accumulated revaluation gains are charged to the comprehensive income and expenditure statement. Any charges made to the comprehensive income and expenditure statement are reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account.

When a valuation for an asset is undertaken, components of the asset are separately identified when the asset value is over £1,000,000 and the components value is over 20% of the total value of the asset. Components are identified as

- ✚ Parts of the asset that can be disposed or replaced separately from other components of the assets and/or
- ✚ Parts of the asset which have a different useful life to other components.

When assets are disposed the value of the asset on the balance sheet is written off to the comprehensive income and expenditure statement as part of the gain or loss on disposal. The

reversal of this is shown within the Movement in Reserves Statement so that there is no impact to council tax.

Vehicles and other non-property assets are carried in the balance sheet at depreciated historical cost. Assets under construction are carried at cost until the asset is made operational at which point they are classified accordingly and depreciation commences.

1.10 Depreciation

All assets are depreciated except for land and assets under construction. The following policies are used

- ✚ Depreciation on buildings is based upon information provided within the latest valuation report regarding the useful life of the buildings and their components, and is based on the 'straight-line' method. The straight line method writes off the value of an asset in equal annual instalments over the estimated useful economic life of the asset. The useful life of our buildings are from the valuation report completed each year. Once a building is operational and transferred from assets under construction depreciation commences on the building
- ✚ The value of other assets such as vehicles, computers and other equipment falls steadily throughout their lives. These assets are expected to have shorter useful lives of up to seven years. The depreciation starts from the month of acquisition. Again the straight-line method of depreciation is used
- ✚ Intangible assets are amortised using the straight-line method over the period the software is in use, which is typically four years. An exception to this is the SAP licence which is amortised over 25 years.

1.11 Impairments

The PCC's properties are reviewed for impairment at the end of each financial year. When impairment is identified as part of the annual review or as a result of a revaluation exercise, this will first be charged to the revaluation reserve to the extent that impairment does not exceed the amount in the revaluation reserve for the same asset, and thereafter in the comprehensive income and expenditure statement.

1.12 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and Capital Receipts Reserve.

1.13 Private Finance Initiatives (PFI)

The PCC entered into a private finance initiative with Blue Light Partnership where four facilities were constructed, including the provision of services and building maintenance over the 25 year contract. At the end of the contract the ownership of the properties will pass to the PCC for no additional charge. These properties, which are recognised on the balance sheet, are revalued and depreciated in the same way as property, plant & equipment owned by the PCC. The liability to pay for the cost of the capital investment to the Blue Light Partnership is recognised on the balance sheet.

The amounts payable to the Blue Light Partnership each year are analysed into the following elements

- ✚ Fair value of services received during the year – this is charged to the net cost of Police services within the comprehensive income and expenditure statement
- ✚ Finance cost – this is the interest charge on the outstanding balance sheet liability, shown within the Financial and Investment Income and Expenditure within the Comprehensive Income and Expenditure statement
- ✚ Contingent rent – increases in the amount to be paid for the property during the contract charged to the Financial and Investment Income and Expenditure within the Comprehensive Income and Expenditure statement
- ✚ Payment towards liability – this writes down the outstanding liability on the balance sheet.

1.14 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits repayable within 24 hours. Cash equivalents are investments with maturity date of no more than 3 months which are easily convertible into known amounts of cash and have an insignificant risk of a change in value.

1.15 Short and Long Term Investments

Investments are deposits with UK and overseas banks, building societies and local authorities. Short term investments are convertible to cash from between 3 months and one year of the balance sheet date. Long term investments are convertible to cash over one year from the balance sheet date. Surplus funds are managed on behalf of the PCC by Somerset County Council Treasury. Funds are invested in line with policy approved by the PCC.

1.16 Financial Instruments

1.16.1 Fair Value

Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measured date. The PCC uses the most appropriate method of valuation within the hierarchy to assess the fair value.

- Level 1** Fair value is derived from quoted prices in an active market for identical assets or liabilities
- Level 2** The fair value is calculated from quoted prices that are observable from similar assets or liabilities
- Level 3** Fair value is determined from unobservable data where there is no market data available.

1.16.2 Financial Liabilities

Financial liabilities are recognised on the balance sheet when the group becomes a party to the contractual provisions of a financial instrument. The liabilities are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income

and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying value of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the borrowings that the group has, this means that the amount presented in the balance sheet is the outstanding principle repayable, plus accrued interest; and interest charged to the CIES is the amount payable for the year according to the loan agreement.

1.16.3 Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The group holds financial assets measured at

- ✚ Amortised cost
- ✚ Fair value through profit and loss (FVPL)

The group's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principle and interest.

1.16.3.1 Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the balance sheet when the group becomes a party to the contractual provisions of a financial instrument and the financial assets are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financial and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the assets multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the group, this means that the amount presented in the balance sheet is the outstanding principle receivable plus accrued interest, and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the Financing and Investment Income Expenditure line in the CIES.

1.16.3.2 Financial assets measured at fair value through profit or loss

Financial assets that are measured at Fair Value through Profit or Loss are recognised on the balance sheet when the group becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the surplus or deficit on the provision of services.

1.16.3.3 Fair value measurement of financial assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The fair value of the financial assets are provided by the group's treasury advisors.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

1.17 Provisions

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the obligation.

Provisions are charged as an expense to the appropriate line in the comprehensive income and expenditure statement when the group has an obligation, and are measured at the best estimate at the balance sheet date of the expenditure to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the balance sheet and estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required or a lower settlement than anticipated is made, the provision is reversed and credited back to the relevant service.

1.18 Joint Arrangements

Joint Arrangements are classified as either Joint Operations or Joint Ventures. Joint Operations are where activities are agreed through a shared control (usually through a shared board) and the parties have rights to the assets and obligations for the liabilities relating to the arrangement. Joint Ventures are where the parties have rights to the net assets of the arrangement. The Group does not participate in any joint ventures.

The PCC recognises its share of the assets, liabilities and expenditure relating to its involvement in the joint operations.

The Police and Crime Commissioner has entered into collaborative arrangements with other police forces and local authorities. Details of these are disclosed in the notes to the accounts.

1.19 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the PCC Group a possible obligation whose existence can only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the PCC Group. Contingent liabilities also arise in the situation where a provision would otherwise be made but where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the balance sheet but disclosed in a note to the accounts.

1.20 Reserves

The reserves that are held by the PCC are split between usable and unusable reserves on the balance sheet.

Usable reserves are amounts of money we keep to pay for future projects, and to protect against unexpected events. The useable reserves include

- ✚ The General Fund is risk assessed annually by the Chief Financial Officer of the PCC for the level of funds that the PCC needs to hold at the end of each financial year
- ✚ Earmarked reserves are balances we hold to meet future expenditure in defined areas and within approved policies
- ✚ The Capital Receipts Reserve is where income is received from the sale of property, plant and equipment and held in reserve to fund new capital expenditure.

The unusable reserves include

- ✚ The Revaluation reserve, which represents the changes in the value of assets as a result of revaluation after 1 April 2007; revaluations made prior to the 31 March 2007 were transferred to the capital adjustment account below;
- ✚ The Capital Adjustment Account absorbs the timing differences arising from the consumption of property, plant and equipment and for the financing of the acquisitions and enhancements of the assets under statutory provision. This account also includes any revaluation gain/loss prior to 1 April 2007;

- ✚ The Collection Fund Adjustment account represents the PCC's share of the surplus or deficits on the local authorities' collection funds that have been charged to the comprehensive income and expenditure statement and reversed out to this account so there is no impact on the general fund;
- ✚ The short term compensated absences account represents outstanding employee benefits at the year end that have been earned and not taken during the year. The cost of these benefits has been charged to the comprehensive income and expenditure statement and then reversed to this account ensuring there is no impact on the council tax payer and the general fund.

1.21 Post Balance Sheet Events

These are events occurring after the balance sheet date before the Statement of Accounts are authorised for issue. Two types of events can be identified:

Adjusting events - where there is evidence that the conditions existed at the end of the reporting period and the accounts are adjusted to reflect these events;

Non-adjusting events – where these are indicative of conditions that arose after the balance sheet date, the Statement of Accounts are not amended, but a note is included to provide an explanation of the nature and the effect of the event;

Events that have taken place after the authorised date of issue are not reflected within the Statement of Accounts.

2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the PCC has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements in the Statement of Accounts are

- ✚ As a result of the Police Reform and Social Responsibility Act 2011 (the Act), two corporations sole were formed - the Police and Crime Commissioner (PCC) for Avon and Somerset and the Office of the Chief Constable (OCC). The PCC is responsible for the formal oversight of the Avon and Somerset Police and the Chief Constable, including setting the strategic direction and holding the police to account; whilst the Chief Constable has the direction and control over the force's officers and staff. For accounting purposes, the PCC is the parent entity of the Office of the Chief Constable and together they form the PCC group. The accounting recognition of the PCC Group assets, liabilities and reserves reflects the powers and responsibilities of the Police and Crime Commissioner and the Chief Constable as designated by the Police Reform and Social Responsibility Act 2011 and the Revised Home Office Financial Management Code of Practice for the Police Service, England and Wales 2018. This accounting treatment is also underpinned by the relationships as defined by local regulations, local agreement and practice. The PCC receives all government funding and income, and the Chief Constable uses the PCC's financial resources against an annual budget in order to discharge their operating policing responsibilities. The Chief Constable does not hold any cash or reserves. The PCC has the responsibility for managing the financial relationship with third parties. All the assets, liabilities and reserves of the PCC Group are recognised on the PCC Balance Sheet except for the liabilities for employee benefits. As a result, there is a nil balance on the Chief Constable's Movement of Reserves Statement and no cash transactions on the Chief Constable's cashflow statement. The financial results of the PCC resources used by the Chief Constable are shown in the Comprehensive Income and Expenditure Statement (CIES). As the Chief Constable does not hold reserves the financial consequences recognised in the CIES are offset by intra-group adjustments to reflect the funding of PCC resources consumed at the request of the Chief Constable to give a nil balance on the

General Reserves of the Chief Constable at the year end. These intra-group adjustments are mirrored in the PCC accounts to reflect the funding of resources at the request of the Chief Constable. Police pension costs are recognised in the Chief Constable's Accounts in accordance with IAS 19 (Employee Benefits). The liability for police pensions on the Chief Constable's Balance Sheet however is offset by an intra-group debtor reflecting the PCC's responsibility to provide funds from the police fund each year to enable the Chief Constable to administer police pension payments. Similarly, within the Chief Constable's CIES the IAS 19 pension costs are offset by intra-group funding adjustments within the Net Cost of Policing Services and within 'Financing and Investment' lines. The PCC's Balance Sheet shows a matching liability and police pension reserve to reflect its responsibility to provide funds for the payment of police pensions. The same accounting treatment has been adopted in respect of accumulated absences due to employees, but not taken at the reporting date. The liabilities in the Chief Constable's Balance Sheet are offset by an intra-group transfer from the PCC's to reflect the fact that the PCC ultimately funds the Chief Constable's employee costs.

- ✚ A judgement has been made to include the impact of the McCloud/Sargeant ruling. Whilst the regulations underpinning the Local Government Pension Scheme (LGPS) and police pension schemes have not yet been amended, a change to the remedy is not anticipated.

3 Accounting Standards Issued but not Adopted

The following accounting standards have been issued but not adopted and are unlikely to have a material impact on the financial statements.

- ✚ Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- ✚ Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- ✚ Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- ✚ Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.
- ✚ IFRS 16 Leases

IFRS 16 Leases has not been adopted and is too early to judge the impact on the financial statements. CIPFA LASAAC have decided to defer the implementation of IFRS 16 until 1 April 2024 due to severe delays in the publication of audited local authority financial statements in England. IFRS 16 will now be included in the 2024/25 code. Early adoption as of 1 April 2022 or 1 April 2023 is permitted.

4 Assumptions Made About the Future and the Sources of Estimations

In some areas figures in the accounts are based on estimates which take into account past experience, current trends and other relevant factors. By their nature these figures could vary and as such the material areas based on estimates are detailed below.

4.1 Pension Service Costs

The estimation of the net liability to pay pension depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are expected to increase, changes in

retirement ages, mortality rates and the expected return on the fund's assets. Actuaries provide the OCC with expert advice about the assumptions that have been applied.

Further information is included within notes 16 to 17 regarding the assumptions that have been used by the actuaries to provide an estimate of the liability.

The following tables show the impact of a small change in the assumptions made for the Police Officer and Police Staff Pension Schemes.

Police Officer Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	2,570,868	2,611,528	2,653,258
Projected service cost	36,045	37,517	39,042
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	2,616,282	2,611,528	2,606,801
Projected service cost	37,543	37,517	37,492
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	2,649,243	2,611,528	2,574,814
Projected service cost	39,062	37,517	36,025
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	2,703,632	2,611,528	2,522,672
Projected service cost	38,955	37,517	36,118

Police Staff Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	507,647	517,991	528,653
Projected service cost	15,887	16,536	17,210
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	519,001	517,991	516,991
Projected service cost	16,547	16,536	16,525
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	527,883	517,991	508,449
Projected service cost	17,219	16,536	15,878
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	535,576	517,991	501,044
Projected service cost	17,144	16,536	15,944

4.2 Short and Long Term Provisions

In determining the provisions set aside at 31 March 2023 to pay for known future costs it has been necessary to estimate and make assumptions about the future. More detail around the sources of

these estimations and the underlying assumptions made are included within note 25 Short and Long Term Provisions.

4.3 Valuation of Assets

A valuation was undertaken of the land and buildings as at 31 March 2023 and the value of the properties have been amended to reflect the updated values for the assets. Indices were used as part of the valuation for the construction costs and local market information over the year. Valuation of land and buildings are of a subjective nature and could vary by +/-10%. In assessing the fair value of the assets held for sale, the activity within the local property market was considered.

5 Events After the Balance Sheet Date

There are no post balance sheet events to date.

6 Group Expenditure and Funding Analysis

This note shows how the annual expenditure is allocated and the funding available to the PCC in a format which is used for decision making purposes. It is reconciled to the comprehensive income and expenditure statement.

As reported to Management	Adjustments to arrive at the chargeable to general reserves	2021/2022			Group Expenditure and Funding Analysis	As reported to Management	Adjustments to arrive at the chargeable to general reserves	2022/2023		
		Net expenditure chargeable to general fund	Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E				Net expenditure chargeable to general fund	Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
335,593	48,408	383,999	114,140	498,139	Police Services - OCC	348,285	53,320	401,605	84,327	485,932
1,757	44	1,801	0	1,801	OPCC	1,757	497	2,254	0	2,254
3,529	736	4,265	0	4,265	Commissioning costs	3,529	407	3,936	0	3,936
340,879	49,187	390,065	114,140	504,205	Net cost of police services	353,572	54,224	407,795	84,327	492,122
		0	-101	-101	Gain on disposal of non-current assets			0	-1,974	-1,974
		0	-101	-101	Other operating expenditure			0	-1,974	-1,974
		0	5,876	5,876	External interest payable			0	5,713	5,713
		0	-260	-260	Interest and investment income			0	-1,632	-1,632
		0	0	0	Income from Investment properties				-178	-178
		0	0	0	Movement in fair value of investment property				-791	-791
		0	86,681	86,681	Net interest on pensions			0	110,987	110,987
		0	92,297	92,297	Financial and investment income and expenditure			0	114,099	114,099
		-121,928	0	-121,928	Police - revenue grant			-129,059	0	-129,059
		-63,856	0	-63,856	Ex-DCLG formula funding			-67,642	0	-67,642
		0	-304	-304	Capital grant and contributions			0	-84	-84
		-3,331	0	-3,331	Council tax freeze grant			-3,331	0	-3,331
					Council tax support and transition grant			-11,378	0	-11,378
		-11,378	0	-11,378	Council tax income guarantee grant			0	0	0
		-211	0	-211	Council tax - local authorities			0	0	0
		-136,733	-1,437	-138,170	Pension Top up Grant			-52,909	0	-52,909
		-52,775	0	-52,775	Local council tax support grant			-144,894	-1,275	-146,169
		-2,266	0	-2,266						
		-392,478	-1,741	-394,219	Taxation and non-specific grant income			-409,213	-1,359	-410,572
340,879	49,187	-392,478	90,455	-302,023		353,572	54,224	-409,213	110,766	-298,447
		-2,413	204,595	202,182	Surplus(-)/deficit on provision of services			-1,418	195,093	193,675
		51,455			Opening balance of general fund			53,868		
		<u>2,412</u>			Transfers to reserves made in year			<u>1,418</u>		
		53,868			Closing balance of general fund			55,286		

Capital Purposes £'000	2021/2022			Group Expenditure and Funding Analysis Adjustment between accounting & funding basis	2022/2023			
	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000		Capital Purposes £'000	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000
-2,322	121,391	-4,929	114,140	Police Services - OCC	-1,131	87,945	-2,486	84,328
-2,322	121,391	-4,929	114,140	Net cost of police services	-1,131	87,945	-2,486	84,328
-101	0	0	-101	Gain on disposal of non-current assets	-1,974	0	0	-1,974
-101	0	0	-101	Other operating expenditure	-1,974	0	0	-1,974
0	0	5,876	5,876	External interest payable	0	0	5,713	5,713
0	0	-260	-260	Interest and investment income	0	0	-1,633	-1,633
				Income from Investment properties		0	-178	-178
				Movement in fair value of investment property		0	-791	-791
0	86,681	0	86,681	Net interest on pensions	0	110,987	0	110,987
0	86,681	5,616	92,297	Financial and investment income and expenditure	0	110,987	3,111	114,098
-304	0	0	-304	Capital grant and contributions	-84	0	0	-84
0	0	-1,437	-1,437	Council tax - local authorities	0	0	-1,275	-1,275
0	0	0	0	Commissioning of victim support services grant	0	0	0	0
-304	0	-1,437	-1,741	Taxation and non-specific grant income	-84	0	-1,275	-1,359
-405	86,681	4,179	90,455		-2,058	110,987	1,836	110,765
-2,727	208,072	-750	204,595	Total adjustment between accounting and funding basis	-3,189	198,932	-650	195,093

7 Notes to the Movement in Reserves Statement

These notes support the movement in reserves statement shown on page 30

Group Movement in Reserves Statement 2021/2022	Revenue General Fund £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Collect Fund Adjustment Account £'000	Revaluation Reserve £'000	Pensions Reserve Account £'000	Short Term Absences Account £'000	Capital Adjustment Account £'000	Total Unusable Reserves £'000
Balance as at 31 March 2021	51,455	5,602	57,057	-1,235	70,402	-4,378,121	-9,710	33,396	-4,285,268
Total comprehensive income and expenditure	-202,181	0	-202,181	0	16,976	260,724	0	0	277,700
Adjustments between accounting & funding basis under regulations									
Reversal of items included to I&E									
Amortisation of intangible assets	115	0	115	0	0	0	0	-115	-115
Depreciation of non-current assets (note 19)	13,491	0	13,491	0	0	0	0	-13,491	-13,491
Revaluation Gain	-1,911	0	-1,911	0	0	0	0	1,911	1,911
Capital grants and contributions	-304	0	-304	0	0	0	0	304	304
Council tax collection fund adjustment	-1,437	0	-1,437	1,437	0	0	0	0	1,437
Gain(-)/loss on disposal of non-current assets	-101	773	672	0	-176	0	0	-496	-672
Holiday pay accrual adjustment	686	0	686	0	0	0	-686	0	-686
Net IAS 19 charge for retirement benefits	266,300	0	266,300	0	0	-266,300	0	0	-266,300
Insert amounts excluded in I&E									
Minimum revenue provision	-3,612	0	-3,612	0	0	0	0	3,612	3,612
Revenue contribution to finance capital	-7,770	0	-7,770	0	0	0	0	7,770	7,770
IAS 19 employers contributions payable	-58,228	0	-58,228	0	0	58,228	0	0	58,228
Other adjustments include:									
Reserves used to finance capital	-2,635	0	-2,635	0	0	0	0	2,635	2,635
Increase/decrease(-) in 2021/2022	2,413	773	3,186	1,437	16,800	52,652	-686	2,130	72,333
Balance as at 31 March 2022	53,868	6,375	60,243	202	87,202	-4,325,469	-10,396	35,526	-4,212,935

Group Movement in Reserves Statement 2022/2023	Revenue General Fund £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Collect Fund Adjustment Account £'000	Revaluation Reserve £'000	Pensions Reserve Account £'000	Short Term Absences Account £'000	Capital Adjustment Account £'000	Total Unusable Reserves £'000
Balance as at 31 March 2022	53,868	6,375	60,243	202	87,202	-4,325,469	-10,396	35,526	-4,212,935
Total comprehensive income and expenditure	-193,675	0	-193,675	0	5,128	1,879,534	0	0	1,884,662
Adjustments between accounting & funding basis under regulations									
Reversal of items included to I&E									
Amortisation of intangible assets	25	0	25	0	0	0	0	-25	-25
Depreciation of non-current assets (note 19)	13,899	0	13,899	0	0	0	0	-13,899	-13,899
Revaluation Gain	-2,745	0	-2,745	0	0	0	0	2,745	2,745
Movement in market value of investment properties	-791	0	-791	0	-929	0	0	1,720	791
Capital grants and contributions	-84	0	-84	0	0	0	0	84	84
Council tax collection fund adjustment	-1,276	0	-1,276	1,276	0	0	0	0	1,276
Gain(-)/loss on disposal of non-current assets	-1,974	2,387	413	0	-208	0	0	-205	-413
Holiday pay accrual adjustment	1,417	0	1,417	0	0	0	-1,417	0	-1,417
Net IAS 19 charge for retirement benefits	260,470	0	260,470	0	0	-260,470	0	0	-260,470
Insert amounts excluded in I&E									
Minimum revenue provision	-3,724	0	-3,724	0	0	0	0	3,724	3,724
Revenue contribution to finance capital	-5,057	0	-5,057	0	0	0	0	5,057	5,057
IAS 19 employers contributions payable	-61,538	0	-61,538	0	0	61,538	0	0	61,538
Other adjustments include:									
Use of capital receipts reserve to finance capital	0	-216	-216	0	0	0	0	216	216
Reserves used to finance capital	-3,529	0	-3,529	0	0	0	0	3,529	3,529
Increase/decrease(-) in 2022/2023	1,418	2,171	3,589	1,276	3,991	1,680,602	-1,417	2,946	1,687,398
Balance as at 31 March 2023	55,286	8,546	63,832	1,478	91,193	-2,644,867	-11,813	38,472	-2,525,537

PCC Movement in Reserves Statement 2021/2022	Revenue General Fund £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Collect Fund Adjustment Account £'000	Revaluation Reserve £'000	Pensions Reserve Account £'000	Short Term Absences Account £'000	Capital Adjustment Account £'000	Total Unusable Reserves £'000
Balance as at 31 March 2021	51,455	5,602	57,057	-1,235	70,402	-4,378,121	-9,710	33,396	-4,285,268
Total comprehensive income and expenditure	-202,181	0	-202,181	0	16,976	260,724	0	0	277,700
Adjustments between accounting & funding basis under regulations									
Reversal of items included to I&E									
Amortisation of intangible assets	115	0	115	0	0	0	0	-115	-115
Depreciation of non-current assets (note 19)	13,491	0	13,491	0	0	0	0	-13,491	-13,491
Revaluation Gain	-1,911	0	-1,911	0	0	0	0	1,911	1,911
Capital grants and contributions	-304	0	-304	0	0	0	0	304	304
Council tax collection fund adjustment	-1,437	0	-1,437	1,437	0	0	0	0	1,437
Gain(-)/loss on disposal of non-current assets	-101	773	672	0	-176	0	0	-496	-672
Holiday pay accrual Inter group adjustment	686	0	686	0	0	0	-686	0	-686
Net IAS 19 charge for retirement benefits	266,300	0	266,300	0	0	-266,300	0	0	-266,300
Insert amounts excluded in I&E									
Minimum revenue provision	-3,612	0	-3,612	0	0	0	0	3,612	3,612
Revenue contribution to finance capital	-7,770	0	-7,770	0	0	0	0	7,770	7,770
IAS 19 employers contributions payable	-58,228	0	-58,228	0	0	58,228	0	0	58,228
Other adjustments include:									
Reserves used to finance capital	-2,635	0	-2,635	0	0	0	0	2,635	2,635
Increase/decrease(-) in 2021/2022	2,413	773	3,186	1,437	16,800	52,652	-686	2,130	72,333
Balance as at 31 March 2022	53,868	6,375	60,243	202	87,202	-4,325,469	-10,396	35,526	-4,212,935

PCC Movement in Reserves Statement 2022/2023	Revenue General Fund £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Collect Fund Adjustment Account £'000	Revaluation Reserve £'000	Pensions Reserve Account £'000	Short Term Absences Account £'000	Capital Adjustment Account £'000	Total Unusable Reserves £'000
Balance as at 31 March 2022	53,868	6,375	60,243	202	87,202	-4,325,469	-10,396	35,526	-4,212,935
Total comprehensive income and expenditure	-193,675	0	-193,675	0	5,128	1,879,534	0	0	1,884,662
Adjustments between accounting & funding basis under regulations									
Reversal of items included to I&E									
Amortisation of intangible assets	25	0	25	0	0	0	0	-25	-25
Depreciation of non-current assets (note 19)	13,899	0	13,899	0	0	0	0	-13,899	-13,899
Revaluation Gain	-2,745	0	-2,745	0	0	0	0	2,745	2,745
Movement in market value of investment properties	-791	0	-791	0	-929	0	0	1,720	791
Capital grants and contributions	-84	0	-84	0	0	0	0	84	84
Council tax collection fund adjustment	-1,276	0	-1,276	1,276	0	0	0	0	1,276
Gain(-)/loss on disposal of non-current assets	-1,974	2,387	413	0	-208	0	0	-205	-413
Holiday pay accrual Inter group adjustment	1,417	0	1,417	0	0	0	-1,417	0	-1,417
Net IAS 19 charge for retirement benefits	260,470	0	260,470	0	0	-260,470	0	0	-260,470
Insert amounts excluded in I&E									
Minimum revenue provision	-3,724	0	-3,724	0	0	0	0	3,724	3,724
Revenue contribution to finance capital	-5,057	0	-5,057	0	0	0	0	5,057	5,057
IAS 19 employers contributions payable	-61,538	0	-61,538	0	0	61,538	0	0	61,538
Other adjustments include:									
Use of capital receipts reserve to finance capital	0	-216	-216	0	0	0	0	216	216
Reserves used to finance capital	-3,529	0	-3,529	0	0	0	0	3,529	3,529
Increase/decrease(-) in 2022/2023	1,418	2,171	3,589	1,276	3,991	1,680,602	-1,417	2,946	1,687,398
Balance as at 31 March 2023	55,286	8,546	63,832	1,478	91,193	-2,644,867	-11,813	38,472	-2,525,537

8 Income and Expenditure Analysed by Nature

2021/2022				2022/2023		
OCC £'000	PCC £'000	Group £'000	Income and Expenditure analysed by nature	OCC £'000	PCC £'000	Group £'000
276,705	1,456	278,161	Employee costs	294,084	1,782	295,866
14,508	0	14,508	Premises costs	13,138	0	13,138
5,017	5	5,022	Transport costs	6,068	8	6,076
31,499	233	31,732	Supplies & services	41,356	322	41,678
16,140	136	16,276	Partnership costs	16,206	142	16,348
14,070	0	14,070	Misc, central, & grants	15,600	0	15,600
0	8,508	8,508	Commissioning	0	8,678	8,678
11,695	0	11,695	Depreciation, amortisation, & impairment	11,179	0	11,179
122,077	0	122,077	Employee benefit expenses	89,361	0	89,361
86,681	0	86,681	Net interest on pensions	110,987	0	110,987
52,775	0	52,775	Police pension top up grant	52,909	0	52,909
0	5,876	5,876	Interest payments	0	5,713	5,713
0	-101	-101	Gain on disposal of fixed assets	0	-1,974	-1,974
-631,167	631,167	0	Intragroup adjustment	-650,888	650,888	0
0	647,280	647,280	Total expenditure	0	665,559	665,559
-16,712	-833	-17,545	Sales, rent, fees, & charges	-18,313	-930	-19,243
-1,383	0	-1,383	Seconded officers	-1,395	0	-1,395
0	-1,556	-1,556	Commissioning of victim support services	0	-1,999	-1,999
-11,499	0	-11,499	Counter terrorism policing grant	-12,294	0	-12,294
-774	-1,954	-2,728	Serious Violence grant	-718	-2,080	-2,798
-2,474	0	-2,474	Uplift grant	-3,088	0	-3,088
-2,828	0	-2,828	Officer pensions grant	-2,828	0	-2,828
-10,606	0	-10,606	Other specific grants	-15,066	0	-15,066
0	-260	-260	Interest and investment income	0	-1,810	-1,810
0	0	0	Changes in the MV of investment properties	0	-791	-791
0	-121,928	-121,928	Police - revenue grant	0	-129,059	-129,059
0	-63,856	-63,856	Ex-DCLG formula funding	0	-67,642	-67,642
0	-304	-304	Capital grant and contributions	0	-84	-84
0	-3,331	-3,331	Council tax freeze grant	0	-3,331	-3,331
0	-11,378	-11,378	CT Support & transition grant	0	-11,378	-11,378
0	-211	-211	Council tax income guarantee grant	0	0	0
0	-2,266	-2,266	Local council tax support grant	0	0	0
0	-138,170	-138,170	CT- local authorities	0	-146,169	-146,169
0	-52,775	-52,775	Police pension Top up grant	0	-52,909	-52,909
46,276	-46,276	0	Intragroup adjustment	53,702	-53,702	0
0	-445,098	-445,098	Total income	0	-471,884	-471,884
0	202,182	202,182	Surplus/deficit on provision of services	0	193,675	193,675

9 Paying Staff

Disclosure of Remuneration for Senior Employees 2021/2022					
Post Holder Information (post title and name)	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2021/2022	Pension Contributions	Total Remuneration Including Pension Contributions 2021/2022
	£	£	£	£	£
PCC - S Mountstevens	10,022	0	10,022	1,634	11,655
PCC - M Shelford	76,678	0	76,678	12,498	89,177
Chief Constable - A Marsh	46,064	2,388	48,452	0	48,452
Chief Constable - S Crew	125,105	5,297	130,402	38,782	169,184
	257,868	7,685	265,553	52,914	318,468

Disclosure of Remuneration for Senior Employees 2022/2023						
Post Holder Information (post title and name)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2022/2023	Pension Contributions	Total Remuneration Including Pension Contributions 2022/2023
		£	£	£	£	£
PCC - M Shelford		88,442	0	88,442	14,416	102,858
Chief Constable - S Crew		168,020	11,466	179,486	52,086	231,572
		256,462	11,466	267,927	66,502	334,429

Disclosure of Remuneration for Senior Employees 2021/2022

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2021/2022	Pension Contributions	Total Remuneration Including Pension Contributions 2021/2022
		£	£	£	£	£
PCC Employees						
Chief Finance Officer to the PCC	3	70,243	0	70,243	11,450	81,692
Temporary Chief Executive to the PCC	4	6,693	0	6,693	1,091	7,784
Interim Chief Executive to the PCC	5	57,683	0	57,683	9,417	67,100
Chief of Staff and Monitoring Officer to the PCC	6	24,462	0	24,462	3,987	28,450
OCC Employees						
Deputy Chief Constable	7	34,426	2,670	37,096	10,672	47,768
Temporary Deputy Chief Constable	8	111,411	0	111,411	0	111,411
ACC - Investigations & Operational Support		33,331	0	33,331	0	33,331
Temporary ACC - Investigations & Operational Support	9	84,521	0	84,521	24,464	108,985
ACC - Neighbourhoods, Partnerships & Response	10	2,372	0	2,372	719	3,090
ACC - Neighbourhoods, Partnerships & Response	10	125,546	0	125,546	36,594	162,140
Chief Officer - Finance, Resources and Innovation		119,220	12,677	131,897	19,433	151,330
Chief Officer - People and Organisational Development		118,576	6,229	124,805	18,564	143,368
Force Medical Officer - D Bulpitt		154,884	0	154,884	25,246	180,130
		943,368	21,576	964,944	161,636	1,126,580

Notes to Remuneration for 2021/2022

- Note 1** S Mountstevens stood down at the PCC elections in May 2021 and M Shelford was elected as the new PCC and started on 13/05/2021. The annualised salary is £86,700.
- Note 2** A Marsh retired from the role of Chief Constable with effect from 01/07/2021 and S Crew was appointed as Temporary Chief Constable with effect from 02/07/2021, before being made permanent in the role on 26/11/2021. The annualised salary is £166,911.
- Note 3** The Chief Finance Officer to the PCC works 30 hours per week from 01/07/2022. The full-time equivalent salary is £98,089.

- Note 4** The temporary Chief Executive to the PCC worked 29.6 hours per week, until 30/04/2021. The full-time equivalent annualised salary was £99,056.
- Note 5** An interim Chief Executive to the PCC was appointed on 01/05/2021 and left the role on 03/01/2022. The annualised salary is £85,000.
- Note 6** The new Chief of Staff and Monitoring Officer to the PCC commenced on 04/01/2022. The annualised salary is £100,000.
- Note 7** The Deputy Chief Constable replaced the Chief Constable on a temporary basis with effect from 02/07/2021.
- Note 8** The ACC Investigations & Operational Support became the temporary Deputy Chief Constable with effect from 02/07/2021; this became permanent with effect from 27/01/2022. The annualised salary is £137,703.
- Note 9** A temporary ACC Investigations & Operational Support was appointed on 02/07/2021. The annualised salary is £105,600.
- Note 10** The ACC – Neighbourhoods, Partnerships, & Response retired on 07/04/2021, with the new ACC in the role having been appointed on 22/02/2021. The annualised salary is £119,220

Disclosure of Remuneration for Senior Employees 2022/2023

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2022/2023	Pension Contributions	Total Remuneration Including Pension Contributions 2022/2023
		£	£	£	£	£
PCC Employees						
Chief Finance Officer to the PCC		95,411	0	95,411	15,552	110,963
Chief of Staff and Monitoring Officer to the PCC		102,100	0	102,100	16,642	118,742
OCC Employees						
Deputy Chief Constable - N Watson		151,413	0	151,413	0	151,413
ACC - Strategic Improvement		119,294	0	119,294	34,656	153,950
ACC - Neighbourhoods, Partnerships & Response		127,830	0	127,830	37,302	165,132
ACC - CID & Operational Support	1	10,268	0	10,268	2,975	13,244
Chief Officer - Finance, Resources and Innovation		120,330	12,677	133,007	19,614	152,620
Chief Officer - People and Organisational Development	2	101,945	8,200	110,145	16,617	126,762
Chief Officer - People and Organisational Development	3	17,456	0	17,456	2,660	20,115
Force Medical Officer - D Bulpitt		161,854	0	161,854	26,382	188,236
		1,007,900	20,877	1,028,777	172,401	1,201,178

Notes to Remuneration for 2022/2023

Note 1 New ACC appointed on 27/02/2023

Note 2 Chief Officer - People and Organisational Development left ASC on 05/02/2023

Note 3 Chief Officer - People and Organisational Development: temporarily appointed on 06/02/2023

The number of staff to whom we pay more than £50,000 a year is shown below. Pay includes salary, taxable travel and expenses. Bands with nil values in both years have been removed.

OCC Number	PCC Number	Total 2021/2022 Number	Pay Range	OCC Number	PCC Number	Total 2022/2023 Number
278	1	279	£50,000 - £54,999	404	2	406
210	1	211	£55,000 - £59,999	250	2	252
67	1	68	£60,000 - £64,999	116	1	117
19	0	19	£65,000 - £69,999	26	0	26
12	0	12	£70,000 - £74,999	10	0	10
6	1	7	£75,000 - £79,999	13	0	13
6	0	6	£80,000 - £84,999	5	0	5
5	0	5	£85,000 - £89,999	5	0	5
6	0	6	£90,000 - £94,999	6	1	7
0	0	0	£95,000 - £99,999	3	0	3
0	0	0	£100,000 - £104,999	0	0	0
0	0	0	£105,000 - £109,999	1	0	1
0	0	0	£115,000 - £119,999	0	0	0
0	0	0	£120,000 - £124,999	0	0	0
0	0	0	£125,000 - £129,999	0	0	0
0	0	0	£150,000 - £154,999	0	0	0
0	0	0	£160,000 - £164,999	0	0	0
0	0	0	£165,000 - £169,999	0	0	0
609	4	613		839	6	845

The numbers within each band can be impacted year on year by inflationary changes.

For further details on gender pay please see our gender pay gap report, which has been published on the Avon and Somerset website.

10 Exit Packages – OCC

The costs for 24 staff redundancies were recognised during the year, the details of which are presented in the table below.

Compulsory & Voluntary 2021/2022		Exit Packages	Compulsory & Voluntary 2022/2023	
Number	£'000	Banding	Number	£'000
7	82	£0 - £19,999	19	201
6	155	£20,000 - £39,999	5	134
1	44	£40,000 - £59,999	0	0
0	0	£60,000 - £79,999	0	0
14	281		24	335

11 External Audit Costs

External audit services are provided to the PCC by Grant Thornton. The amounts paid in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to any non-audit services are shown in the following table.

2021/2022 £'000	External Audit Costs	2022/2023 £'000
	Police and Crime Commissioner:	
49	Fees for external audit services paid to Grant Thornton	32
	Chief Constable:	
20	Fees for external audit services paid to Grant Thornton	26
69		58

As part of the Government's response to the Redmond Review, the Department for Levelling Up, Housing, and Communities (DLUHC) provided a grant of £21,886 split by PCC £14,105 and CC £7,780 (2021/22 £21,873 split by PCC £14,430, CC £7,443) to assist with the anticipated rise in fees, driven by new requirements on auditors, including new burdens relating to the implementation of the Redmond Recommendations and the National Audit Office's Code of Audit Practice 2020. Fees paid by the PCC in 2022/2023 were based on the scale fee. The final fees for the audit have not yet been confirmed.

12 Council Tax

Council tax is collected by the local authorities in our area. The amounts receivable from each local authority are shown in the following table.

2021/2022 £'000	Council Tax	2022/2023 £'000
10,142	Mendip District Council	10,616
10,192	Sedgemoor District Council	10,788
13,761	Somerset West and Taunton Council	14,571
14,957	South Somerset District Council	15,627
16,300	Bath and North East Somerset Council	17,102
30,122	Bristol City Council	32,305
23,730	South Gloucestershire Council	25,005
18,967	North Somerset Council	20,155
138,171		146,169

13 Transactions with Related Organisations and People

There is a requirement to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the PCC or to be controlled or influenced by the PCC. In doing this we are required to consider the materiality from the viewpoint of both the PCC and the related party.

13.1 Key Management Personnel and Members of the Joint Audit Committee

The PCC and the OCC were asked to disclose details of any transactions between themselves or members of their immediate family with the PCC which either total over £1,000 or which might require separate explanation. No transactions were disclosed in 2022/2023 (£nil in 2021/2022).

13.2 Other Related Parties

The Home Office and the DLUHC exert significant influence on the PCC Group through legislation and grant funding.

The PCC also has a relationship with the Police Community Trust and the Avon and Somerset Constabulary Force Club. Payments were made to the Police Community Trust of £21,065 in 2022/2023 (£20,355 in 2021/2022). Payments were also made to the Avon and Somerset Constabulary Force Club in 2022/2023 of £14,641 (£7,045 in 2021/2022).

14 Joint Arrangements

The PCC participates in a number of joint arrangements, contributions to which are disclosed below

2021/2022 Expenditure £'000	Joint Operations	2022/2023 Expenditure £'000
3,153	South West Regional Organised Crime Unit	4,099
1,410	Firearms Training	1,619
587	Counter Terrorism Specialist Firearms Officers	744
5,451	Major Crime Investigation (Brunel)	5,548
7,547	South West Forensic Services	8,126
1,094	South West Region - Special Branch	0
53	Regional ACC	103
27	Disaster Victim Identification / Casualty Bureau	23
326	Other Regional Programmes	368
19,648	Total	20,630

14.1 South West Regional Organised Crime Unit (SW ROCU)

SW ROCU is a regional collaboration set up to combat serious and organised crime across the South West of England. Avon and Somerset are the lead force with a 30.7% share of net expenditure. Other partners are Devon and Cornwall (31.8%), Dorset (13.5%), Gloucestershire (12.1%) and Wiltshire (11.9%). The total net cost of the operation, after government grants and sundry income, was £13,358,978 in 2022/2023 (£10,277,501 in 2021/2022).

14.2 Firearms Training

Firearms Training is run in partnership between Avon and Somerset, Gloucestershire and Wiltshire. The split of expenditure between the forces is different for premises and non-premises related costs. The overall percentage allocation for 2022/2023 was 41.8% for Avon and Somerset, 32.7% for Gloucestershire, and 25.5% for Wiltshire. The total cost of the operation was £3,679,798 in 2022/2023 (£3,181,816 in 2021/2022).

14.3 Counter Terrorism Specialist Firearms Officers (CTSFO)

The CTSFO collaboration was set up in April 2017 to provide a resilient and rapidly available specialist firearms capability. The collaboration is between Avon and Somerset (53.6%),

Gloucestershire (23.2%) and Wiltshire (23.2%). The total cost of the operation was £1,386,930 in 2022/2023 (£1,095,186 in 2021/2022).

14.4 Major Crime Investigation (Brunel)

This is a collaboration between Avon and Somerset (64%), Gloucestershire (17%) and Wiltshire (19%) for the purposes of providing regional oversight and scrutiny of major incidents. The total cost of the service was £8,668,710 in 2022/2023 (£8,517,449 in 2021/2022).

14.5 South West Forensic Services

South West Forensic Services is a collaboration between Avon and Somerset (36.6%), Devon and Cornwall (30.5%), Dorset (18.7%) and Wiltshire (14.2%) to provide forensic services. The total cost of the operation was £22,812,481 in 2022/2023 (£21,016,000 in 2021/2022).

14.6 South West Region – Special Branch

This is a collaboration to provide Special Branch policing across the South West Region. From April 2022 this became 100% grant funded and moved to be part of Counter Terrorism Policing South West, which is wholly within Avon and Somerset Constabulary.

14.7 Regional ACC

This post was put in place from May 2016 to oversee the regional collaborations for Forensics, Special Branch, SW ROCU, and CTPSW. The costs are shared between Avon and Somerset (30.7%), Gloucestershire (11.9%), Devon and Cornwall (31.8%), Dorset (13.5%) and Wiltshire (12.1%). The total cost for the ACC was £324,764 in 2022/2023 (£172,085 in 2021/2022).

14.8 Disaster Victim Identification / Casualty Bureau

This is a collaboration between Avon and Somerset (30.7%), Gloucestershire (11.9%), Devon and Cornwall (31.8%), Dorset (13.5%) and Wiltshire (12.1%) to provide two posts to assist with officer deployment across the South West. The total cost of the operation was £75,200 in 2022/2023 (£89,300 in 2021/2022).

14.9 Other Regional Programmes

These are collaborations between Avon and Somerset, Gloucestershire, Devon and Cornwall, Dorset, and Wiltshire covering activities such as the Emergency Services Mobile Communications Programme, shared ways of working for record management systems, and regional governance and oversight of existing collaborations. The percentage split varies between projects. The total cost of all programmes was £1,182,565 in 2022/2023 (£1,063,877 in 2021/2022).

15 Rent for Operational Leases

The PCC has entered into operating leases in respect of land and buildings

2021/2022 £'000	Leased Land and Buildings	2022/2023 £'000
	The future minimum lease payments due under non-cancellable leases in future years are:	
1,012	Not later than one year	971
3,455	Later than one year and not later than five years	3,579
3,790	Later than five years	2,882
<u>8,257</u>		<u>7,432</u>

16 Pensions Costs and Liabilities – OCC

The full costs of retirement benefits earned by employees during the year are recognised through the Comprehensive Income and Expenditure statement net cost of police services as they are accrued. These costs are then reversed through the Movement in Reserves statement so that there is no impact on the general fund. It should be noted that the charge against council tax for pension benefits is based upon the cash value of employer's contributions.

2022 £'000	IAS 19 Pension Liabilities	2023 £'000
-3,931,493	Police officers	-2,611,528
-393,976	Police staff	-33,339
-4,325,469		-2,644,867

	Police Staff		Police Officers	
	2021/2022 £'000	2022/2023 £'000	2021/2022 £'000	2022/2023 £'000
Comprehensive income and expenditure statement				
Cost of services:				
Current service cost	51,604	47,203	127,680	101,916
Administration expenses	208	267	0	0
Past service cost including curtailments	127	97	0	0
Financing and investment income and expenditure:				
Net interest cost	8,809	10,007	77,872	100,980
Total post employment benefits charged to the comprehensive income and expenditure statement	60,748	57,574	205,552	202,896
Other post employment benefits charged to the comprehensive income and expenditure statement				
Return on plan assets	26,150	-22,279	0	0
Changes in demographic assumptions	0	63,726	0	0
Changes in financial assumptions	63,171	419,207	126,996	1,651,214
Experience gain/loss(-) on defined benefit obligations	-1,731	-59,708	-5,891	-224,308
Other actuarial gain/loss(-)	0	-1,131	52,029	0
Total other comprehensive income	87,590	399,815	173,134	1,426,906
Movement in reserves statement				
Reversal of net charges made for retirement benefits in accordance with the code	-60,748	-57,574	-205,552	-202,896
Actual amount charged against the general fund balance for pensions in the year				
Employer's contribution to scheme	17,416	18,396	33,459	36,422
Retirement benefits payable to pensioners	107	104	7,246	6,720

17 Pensions for Police Officers – OCC

Employee contributions levels are based on percentages of pensionable pay set nationally by the Home Office. From 1 April 2014 contributions increased and officers will pay contributions ranging from 11.00% to 15.05% depending on their pay scale and the scheme they are in. Employer contributions to the Police Officer Pension Scheme are projected at £36,422,000 in financial year 2023/2024.

Benefits payable are funded by these contributions and any difference between benefits payable and contributions receivable, except for those amounts relating to injuries received in service, is payable by the PCC Group and then reclaimed from the Home Office.

The first table below shows the amount met by the PCC Group and second shows those met by the PCC Group and then reclaimed through the top-up grant from the Government.

2021/2022 £'000	Cost of Injury and Ill-Health Benefits - Police Officers	2022/2023 £'000
7,246	Payments to pensioners	6,720

2021/2022 £'000	Pensions Account	2022/2023 £'000
102,332	Benefits paid to officers	105,793
-49,557	Less contributions received from officers	-52,884
52,775	Balance met from PCC Group	52,909

A full valuation of the pension scheme liabilities was undertaken for 31 March 2023. This work was carried out by independent actuaries who have taken account of the requirements of IAS 19 to assess the liabilities of the fund. Liabilities have been calculated by reference to police officers who are members of the fund as well as those who are already receiving pensions. The estimate of the weighted average duration of the scheme's liabilities is 18 years. Using the assumptions detailed in the tables below an estimate of the costs and liabilities associated with police officers pensions has been made.

Life Expectancy from Age 65 Years	2022/2023	2021/2022
Current pensioners		
Males	21.2	21.1
Females	23.5	23.4
Retiring in 20 years		
Males	22.5	22.4
Females	25.0	24.9

The main assumptions used for the purposes of IAS 19 are shown as yearly percentages.

2021/2022 %		2022/2023 %
2.60	Discount rate	4.80
4.30	Rate of increase in salaries	3.90
3.30	Rate of increase in pensions in payment	2.90
3.75	Change in Retail Price Index (RPI)	3.20
3.30	Change in Consumer Price Index (CPI)	2.90

The movement in the present value of scheme liabilities for the year to 31 March 2023 is as follows

2021/2022 £'000	Present Value of Police Pension Scheme Liabilities	2022/2023 £'000
-3,939,780	Present value of schemes liability as at 1 April	-3,931,493
	Movements in the year	
-127,680	Current service cost	-101,916
0	Past service cost	0
107,156	Estimated benefits paid (net of transfers in)	111,341
-14,422	Contributions by scheme participants	-15,386
-77,872	Interest costs	-100,980
126,996	Change in financial assumptions	1,651,214
0	Change in demographic assumptions	0
-5,891	Experience gain/loss on defined benefit obligations	-224,308
-3,931,493	Present value of schemes liability as at 31 March	-2,611,528

The movement in the fair value of scheme assets for the year to 31 March 2023 is as follows

2021/2022 £'000	Fair Value of Police Pensions Scheme Assets	2022/2023 £'000
0	Present value of schemes assets as at 1 April	0
	Movements in the year	
52,029	Other actuarial gain/loss(-)	52,813
40,705	Contributions by employer	36,422
14,422	Contributions by scheme participants	15,386
-107,156	Estimated benefits paid (net of transfers in)	-104,621
0	Present value of schemes assets as at 31 March	0

18 Pensions for Police Staff – OCC

Police staff can choose to join the Somerset County Council Local Government Pension Scheme, which is a defined benefit scheme based on career average salary. Government regulations define the level of funding required to meet the full cost of current and future pensions.

The total amounts paid into the fund by the PCC Group and the percentage of employees' contributions are shown below.

2021/2022		Pension Costs - Police Staff	2022/2023	
Payments £'000	Percentage of Employees' Contributions		Payments £'000	Percentage of Employees' Contributions
17,478	130-296	PCC's contribution	18,286	130-296

During 2022/2023 the Constabulary paid into the fund at rates of between 130% and 296% of the rate which employees paid, depending upon the whole time equivalent salary paid to employees. Employer contributions to the Police Staff Pension Scheme are projected at £18,286,000 in financial year 2022/2023.

Since April 2021 the Constabulary has paid 16.3% of the employee salary in pension contribution (previously 13.2%) for current active members and an annual fixed sum to pay for past service deficit recovery. The fixed sum paid in 2021/2022 was £2,340,000; the amount paid in 2022/2023 is £2,420,000.

It should be noted that the actuary has used an estimated value in respect of police staff employers pension contributions in arriving at the calculation of pension costs included in the comprehensive income and expenditure statement as disclosed in note 16.

A full valuation of the pension scheme liabilities was last undertaken as at 31 March 2019. This work has been updated for the 2022/2023 financial year by independent actuaries to the Somerset County Council pension fund, who have taken account of the requirements of IAS 19 to assess the liabilities of the fund. Liabilities have been calculated by reference to police staff who are members of the fund as well as those who are already receiving pensions. The estimate of the duration of the employer's liabilities is 26 years. Using the assumptions detailed in the tables below an estimate of the costs and liabilities associated with police staff pensions has been made.

Life Expectancy from Age 65 Years		2022/2023	2021/2022
Current pensioners			
	Males	21.4	23.1
	Females	23.2	24.7
Retiring in 20 years			
	Males	22.7	24.4
	Females	24.7	26.1

The main assumptions used for the purposes of IAS 19 are shown as yearly percentages.

2021/2022		2022/2023
%		%
2.60	Discount rate	4.80
4.15	Rate of increase in salaries	3.90
3.15	Rate of increase in pensions in payment	2.90
3.45	Change in Retail Price Index (RPI)	3.20
3.30	Change in Consumer Price Index (CPI)	2.90

The return on the pension fund assets on a bid value basis for the year to 31 March 2023 is estimated to be -1.06%. The estimated value of the PCC's share of the fund's assets is £487,693,000 on a bid value basis (2021/2022 £488,920,000).

The assets are made up of the following

2021/2022		Assets	2022/2023	
£'000	%		£'000	%
		Equities		
0	0.0	UK - Quoted	0	0.0
0	0.0	Overseas - Quoted	0	0.0
88,006	18.0	UK - Unquoted	52,671	10.8
252,381	51.6	Overseas - Unquoted	292,031	59.9
14,641	3.0	Private equity	19,057	3.9
355,028	72.6		363,758	74.6
		Gilts - Public Sector		
9,998	2.0	UK fixed interest	8,719	1.8
14,668	3.0	UK index linked	8,719	1.8
0	0.0	Overseas index linked	0	0
24,666	5.0		17,437	3.6
		Other Bonds		
33,131	6.8	UK	34,825	7.1
14,178	2.9	Overseas	15,850	3.3
47,309	9.7		50,675	10.4
39,269	8.0	Property	39,130	8.0
22,648	4.7	Cash (invested internally)	16,693	3.4
488,920	100	Total assets	487,693	100

The following amounts were measured in line with the requirements of IAS 19.

2021/2022	Police Staff Pensions	2022/2023
£'000		£'000
488,920	Share of assets in pension fund	487,693
-881,385	Estimated liabilities in pension fund	-519,921
-1,511	Estimated unfunded liabilities	-1,111
-393,976	Deficiency in fund	-33,339

The movement in the present value of schemes obligations for the year to 31 March 2023 is as follows

2021/2022 £'000	Present Value of Police Staff Liabilities	2022/2023 £'000
-881,115	Present value of defined obligations as at 1 April	-882,896
	Movements in the year	
-51,604	Current service cost	-47,203
12,390	Estimated benefits paid (net of transfers in)	15,084
-5,989	Contributions by scheme participants	-6,406
-17,998	Interest costs	-22,843
107	Unfunded pension payments	104
63,171	Change in financial assumptions	419,207
0	Change in demographic assumptions	63,726
-1,731	Experience loss(-)/gain on defined benefit obligations	-59,708
-127	Past service cost, including curtailments	-97
-882,896	Present value of defined obligations as at 31 March	-521,032

The movement in the fair value of scheme assets for the year to 31 March 2023 is as follows

2021/2022 £'000	Fair Value of Police Staff Scheme Assets	2022/2023 £'000
442,774	Fair value of scheme assets as at 1 April	488,920
	Movements in the year	
9,189	Interest on assets	12,836
26,150	Return on assets less interest	-22,279
0	Other actuarial gain/loss(-)	-1,131
-208	Administration expenses	-267
17,523	Contributions by employer	18,396
5,989	Contributions by scheme participants	6,406
-12,497	Estimated benefits paid (net of transfers in)	-15,188
488,920	Fair value of scheme assets as at 31 March	487,693

Further information in relation to the Police Staff Pension Scheme can be obtained from Peninsula Pensions, Great Moor House, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7NL.

19 Property, Plant and Equipment

Property, Plant and Equipment 2021/2022	Land and Buildings	Vehicles, Plant, Machinery and Equipment	Assets Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
As at 1 April 2021	189,161	92,619	507	0	282,287
Additions during year	655	9,195	448	0	10,298
Disposals	-204	-11,746	0	0	-11,950
Reclassification	75	86	-411	250	0
Revaluation gain/loss (-)					
Recognised in revaluation reserve	13,077	0	0	0	13,077
Recognised in surplus & deficit I&E	14	0	0	0	14
As at 31 March 2022	202,778	90,154	544	250	293,726
Depreciation and impairment					
As at 1 April 2021	-952	-78,411	0	0	-79,363
Depreciation charge	-6,319	-7,172	0	0	-13,491
Disposals	203	11,653	0	0	11,856
Reclassification	0	0	0	0	0
Revaluation gain/loss (-)					
Recognised in revaluation reserve	3,900	0	0	0	3,900
Recognised in surplus & deficit I&E	1,897	0	0	0	1,897
As at 31 March 2022	-1,271	-73,930	0	0	-75,201
Net book value					
As at 31 March 2022	201,507	16,224	544	250	218,525
As at 31 March 2021	188,209	14,208	507	0	202,924

Property, Plant and Equipment 2022/2023	Land and Buildings	Vehicles, Plant, Machinery and Equipment	Assets Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
As at 1 April 2022	202,778	90,154	544	250	293,726
Additions during year	464	8,623	76	0	9,163
Disposals	0	-1,617	0	0	-1,617
Reclassification	-3,685	0	-300	2,000	-1,985
Revaluation gain/loss (-)					
Recognised in revaluation reserve	365	0	0	27	392
Recognised in surplus & deficit I&E	1,427	0	0	0	1,427
As at 31 March 2023	201,349	97,160	320	2,277	301,106
Depreciation and impairment					
As at 1 April 2022	-1,271	-73,930	0	0	-75,201
Depreciation charge	-6,452	-7,448	0	0	-13,900
Disposals	0	1,609	0	0	1,609
Reclassification	-21	0	0	21	0
Revaluation gain/loss (-)					
Recognised in revaluation reserve	4,737	0	0	0	4,737
Recognised in surplus & deficit I&E	1,339	0	0	-21	1,318
As at 31 March 2023	-1,668	-79,769	0	0	-81,437
Net book value					
As at 31 March 2023	199,681	17,391	320	2,277	219,669
As at 31 March 2022	201,507	16,224	544	250	218,525

20 Investment Properties

2021/2022 Investment Property £'000	2022/2023 Investment Property £'000
0	0
Balance at start of the year	
Additions:	
0 Purchases	0
0 Construction	0
0 Subsequent expenditure	0
Disposals	0
0 adjustments	791
Transfers:	
0 to/from inventories	0
0 from property plant and equipment	1,985
0 As at 31 March	2,776

Nature of assets held as at 31 March 2022	Land and Buildings	Vehicles, Plant, Machinery and Equipment	Assets Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000
Owned	120,542	16,224	544	250	137,560
PFI (Note 21)	80,965	0	0	0	80,965
	201,507	16,224	544	250	218,525

Nature of assets held as at 31 March 2023	Land and Buildings	Vehicles, Plant, Machinery and Equipment	Assets Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000
Owned	119,764	17,391	320	2,277	139,752
PFI (Note 21)	79,917	0	0	0	79,917
	199,681	17,391	320	2,277	219,669

21 Finance Leases – PFI

The PCC has a contract with the Blue Light Partnership for the provision of four facilities, which were built under a Private Finance Initiative (PFI). These buildings provide custody and operational facilities over the contract life, which runs until 30 March 2039. The contract includes the provision of services including building maintenance and provides for asset lifecycle replacement.

The financial implications of this contract commit the PCC to an annual unitary charge across the 25 year life of the contract. The UK Government (Home Office) has also committed to provide £186,979,000 capital funding (known as PFI Credits) in the form of annual grants over 25 years.

The building and site assets, as provided under the contract, remain the property of the Blue Light Partnership during the period of the contract and, with the exception of the shared specialist training centre, will become PCC assets at the end of the contract. The assets are recognised on our balance sheet and are matched initially by a liability to the Blue Light Partnership. This liability will continue to be written down over the life of the contract when payments which are identified as settling the liability, the capital element of the unitary charge, are made to the operator. The specialist training centre is shared with Wiltshire and Gloucestershire police and so an adjustment has been made to reflect only our share of this asset and liability within the accounts.

The following tables show PFI assets and liabilities.

2021/2022		Total £'000	PFI Assets	2022/2023		Total £'000
PFI Buildings £'000	PFI IT Equipment £'000			PFI Buildings £'000	PFI IT Equipment £'000	
Cost or valuation						
76,507	5,384	81,891	As at 1 April	80,991	5,385	86,376
0	0	0	Additions during year	46	0	46
Revaluation gain/loss (-)						
4,256	0	4,256	Recognised in revaluation reserve	-1,106	0	-1,106
228	0	228	Recognised in surplus & deficit I&E	-3	0	-3
80,991	5,384	86,375	As at 31 March	79,928	5,385	85,313
Depreciation and impairment						
-5	-5,384	-5,389	As at 1 April	-26	-5,385	-5,411
-2,587	0	-2,587	Depreciation charge	-2,814	0	-2,814
Revaluation gain/loss (-)						
2,380	0	2,380	Recognised in revaluation reserve	2,663	0	2,663
186	0	186	Recognised in surplus & deficit I&E	166	0	166
-26	-5,384	-5,410	As at 31 March	-11	-5,385	-5,396
Net book value						
80,965	0	80,965	As at 31 March	79,917	0	79,917

2021/2022 £'000	PFI Liabilities	2022/2023 £'000
53,336	Finance Liability as at 1 April	51,570
-1,766	Liability Paid in Year	-1,877
51,570	Finance Liability at 31 March	49,693

The fair value of the PFI liability has been assessed as £62,629,658 compared to the book value of £49,693,000 as shown in the table above.

Payments made in 2021/2022 and the index-linked amounts due for the remainder of the PFI contract after adjustment for the Gloucestershire and Wiltshire share of the specialist training centre are as follows

PFI Charges	Service Charge £'000	Lifecycle Replacement Costs £'000	Interest Charge £'000	Liability £'000
Rental paid 2022/2023	2,147	493	4,166	1,877
Rentals payable in future years				
Within 1 year	2,424	1,596	3,824	1,281
Within 2-5 years	10,306	3,675	14,956	8,600
Within 6-10 years	14,376	7,144	14,205	13,645
Within 11-15 years	16,328	6,816	8,490	20,826
Within 16-20 years	3,482	1,261	813	5,341
Total	46,916	20,492	42,288	49,693

22 Debtors and Payments in Advance

These balances reflect amounts owed to the PCC and payments made in advance for goods and services at the end of the year. It is expected that amounts owed will be received within 12 months of the year end date.

PCC £'000	Total 2022 £'000	Debtors and Payments in Advance	PCC £'000	Total 2023 £'000
36,292	36,292	Trade debtors	44,231	44,231
3,546	3,546	Prepayments	14,248	14,248
17	17	Other	36	36
39,855	39,855	Balance as at 31 March	58,515	58,515

23 Cash and Cash Equivalents

2022 £'000	Cash and Cash Equivalents	2023 £'000
109	Cash in hand	106
-2,185	Bank Overdraft	-4,391
37,635	Short term deposits	32,785
35,559	Balance as at 31 March	28,500

24 Loans Still to be Repaid

Loans outstanding at the balance sheet date include amounts owing to the Public Works Loan Board (PWLB), amounts owing to other lenders under the terms of Lender Option Borrower Option (LOBO), amounts owing to lenders under the terms of a fixed term loan and amounts owing to Salix Finance Ltd in respect of finance provided for the purchase of LED lighting.

No new Salix loans were taken out this year. At 31 March 2023 £101,412.50 is outstanding. They are both interest free loans over a period of five years provided to support energy efficiency, and it is anticipated that the energy savings will offset the loan repayments.

2022 £'000	Loans to be Repaid	2023 £'000
3,647	Within one year	1,147
1,147	Between one and two years	1,147
6,859	Between two and five years	9,322
3,949	Between five and 10 years	3,549
28,707	More than 10 years	27,997
44,309	Total	43,162
	Less:	
-3,647	Transferred to short term borrowings (repayable in 2023/2024)	-1,147
40,662		42,015

25 Creditors and Receipts in Advance

These balances reflect amounts owed by the PCC and amounts received in advance. It is expected that these liabilities will be paid within 12 months of the end of the reporting period.

OCC £'000	PCC £'000	Total 2022 £'000	Creditors and Receipts in Advance	OCC £'000	PCC £'000	Total 2023 £'000
0	12,975	12,975	Trade creditors	0	15,707	15,707
0	213	213	Receipts in advance	0	369	369
11,280	13,626	24,906	Accruals	12,975	14,320	27,295
0	1,497	1,497	Other	0	2,116	2,116
11,280	28,311	39,591	Balance as at 31 March	12,975	32,512	45,487

26 Short and Long Term Provisions

Short and Long Term Provisions	Balance 1 April 2022 £'000	Reversed Unused £'000	Used in Year £'000	New in Year £'000	Balance 31 March 2023 £'000
Insurance	7,311	0	-963	1,711	8,059
Legal services	374	-221	-89	261	325
Ill-health & termination benefits - OCC	1,259	0	-1,259	126	126
Overtime liability - OCC	3,195	0	0	804	3,999
	12,139	-221	-2,311	2,902	12,509

As at 31 March 2023, the insurance provision has increased to £8,059,000, following the annual review carried out by Marsh, the insurance specialists. This provision is to meet specific known potential liabilities and anticipated future losses, based upon an actuarial valuation of the discounted insurance liabilities as at 31 March 2023 and the paid and outstanding claims position as at this date.

In previous years, this provision included the potential top up levy to Municipal Mutual Insurance Ltd's Scheme of Arrangement and the buffer for unexpected losses, however on further review it has been concluded that this element of the provision is covered within the risk assessment carried out when assessing the General Fund reserve and so has been excluded from the total of the insurance provision.

The legal services provision of £325,000 represents an estimate of the legal costs associated with the outcome of outstanding legal cases.

The following provisions have been included in the accounts of the OCC

- ✚ The ill health and termination benefits provision of £126,000 is in respect of ill health retirement payments where approval to start the process was agreed at 31 March 2023
- ✚ The overtime liability provision at 31 March 2023 is in respect of claims for overtime worked in prior years.

27 Contingent Liabilities

We have reviewed the position in respect of contingent liabilities as at 31 March 2023.

Annual assessments are carried out to manage our key risks and set the level of our reserves. As a result, the following contingent liabilities have been identified

27.1 McCloud/Sargeant

27.1.1 Impact on Police Officer pension liability

Two employment tribunal cases (McCloud/Sargeant) were brought against the Government in relation to possible discrimination in the implementation of transitional protection following the introduction of the reformed 2015 public service pension schemes from 1 April 2015. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination.

In December 2018, the Court of Appeal ruled that the transitional protection offered to some members as part of the reforms amounts to unlawful discrimination. On 27 June 2019 the Supreme

Court denied the Government's request for an appeal in the case. On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to pension benefits in response to the McCloud and Sargeant cases. The consultation closed on 11 October 2020 and the response was published on 4 February 2021 confirming the final remedy.

The remedy will apply to those members that were in active service on or prior to 31 March 2012 and on or after 1 April 2015. These members will choose which scheme they are to accrue benefits in over the remedy period (1 April 2015 to 31 March 2022). From 1 April 2022, everyone is assumed to accrue benefits in the 2015 scheme.

The scheme actuaries previously estimated the potential increase in scheme liabilities for Avon & Somerset force due to the for McCloud/Sargeant cases to be £200m of pensions scheme liabilities and this increase was reflected in the 2018/2019 accounts. In 2019/2020 scheme actuaries reviewed these assumptions at a force level and estimated a further increase of £17.2m in scheme liabilities.

The scheme actuary has updated their calculations for the final remedy, and this was reflected in the IAS19 disclosure in the 2020/2021 accounts. The impact of the final remedy was a reduction in the defined benefit obligation of approximately £19m. The actuary had previously assumed that all members who were previously in a final salary scheme would move back to that scheme. When calculating the impact of the remedy, the actuary has only included those members that were active as at 31 March 2012 and on or after 1 April 2015. The actuary has assumed that these members would choose the scheme that they could accrue the most benefits in over the remedy period based on the actuarial assumptions at the last valuation date. Given that members' final salary schemes tended to provide the higher benefit in the first place, the overall effect of the proposal is a slight reduction in the defined benefit liability.

The impact of a change in scheme liabilities arising from the McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2023/2024, although this timetable is subject to change.

The impact of a change in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a police pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the Police and Crime Commissioner in the form of a central government top-up grant.

27.1.2 Impact on Police Staff pension liability

The government has confirmed that they expect to have to make an amendment to all public service schemes as a result of the McCloud judgement. Our scheme actuaries have estimated the potential increase in scheme liabilities for Avon & Somerset force to be £5.648m. This increase was reflected in the IAS 19 disclosure as a past service cost in the 2019/2020 accounts. The scheme actuaries do not believe that there are any material differences to the staff pension liability as a result of the government's final published remedy.

27.1.3 Compensation claims

In addition to the McCloud/Sargeant remedy, claimants have lodged claims for compensation for injury to feelings. Test cases for these claims were heard by the Employment Tribunal in December 2021. Claims for financial losses for the Leigh Day have been settled by government during 2021/22 therefore the provision that was held at 31 March 2021 was released during 2021/22. However, there are a series of claims brought by the Police Federation that are still to be considered but as they are similar in nature to the Leigh Day claims a precedent may already have been set. There is a potential risk that the Police Federation claims will not be settled by Government and the extent or likelihood of any further settlement is not possible to reliably estimate, so a contingent liability has been recognised.

27.2 Other Pension cases

There are two further cases which are included in the report from our actuaries

Goodwin Case – This case relates to differences between survivor benefits payable to members with same-sex or opposite-sex survivors and has been identified in several public sector pension schemes. There is not yet a remedy in place and our actuaries have not made allowances for the impact of this within the liabilities existing at 31 March 2023 due to there being insufficient information upon which to make an accurate estimation.

O'Brien Case – This case relates to the discrimination against part-time judges in the calculation of pensions. A ruling stated that service prior to 7 April 2000 must be taken into account under the Part Time Workers Directive (PTWD) for the purpose of calculating a retirement pension. The Government have stated that those who have previously claimed under the PTWD would be entitled to further remedy in respect of service prior to 7 April 2000. A remedy has not yet been decided and there isn't sufficient data available for actuaries to make an estimate on the impact of this to our pension liabilities.

Additionally, in calculating our provisions, we have had to make assumptions which may be inaccurate, leading to potential liabilities for any under-provision.

These amounts and the timings of when these liabilities will become due are unknown.

28 Funds and Reserves

Revenue Reserves and General Fund

The general fund is split between specific earmarked reserves and the general fund as follows

Revenue Reserves 2021/2022	Balance 1 April 2021 £'000	Reserves Used in Year £'000	Transfers to Reserves in £'000	Balance 31 March 2022 £'000
Carry forwards Reserve	1,172	-1,110	708	770
Operations Reserve	1,500	0	0	1,500
Overtime liability Reserve	1,000	0	0	1,000
Buildings and sustainability Reserve	290	0	0	290
Transformation Reserve	195	0	0	195
Covid 19 Enforcement Reserve	1,326	-1,326	0	0
Budget support Reserve	1,000	-1,000	0	0
New PCC Reserve	1,000	0	0	1,000
Total discretionary reserves	7,483	-3,436	708	4,755
SW ROCU Reserve	352	-248	158	262
Proceeds of crime Reserve	938	0	148	1,086
Police Property Act Reserve	386	-16	0	370
Grants carried forward Reserve	621	-39	252	834
Hinkley Point Reserve	521	0	10	531
Road safety Reserve	1,004	-15	2	991
LRF Reserve	290	0	63	353
Victim support services Reserve	2,090	-973	2,010	3,127
Miscellaneous Reserve	149	-54	46	141
Regional programme Reserve	991	-991	290	290
Pension Fund McCloud Reserve	0	0	88	88
Total non-discretionary reserves	7,342	-2,336	3,067	8,073
Capital financing Reserve	18,859	-2,617	6,719	22,961
Earmarked capital Reserve	96	0	140	236
PFI change Reserve	457	0	0	457
Sinking fund Reserve	4,804	0	165	4,969
Total capital and PFI reserves	24,216	-2,617	7,024	28,623
Council tax income guarantee Reserve	414	0	3	417
Total earmarked reserves	39,455	-8,389	10,802	41,868
General Fund	12,000	0	0	12,000
Total General Fund Balance	51,455	-8,389	10,802	53,868

Revenue Reserves 2022/2023	Balance 1 April 2022 £'000	Reserves Used in Year £'000	Transfers to Reserves in £'000	Balance 31 March 2023 £'000
Carry forwards Reserve	770	-2,088	1,478	160
Operations Reserve	1,500	0	0	1,500
Overtime liability Reserve	1,000	0	0	1,000
Buildings and sustainability Reserve	290	0	0	290
Transformation Reserve	195	-195	0	0
General Revenue Smoothing Reserve	0	0	2,806	2,806
New PCC Reserve	1,000	-70	0	930
Total discretionary reserves	4,755	-2,353	4,284	6,686
SW ROCU Reserve	262	-2,493	2,363	132
Proceeds of crime Reserve	1,086	-268	0	818
Police Property Act Reserve	370	-195	100	275
Grants carried forward Reserve	834	-814	1,962	1,982
Hinkley Point Reserve	531	0	359	890
Road safety Reserve	991	0	332	1,323
LRF reserve Reserve	353	-377	360	336
Victim support services Reserve	3,127	-517	152	2,762
Miscellaneous Reserves	141	-99	68	110
Regional programme Reserves	290	-822	753	221
Pension Fund McCloud Reserve	88	0	0	88
Total non-discretionary reserves	8,073	-5,585	6,449	8,937
Capital financing Reserve	22,961	-3,565	1,606	21,002
Earmarked capital Reserve	236	-285	180	131
PFI change Reserve	457	0	0	457
Sinking fund Reserve	4,969	-39	169	5,099
ESMCP Reserve	0	-61	826	765
Total capital and PFI reserves	28,623	-3,950	2,781	27,454
Council tax income guarantee Reserve	417	-208	0	209
Total earmarked reserves	41,868	-12,096	13,514	43,286
General Fund	12,000	0	0	12,000
Total General Fund Balance	53,868	-12,096	13,514	55,286

The carry forward balance represents the cost of goods and services not received as at 31 March, as well as amounts set aside for specific purposes.

The Operations Reserve can be used at the chief officers' discretion to manage risk associated with the reactive nature of policing work.

The Overtime Liability Reserve is the estimate of the cost of historic overtime which is due to be paid with the introduction of new rules for the more timely payment of overtime.

The Buildings and Sustainability Reserve is held to capture any underspend in relation to our buildings repairs and maintenance budgets, so that these funds can be used in future years to

support necessary work on our estate. It is also used to support projects and initiatives which will reduce and make more efficient our use of natural resources.

The Transformation Reserve is maintained to support the cost of the change programme, this has now been utilised.

The General Revenue smoothing reserve was established as part of the 23/24 MTFP to reflect the inflationary challenges in the next financial year.

The new PCC Reserve has been established to provide funds to help support the new PCC's programme during their first year in office.

SW ROCU is a regional collaboration set up to destroy, dismantle and disrupt serious and organised crime across the South West of England. The SW ROCU reserve has been created to set aside carry forward balances for specific purposes on this collaboration.

The Proceeds of Crime Reserve is used to hold funding received as a result of our work in the seizure and confiscation of assets we believe to have been gained through criminal activities. The funding is used to support our continued work in this area.

The PCC operates a holding account for seized monies and the sale proceeds of seized and unclaimed property under the Police (Property) Regulation 1997 where the case has been concluded against the suspect. The balance on the reserve can be used for a number of specific purposes, which include the further support of the administration of evidential property within the force, as well as for charitable purposes.

The Grants Carried Forward Reserve is used to hold grants income, where it is considered that the terms and conditions of the grant have been met.

The Hinkley Point Reserve is to cover the cost of both the neighbourhood and protest policing at the site of the new Hinkley Point power station.

The Road Safety Fund is the surplus of funds received from the speed enforcement unit and will be used to support road safety initiatives.

The Local Resilience Forum (LRF) Reserve is the balance for various partners from public agencies as Avon and Somerset are the co-ordination point for this forum.

The Victim Support Services Reserve is the balance of the funding specifically received to enable victim support commissioning to be undertaken.

The Miscellaneous Reserve contains funding that has been received from various sources that is required to be used for specific purposes.

The Regional Programme Reserve has been created to set aside carry forward balances for specific regional collaboration purposes.

The Pension fund McCloud reserve has been created to hold the funding received to support the implementation of the McCloud remedy over coming years.

The Capital Financing Reserve has been created to help manage the forward funding of the capital programme to reduce the reliance on external borrowings.

The Earmarked Capital Reserve balance is held to meet the capital commitment on several ongoing schemes.

The PFI change reserve resulted from the delays in the availability of the PFI buildings, and will provide a fund to manage future one off costs as issues arise.

The Sinking Fund will be used over the life of the PFI contract to equalise the phasing of the government grant income and expenditure on the unitary charge.

The ESMCP reserve holds grants received to assist with funding the national project for airwave replacement, which has been subject to several delays.

The Tax Income Guarantee Reserve has been created to earmark compensation recognised for irrecoverable losses in council tax income. The DLUHC has confirmed that they will compensate authorities for 75% of the irrecoverable losses in council tax income in respect of 2020/2021. It

should be noted that the balance of the reserve falls outside the scope of the reserves available for service requirements and is earmarked against collection fund deficits in 2022/23 and 2023/24.

The General Fund represents the risk assessed balances held by the PCC to meet unforeseen future events.

28.2 Capital Reserves

The revaluation reserve represents the difference between the current valuation and the original cost of our assets.

The capital adjustment account provides a balancing mechanism between the different rates at which assets are depreciated and are financed.

It should be noted that the revaluation reserve and the capital adjustment account are matched by fixed assets within the balance sheet and are not resources available to the PCC.

The usable capital receipts reserve represents the amounts received from the sale of capital assets held to fund future capital purchases.

You can find the details of the movement on these reserves in the notes to the movements in reserves statement.

29 Capital Financing

2021/2022 £'000	Capital Expenditure and Financing	2022/2023 £'000
100,633	Opening capital financing requirement	97,072
	Capital investment	
10,298	Property, plant and equipment	9,163
	Sources of finance	
0	Capital receipts	-216
-304	Government grants and contributions	-84
-7,769	Revenue contributions	-5,057
-2,636	Earmarked reserves	-3,529
-3,612	Minimum revenue provision	-3,724
462	Capital creditors	-114
<u>-13,859</u>		<u>-12,724</u>
97,072	Closing capital finance requirements	93,511
	Explanation of movements in year	
-3,561	Increase/decrease(-) in underlying need to borrow	-3,561
-3,561	Increase/decrease(-) in capital financing requirement	-3,561

30 Financial Instruments

The liabilities and investments disclosed in the balance sheet are made up of the following categories of financial instruments.

30.1 Categories of Financial Instruments

Financial liabilities 2022/2023	Current			Non-current	Total
	Bank overdraft £'000	Borrowings £'000	Creditors £'000	Borrowings £'000	31st March £'000
Fair value through profit or loss	0	0	0	0	0
Amortised cost	4,391	1,147	25,258	42,015	72,938
Amortised cost -PFI liabilities	0	1,281	0	48,412	49,693
Total financial liabilities	4,391	2,428	25,258	90,427	122,631
Other liabilities not defined as financial instruments:					
Tax	0	0	7,128	0	7,128
OCC payroll accruals	0	0	13,101	0	13,101
Total	4,391	2,428	45,487	90,427	142,860

Financial liabilities 2021/2022	Current			Non-current	Total
	Bank overdraft £'000	Borrowings £'000	Creditors £'000	Borrowings £'000	31st March £'000
Fair value through profit or loss	0	0	0	0	0
Amortised cost	2,185	3,647	23,124	40,662	69,618
Amortised cost -PFI liabilities	0	1,877	0	49,693	51,570
Total financial liabilities	2,185	5,524	23,124	90,355	121,188
Other liabilities not defined as financial instruments:					
Tax	0	0	5,187	0	5,187
OCC payroll accruals	0	0	11,280	0	11,280
Total	2,185	5,524	37,860	90,355	137,655

Financial assets 2022/2023	Current			Total 31st March 2023 £'000
	Cash and cash equivalents £'000	Investments £'000	Debtors £'000	
Fair value through profit or loss	11,785	0	0	11,785
Amortised cost	21,106	22,000	42,270	85,376
Total financial assets	32,891	22,000	42,270	97,161
Other assets not defined as financial instruments:				
VAT	0	0	1,998	1,998
Payments in advance	0	0	14,248	14,248
Total	32,891	22,000	58,515	113,406

Financial assets 2021/2022	Current			Total 31st March 2022 £'000
	Cash and cash equivalents £'000	Investment s £'000	Debtors £'000	
Fair value through profit or loss	12,635	0	0	12,635
Amortised cost	25,109	23,000	32,461	80,570
Total financial assets	37,744	23,000	32,461	93,205
Other assets not defined as financial instruments:				
VAT	0	0	3,848	3,848
Payments in advance	0	0	3,546	3,546
Total	37,744	23,000	39,855	100,599

30.2 Financial Liabilities

As the financial liabilities are not held for trading, they are all initially measured at fair value and subsequently carried at their amortised cost. The fair value of the financial liabilities may therefore differ from their carrying value. The fair value of the PWLB loans has been assessed at £28,366,673 (31 March 2022 £38,758,906) compared with a book value of £31,285,912 (31 March 2022 £32,395,734). The fair value of LOBO loans has been assessed at £5,776,931 (31 March 2022 £8,490,181) compared with a book value of £5,275,000 in both years. Under the terms of these loans the lender has the option to vary the interest rate at specified points in time. These loans are detailed in the following table.

	31 March 2023		31 March 2022	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial liabilities held at amortised cost				
Borrowings - PWLB loans	31,286	28,367	32,396	38,759
Borrowings - LOBO loans	5,275	5,777	5,275	8,490
Borrowings - other	6,601	6,371	6,638	8,734
Bank Overdraft	4,391	4,391	2,185	2,185
Creditors	25,258	25,258	23,124	23,124
PFI liabilities	49,693	77,188	51,570	77,188
Total	122,504	147,352	121,188	158,480

The fair value of PWLB, LOBO, and fixed term loans has been assessed using level 2 inputs according to the fair value hierarchy. The economic effects of the terms agreed have been compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the difference in the interest the authority will pay for the remaining terms of the loans under their agreement, against what would be paid if the loans were at prevailing market rates.

The fair value of the PFI Liability has been assessed using level 2 of the fair value hierarchy, using AA-rated Corporate bond yields as at the balance sheet date to discount the future liability costs. Short term creditors are carried at cost and this is a fair approximation of their value.

Lender Option Borrower Option (LOBO)						
2022 £'000	Drawdown Date	2023 £'000	Period	Next Option Date	End Date	Interest Rate %
2,500	30/01/2008	2,500	70 yrs	30/01/2028	31/01/2078	3.99
2,775	12/02/2008	2,775	70 yrs	12/02/2025	14/02/2078	4.10
5,275	Total	5,275				

30.3 Financial Assets

The PCC's Treasury Management model is to hold assets in order to collect contractual cash flows. The contractual terms of the PCC's financial assets give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding. Therefore the financial assets are all initially measured at fair value and carried at amortised cost.

The carrying value of the financial assets may differ from their fair value. Whereas the carrying amount for investments and cash equivalents is the outstanding principal, the fair value is calculated by applying the appropriate discount rate to derive the present value of expected future cash flows.

	31 March 2023		31 March 2022	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial assets held at amortised cost				
Cash and cash equivalents	18,106	21,218	25,109	25,109
Investments - Short term	22,000	19,074	23,000	22,900
Debtors	42,270	42,270	32,461	32,461
Total	82,376	82,562	80,570	80,470
Financial assets held at Fair Value				
Cash and cash equivalents	14,785	14,541	12,635	12,970
Total	14,785	14,541	12,635	12,970

At 31 March 2023 the fair value is assessed as level 1 for cash and cash equivalents held at amortised cost and fair value at £33,002,640, and short term investments at £21,830,268. This compares with a book value of £32,891,000 for cash and equivalents and a book value of £22,000,000 for short term investments. Short term debtors are carried at cost and this is a fair approximation of their value.

30.4 Income, Expense, Gains and Losses

The gains and losses recognised in the comprehensive income and expenditure statement in relation to financial instruments are made up as follows

	Financial Liabilities		Financial Assets	
	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000
Interest payable and similar charges (excluding PFI)	1,631	1,547	0	0
Interest and investment income	0	0	154	1,516

30.5 Risks Arising from Financial Instruments

The nature and extent of risks arising from financial instruments can be classified under the following headings

- ✚ **Credit risk** - the possibility that other parties may fail to pay amounts due to the PCC.
- ✚ **Liquidity risk** - the possibility that the PCC might not have funds available to meet its commitments to make payments.
- ✚ **Market risk** - the possibility that financial loss might arise for the PCC as a result of changes in measures such as interest rates and stock market movements.

30.6 Credit Risk

Credit risk arises from deposits with banks and financial institutions as well as credit exposures to customers.

Treasury management services are provided by Somerset County Council. Any surplus cash is invested temporarily by the PCC's treasury management providers with specified financial institutions, money market funds, or other Government or public sector bodies. In order to ensure the PCC's risk exposure is minimised, credit ratings are monitored on an ongoing basis, and individual counterparty ratings are verified on the day of investment. As directed by the revised CIPFA Treasury Management Code, account is taken using ratings issued by three main rating agencies, Fitch, Moody's, and Standard & Poor's. Decisions are taken based on the lowest of these ratings. It should also be noted that a range of additional indicators are used to assess counterparty credit worthiness including for example credit default swaps, Government guarantees and support, and share price. All investments are held in sterling deposits and are rated as per the lending Counterparty Criteria approved each year by the PCC.

At 31 March 2023 investments can be analysed as follows

Credit Rating	31 March 2022 £'000	Default %		Credit Rating	31 March 2023 £'000	Default %
AAA	9,635	0.11	Deposits with Money Market Funds	AAA	11,785	0.11
AA-	23,000	0.08	Deposits with local authorities	AA-	31,000	0.08
AA-	7,000	0.05	Deposits with UK banks	A	0	0.05
A	7,000	0.05	Deposits with UK banks	A+	5,000	0.05
AA-	4,000	0.03	Deposits with Overseas banks	AA-	4,000	0.03
-	7,000	0.05	Deposits with Overseas banks	A+	0	0.05
N/A	3,000	N/A	CCLA property fund	N/A	3,000	N/A
	60,635		Total		54,785	

Debtors, classified at amortised cost, are due within one year with no interest being payable. As such the fair value of these receivables is the same as the original invoice amount. They include £14,950,294 pension fund account debtor with the Home Office (2021/2022 £9,486,190).

The PCC does not generally allow credit for customers. With the exception of those debts where recovery is certain the PCC will put through bad debt provision for all debtors greater than 6 months old and 10% of those debtors between three and 6 months. At 31 March 2023 the total value of these provisions was £156,811 (31 March 2022 £172,190). The remaining value of debtors less these provisions can be analysed as follows

31 March 2022 £'000	Unimpaired Debtors	31 March 2023 £'000
1,943	Less than three months	1,467
3	Over three months	51
1,946		1,518

30.7 Liquidity Risk

The PCC has a comprehensive cash flow management process managed on our behalf by Somerset County Council that seeks to ensure that cash is available as needed. At 31 March 2023 the PCC had £14,785,000 (31 March 2022 £12,635,000) in call accounts and money market funds available to manage short term liquidity requirements. The PCC had a further £48,000,000 invested for a period of up to one year from the balance sheet date (31 March 2022 £48,000,000).

30.8 Market Risk

30.8.1 Interest Rate Risk

The PCC is exposed to risk in terms of interest rate movements on investments. A 0.5% change in interest rates could increase or reduce investment income by £258,925 based on the current level of investments.

All borrowing is currently at fixed rates and there is therefore no interest rate exposure. In respect of the LOBO loans taken in 2008 there are no step changes in interest specified in the loan agreements and therefore no adjustment to the carrying value of the loans is required.

30.8.2 Price Risk

The PCC does not invest in equity shares other than in the Police Staff Pension Scheme (note 17). This means that the PCC has no exposure to price risk outside of the Local Government Pension Scheme.

30.8.3 Foreign Exchange Risk

The PCC has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to losses arising from movements in exchange rates.

Police & Crime Commissioner for Avon & Somerset

Avon & Somerset Police Officers Pension Fund Account Statements

This fund includes the income and expenditure in respect of police officers pensions which has been accounted for on an accruals basis. At the end of the financial year if the expenditure on the pension benefits is greater than the contributions received during the year, the PCC makes a payment to the pension fund and the Home Office pays a top-up grant for this liability to the PCC. The income received and expenditure paid to the pension fund is shown within the comprehensive income and expenditure statement, showing the net figure as nil. It should be noted that this statement does not take account of liabilities to pay pensions and other benefits after the year end. This note provides a more detailed breakdown of the figures shown in note 17 of the accounts.

2021/2022 £'000	Police Officers Pension Fund Account	2022/2023 £'000
	Contributions receivable	
	Employers contributions:	
-33,459	Normal 31% contributions	-35,930
-811	Ill health/early retirements	-925
-34,270		-36,855
	Employee contributions	
-881	1987 Police Pension Scheme	-11
-40	2006 Police Pension Scheme	-1
-13,501	CARE Police Pension Scheme	-15,374
-14,422		-15,386
-864	Transfers in from other schemes	-643
	Benefits payable	
85,395	Pensions	89,100
15,779	Commutations and lump sum retirement benefits	15,893
101,174		104,993
	Payments to and on account of leavers	
139	Refund of contributions	170
1	Transfers out to other schemes	101
1,017	Other	529
1,157		800
52,775	Net amount payable for the year	52,909
0	Additional contribution from the local policing body	0
-52,775	Transfer from Police Fund to meet deficit	-52,909
0	Net amount payable/receivable for the year	0

This note shows the pension fund account assets and liabilities as at 31 March 2023.

31 March 2022 £'000	Pension Fund Net Assets	31 March 2023 £'000
	Current assets	
0	Amounts due from Central Government	0
	Current liabilities	
0	Amounts owing to pensioners	0
<hr/>		<hr/>
0	Net assets	0
<hr/>		<hr/>

Glossary of Terms

Term	Definition
ACC	Assistant Chief Constable
Accounting policies	These are a set of rules and codes of practice we use when preparing the accounts.
APCC	The Association of Police and Crime Commissioners
APACCE	Association of Policing and Crime Chief Executives
Balance sheet	This represents our overall financial position as at 31 March.
Capital programme	This is a list of projects for buying or improving fixed assets.
Cash flow statement	Summarises the income and outgoings of cash during the financial year.
CCLA Property Fund	Churches, Charities and Local Authorities property fund. Manages investments for charities, religious authorities and the public sector.
CFO	Chief Finance Officer
CIES	Comprehensive Income and Expenditure
CIPFA	Chartered Institute of Public Finance and Accountancy
CMB	Constabulary Management Board
Collection fund adjustment account	Difference between council tax cash received and the amount shown in the comprehensive income and expenditure statement.
Comprehensive income and expenditure statement	Summarises the income and expenditure during the financial year.
Contingent liabilities	A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
CoPaCC	Compares Police and Crime Commissioners
Creditors	Amounts which are owed to others.
CSP	Community Safety Partnerships
CTSFO	Counter Terrorism Specialist Firearms Officers
Current assets and liabilities	Assets or liabilities which can be turned into cash or fall due within one year of the balance sheet date.
Current service cost	The value of projected retirement benefits earned by pension scheme members in the current financial year.
Debtors	Amounts which are due from others.
Depreciation	An amount set aside to pay for the gradual loss in value of our assets.
DLUHC	The Department for Levelling Up, Housing, and Communities, formerly the Ministry of Housing, Communities and Local Government.
ERP	Enterprise Resource Planning
Expenditure and funding analysis	This shows the performance reported and the adjustments made to reconcile to the comprehensive income and expenditure statement.
Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Term	Definition
Financial instruments	Contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
Financial year	Refers to the period covered by the accounts and runs from 1 April to 31 March.
Fixed assets	These are items such as land, buildings, vehicles and major items of equipment, which give benefit to us for more than one year.
FRS	Financial Reporting Standards. Standards of accounting practice to be adopted to ensure that accounts provide a true and fair view.
GAAP	Generally Accepted Accounting Principles. These refer to the standard framework of guidelines for financial accounting used in any given jurisdiction and generally known as accounting standards.
GSB	Governance and Scrutiny Board
GSC	Government Security Classification
Historical costs	These are the amounts paid at the time we bought the assets.
HMICFRS	Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services
HMICFRS PEEL	The HMICFRS PEEL assessment stands for Police Effectiveness, Efficiency and Legitimacy.
IAS	International Accounting Standard. An international accounting standard to help harmonise company financial information across international borders. Subsequently superseded by International Financial Reporting Standards (IFRS).
ICT	Information, Communications and Technology
IFRS	International Financial Reporting Standards. A set of international accounting and reporting standards that will help to harmonise company financial information across international borders.
Intangible fixed assets	Assets that are not physical such as software licences.
IOPC	Independent Office for Police Conduct
IPM	Independent Panel Member
IVC	Independent Custody Visitor
I&E	Income & Expenditure Account
JAC	Joint Audit Committee
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LQC	Legally Qualified Chair
LRF Reserve	Local Resilience Forum reserve
LOBO loans	Lender Option Borrower Option loans are where the interest payable is agreed at the time the money is borrowed. If the lender wants to change the interest rate the borrower has the choice to pay at the new rate or repay the loan.
Minimum revenue provision	This is the lowest amount allowed by the Government which has to be charged to the accounts for repaying loans.
Movement in reserves statement	Summarises the movement in the reserves of the PCC during the financial year.
MTFP	Medium Term Financial Plan
OCC	Office of the Chief Constable

Term	Definition
OPCC	Office of Police and Crime Commissioner. Staff employed by the Police and Crime Commissioner.
PAB	
PACCTS	Police and Crime Commissioners Treasurer's Society
PCC	Police Crime and Commissioner for Avon and Somerset
PCC Group	The term PCC Group refers to the Police and Crime Commissioner (PCC) for Avon and Somerset and the office of the Chief Constable (OCC).
PCSO	Police community support officer
PFI	Private Finance Initiative
Police pension top-up grant	The PCC operates a Pension Fund, which is balanced to nil at the end of the year. The PCC receives a top-up grant from the Home Office equal to this deficit to balance the fund.
Police revenue grant	The revenue grant is provided by the Home Office as part of the funding required by the PCC to finance a budget in line with the Government's assessment. The balance of funding is from business rates, revenue support grant and council tax.
Precept	The amount of council tax collected on the PCC's behalf by local billing authorities.
Prepayment	A payment in advance for goods or services.
Provision	This is the money we keep to pay for known future costs.
PWLB	This is the Public Works Loan Board, which is an organisation financed by the Government. It lends money to PCC's on set terms so that they can buy capital items.
Receipt in advance	Income received in advance of the financial year in which the services will be provided.
Revaluation reserve	This account represents the increase in value of our assets since 1 April 2007 over the amount originally paid for them.
Seconded officers	These are police officers and staff who, for agreed periods, temporarily work for other organisations. Their salaries and expenses are shown as expenditure and the money the organisation pays us for their placements is shown as income.
SOLACE	Society of Local Authority Chief Executives
SR21	Spending review 2021
SW ROCU	South West Regional Organised Crime Unit
SWAP	South West Audit Partnership
SWPPS	South West Police Procurement Service
TOR	Terms of reference
VRU	Violence reduction units

Avon and Somerset Police Audit Progress Report and Sector Update

Year ending 31 March 2023

June 2023



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Key Grant Thornton team members



Jackson Murray

Engagement Lead

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Jackson will have ultimate responsibility for the delivery of your audit service. Specifics of the role include:

- leading our relationship with the Police and Crime Commissioner and Chief Constable, ensuring you have access to Grant Thornton's full service offering;
- being a key contact for the Chief Finance Officers and the Joint Audit Committee (JAC) meeting frequently with key members of management;
- taking overall responsibility for delivering high quality audits which meet professional standards;
- agreeing with you the annual joint audit plan, and a timetable for delivering the work;
- reviewing the audit file, giving particular focus to any key areas of risk or critical judgements exercised during the audits;
- reviewing and signing off all audit reports;
- attending JAC to discuss key issues arising from our work and any recommendations;
- acting as a 'sounding board' on key decisions relevant to our responsibilities as your auditors; and
- sharing good practice identified at other organisations.



Gail Turner-Radcliffe

Senior Manager

T 0292 034 7549

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Gail will ensure that all work allocated is carried out on a timely basis in accordance with the firm's professional standards and to the satisfaction of clients and engagement lead.

As the key contact Gail will be responsible for building and maintaining good working relationships with all colleagues and clients.

To support delivery of the testing strategy she will:

- assist the engagement lead in establishing audit objectives and overall scope;
- ensure key matters which arise during the audits which were not identified at the planning stage are properly assessed and dealt with;
- review the work of in-charge auditor and the wider fieldwork team;
- finalise our draft reports to management;
- manage, motivate and coach team members; and
- control the audits in relation to timescales, budgets and risk management procedures.



Vanilla Shi

Audit In-Charge

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Vanilla will work as part of the team, leading the on site audit team, providing a service which meets or exceeds client expectations and supports the engagement lead / manager team. Specifics of the role include:

- taking an active part in the audit planning discussions to identify audit risks and appropriate audit strategy;
- communicating any issues relating to the audit with the engagement manager or engagement lead;
- overseeing all aspects of audit fieldwork and completion;
- addressing and discussing queries in respect of technical and audit issues identified during the course of the audit;
- maintaining good working relationships with client staff; and
- delegating work to other members of the audit team, ensuring they understand their responsibilities and have received appropriate on-the-job training / coaching.

Introduction & headlines

This paper provides the Joint Audit Committee with a report on progress in delivering our responsibilities as your external auditors

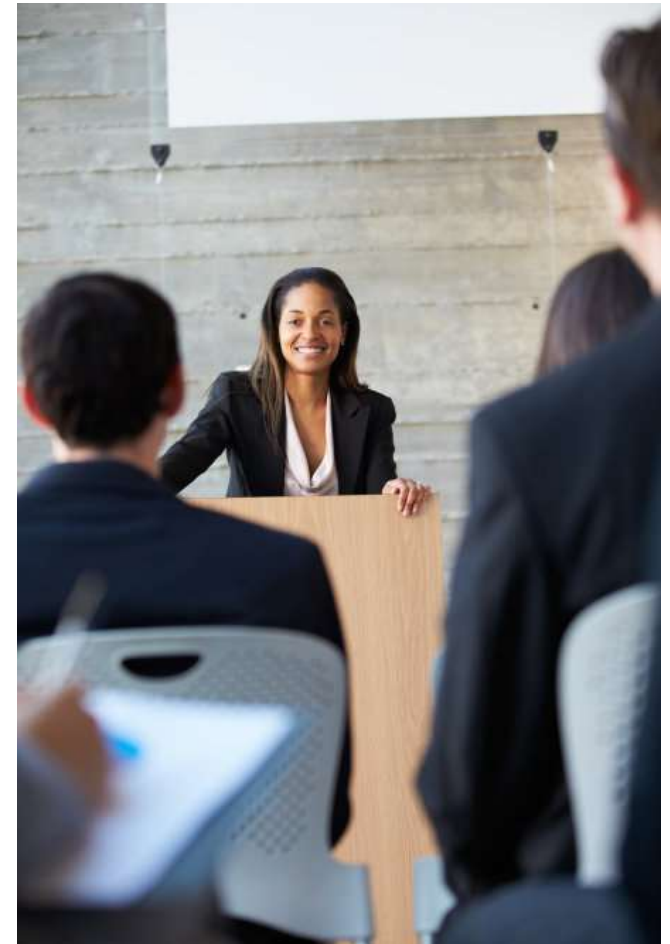
The paper also includes a summary of emerging national issues and developments that may be relevant to you.

Members of the Joint Audit Committee can find further useful material on our website where we have a section dedicated to our work in the public sector. Here you can download copies of our publications.

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

We continue to bring specialists to our update conversations where appropriate to share any learning from our position as a leading audit supplier to the police sector.

You will also have access to our annual Chief Accountant Workshops and any other networking opportunities we create for the various stakeholders.



The auditor's statutory responsibilities

Opinion on the audited body's financial statements

Our work enables us to give an opinion as to whether the financial statements:

- give a true and fair view of the financial position of the audited body and its expenditure and income; and
- have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards and other directions.

Our planning will document our understanding of your key risks, your control environment and inform our testing strategy. This will continue until we begin our final accounts testing.

Since we last reported we have:

- continued to have regular discussions with management discussing issues identified in previous audits, and emerging themes which are expected to impact on the current audits;
- reviewed meeting papers and the latest financial and operational performance reports ensuring we understand your current challenges; and
- considered any reports from regulators regarding your operational effectiveness.

Our joint Audit Plan, setting out the approach we intend to take for our audit, is a separate item on the Committee's agenda.

Work on value-for-money arrangements

Under the 2020 Audit Code of Practice, we are required to undertake sufficient work to satisfy ourselves that the Police and Crime Commissioner and Chief Constable "has made proper arrangements for securing economy, efficiency and effectiveness in their use of resources."

Our initial risk assessment will build on our understanding of your arrangements, taking into account any findings from previous work on value for money. We report against the following criteria:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

At the planning stage, we have not identified any risks of significant weakness. We will keep our risk assessment under continuous review. Where appropriate, we will update our risk assessment to reflect emerging risks or findings and report this to you. Our final commentary in the Auditors' Annual Report will include:

- a summary of our findings on any risks identified during our work;
- our judgements on the adequacy of the Police and Crime Commissioner and Chief Constable's arrangements for each of the three reporting criteria, as set out above;
- any recommendations made to management as a result of our work; and
- a follow up of progress against any recommendations raised in previous audits.

The auditor's statutory responsibilities

Other responsibilities

We are required to give an opinion on whether:

- other information published together with the financial statements is consistent with the financial statements.

We are also required to:

- consider whether the Annual Governance Statements comply with relevant disclosure requirements and whether they are consistent with the information we are aware of from our audit; and
- examine and report on the consistency of 'Whole of Government Accounts' consolidation schedules with the financial statements.

We will complete this work as part of our financial statements visit.

Other statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audits.

Our work to date has not required us to report any such matters to you.

Added value

Grant Thornton has a large Public Sector practice and is a key supplier to the market. As a valued audit client, you will receive:

- the opportunity to access support from experienced technical colleagues. This means you will be at the forefront of accounting developments. Through this relationship we also ensure that communication works both ways and feed issues back from our clients;
- insight from our regular meetings within the sector where we discuss emerging developments. We will also raise any areas of concern that you have over policy, procedure, or regulation with your regulators; and
- technical and sector updates for the Joint Audit Committee.



2022/23 deliverables

2022/23 Deliverables	Planned Date	Status
<p>Accounts Joint Audit Plan</p> <p>We are required to issue a detailed accounts joint audit plan to the Joint Audit Committee setting out our proposed approach in order to give our opinions on the 2022/23 financial statements.</p>	June 2023	On Committee's agenda
<p>Joint Audit Findings (ISA260) Report</p> <p>We currently plan to report the Joint Audit Findings Report at the December Joint Audit Committee meeting.</p>	December 2023	Not due yet
<p>Auditors Reports</p> <p>These are the opinions on your financial statements and annual governance statements.</p>	December 2023	Not due yet
<p>Auditor's Annual Report</p> <p>The key output from local audit work on arrangements to secure VFM is an annual commentary on arrangements, which will be published as part of the Auditor's Annual Report (AAR). We currently propose that a draft of the AAR will be taken to the December Joint Audit Committee.</p>	December 2023	Not due yet

Final audit fees – detailed analysis 2021/22

	Proposed at planning (total)	Proposed final (PCC)	Proposed final (CC)	Proposed final (total)
Scale fee published by PSAA	£45,430	£30,992	£14,438	£45,430
Raising the bar/regulatory factors	£3,125	£2,000	£1,125	£3,125
Enhanced audit procedures for Property, Plant and Equipment	£688	£688	£0	£688
Enhanced audit procedures for Pensions	£688	-£1,500*	£2,188*	£688
New standards and developments	£4,600	£2,580	£2,020	£4,600
Additional work on Value for Money (VfM) under new NAO Code	£10,000	£7,000	£3,000	£10,000
Additional procedures on journals and system reports due to IT control deficiencies (estimate at planning)	£5,000	£5,000	£0	£5,000
Auditors expert for challenge of property valuations (estimate at planning)	£2,500	£6,350	£0	£6,350
Sub-total (excluding VAT)	£72,031	£53,110	£22,771	£75,881
Uplift for remote working (if required)	£5,000	£0	£0	£0
Total audit fees (excluding VAT)	£77,031	£53,110	£22,771	£75,881

*Technical adjustment between PCC and CC per PSAA, net figure remains as planned

Sector Update

Policing services are rapidly changing. Increased demand from the public and more complex crimes require a continuing drive to achieve greater efficiency in the delivery of police services. Public expectations of the service continue to rise in the wake of recent high-profile incidents, and there is an increased drive for greater collaboration between Forces and wider blue-light services.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider Police service and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from sector specialists**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and police sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font, centered within the button.

Public Sector

A dark purple rectangular button with the text "Police" in white, sans-serif font, centered within the button.

Police

Home Office



New inspectors of police and fire service appointed

Home Secretary Suella Braverman has announced the appointments of Lee Freeman KPM and Michelle Skeer QPM as new inspectors of police and fire and rescue services. They will both take up the dual roles of His Majesty's Inspector of Constabulary in England and Wales and Inspector of Fire and Rescue in England.

Since May 2017, Mr Freeman has been Chief Constable of Humberside Police. In January 2019, he was asked to support Cleveland Police as interim Chief Constable during a period of crisis. He also served as a police officer at Lincolnshire Police between February 2010 and April 2015, reaching the rank of Assistant Chief Constable. Mr Freeman was awarded the King's Police Medal in 2023.

Since March 2018, Mrs Skeer has been Chief Constable of Cumbria Constabulary, having joined the force in 1990. She performed a variety of operational roles before moving to the criminal investigation department where she held roles at every rank and led on both public protection and serious crime operations. Mrs Skeer was awarded the Queen's Police Medal in 2017.

The full article can be found [here](#).

Home Office



Operation Uplift

There are more police officers in England and Wales than ever before, new figures published by the government claim.

The government has delivered on its 2019 manifesto commitment to recruit 20,000 additional police officers by March 2023. This brings the total number to nearly 150,000 officers, more than 3,500 higher than the previous peak in 2010.

Police forces are now more representative of the diverse communities they serve, with over 53,000 female officers (35.5%) and over 12,000 (8.3%) from an ethnic minority background – both also at record highs. Whilst there is more progress to be made, the Police Uplift Programme has seen a 43% increase in the number of ethnic minority officers in England and Wales since the start of the recruitment drive.

This landmark recruitment drive is a core part of this government's commitment to drive down crime. Progress is being made, with crime falling in England and Wales by 50% since 2010, excluding fraud and computer misuse. Since March 2020 theft has reduced by 20%, homicides and knife crime by 8% and domestic burglary by 30%.

But the government also recognises that more must more progress must be made. The Home Office recently announced changes to crime recording, reducing paperwork burdens that the NPCC estimate could free up a potential 443,000 hours of police time a year. The Home Office are also working with partners to make sure police only attend mental health incidents they need to, such as where there is a risk of serious harm or criminality, so time and resources are focused on policing.

The full article can be found [here](#).

HMICFRS

Value for Money profiles 2022

HMICFRS has published the latest Value for Money profiles, which provide comparative data on a wide range of policing activities for each police force in England and Wales. Value for Money profiles help forces make better decisions by identifying areas where improvements can be made in cost and performance.

The VfM profiles include data provided by police services from 2012/13 to 2021/22. Data is presented as a series of interactive charts and graphs, allowing users to explore and tailor reports to their own interests.

The profiles can be accessed [here](#).



Delayed publication of audited local authority accounts

In December 2022 there were over 600 local audit opinions outstanding. This means that many stakeholders can't rely on audited accounts to inform decision making – a significant risk for governance and control.

Local authority accounts are becoming increasingly complex as accounting standards evolve and local authorities enter more and more innovative financing arrangements and income generation projects. A significant challenge in managing local audits is the differing needs of various stakeholders. The local government sector, central government and regulators need to agree on the purpose of local audit and find a consensus on improving efficiency in publishing accounts. Grant Thornton has produced a report that explore the reasons for delayed publication of audited local authority accounts.

Table 1 below illustrates the declining performance against the target date for publication of audited accounts in recent years.

Table 1 Audited accounts published by target date over the last six years

Financial year	Deadline for publication of unaudited accounts	Target date for publication of audited accounts	% audited accounts published by target date (all firms average)	% audited accounts published by target date (Grant Thornton audits)
2016/17	30 June 2017	30 September 2017	95	97
2017/18	31 May 2018	31 July 2018	87	91
2018/19	31 May 2019	31 July 2019	58	65
2019/20	1 September 2020	30 November 2020	45	54
2020/21	1 August 2021	30 September 2021	9	12
2021/22	1 August 2022	30 November 2022	12	20

About time?

Exploring the reasons for delayed publication of audited local authority accounts

March 2023



Delayed publication of audited local authority accounts

What more can be done?

All key stakeholders in the local audit system will need to continue their efforts to secure improvement and a return to high levels of compliance with timely publication of audited accounts. The report explores several of the causes of delay and steps which might be taken to reduce the incidence of delays.

These steps relate to systems leadership, holding both authorities and auditors to account for their performance, a continued focus on the quality of accounts preparation and audit, and the effective engagement between auditors and audited bodies.

The report makes 20 recommendations for improving timeliness in publishing audited accounts.

The report also sets out a checklist which management and the audit committee should consider. The report recommends DLUHC, CIPFA or the FRC set out expectations for the system as a whole.

[Click here for full report](#)

About time?

Exploring the reasons for delayed publication of audited local authority accounts

March 2023





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Avon and Somerset Police Joint Audit Plan

Year ending 31 March 2023

Police and Crime Commissioner and Chief
Constable for Avon and Somerset

June 2023



Contents



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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Police and Crime Commissioner and Chief Constable or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Key matters



National context

For the general population, rising inflation, in particular for critical commodities such as energy, food and fuel, is pushing many households into poverty and financial hardship, including those in employment. At a national government level, recent political changes have seen an emphasis on controls on spending, which in turn is placing pressure on public services to manage within limited budgets.

The spiralling cost of living could make things even more challenging and jeopardising progress made in tackling violent crime. Funding continues to be stretched with increasing cost pressures due to the cost of living crisis, increasing pay demands, higher agency costs and increases in supplies and services.

Our recent value for money work has highlighted a number of governance and financial stability issues at a national level, which is a further indication of the mounting pressure on audited bodies to keep delivering services, whilst also managing transformation and making savings at the same time. In planning our audit, we will take account of this context in designing a local audit programme which is tailored to your risks and circumstances.

Audit Reporting Delays

In a report published in January 2023 the NAO have highlighted that since 2017/18 there has been a significant decline in the number of local government body accounts including an audit opinion published by the deadlines set by government. The NAO outline a number of reasons for this and proposed actions. In our view, it is critical to early sign off that draft local authority accounts are prepared to a high standard and supported by strong working papers.

New financial ledger

A new financial ledger system is planned for implementation in 2024. Whilst this does not directly impact our audit of the financial statements for 2022/23, which will be produced using the current ledger system, we have discussed the impact that critical project implementation tasks and milestones could have on finance colleagues' availability. We will continue to work with management to understand their system implementation plan and what this means for the delivery of our audit.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audits of both the Police and Crime Commissioner for Avon and Somerset ('the PCC') and the Chief Constable for Avon and Somerset ('the Chief Constable') for those charged with governance. Those charged with governance are the PCC and the Chief Constable.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the PCC and the Chief Constable. We draw your attention to both of these documents.



Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the PCC, Chief Constable and group's financial statements that have been prepared by management with the oversight of those charged with governance (the PCC and the Chief Constable); and we consider whether there are sufficient arrangements in place at each body for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the PCC and the Chief Constable of your responsibilities. It is the responsibility of the PCC and the Chief Constable to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the PCC and the Chief Constable are fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the PCC and the Chief Constable's business and is risk based.

Introduction and headlines

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of controls (presumed risk under ISA 240);
- Valuation of land and buildings; and
- Valuation of net defined benefit pension liability.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £9.4m (PY £8.2m) for the group, the PCC and the Chief Constable, which equates to approximately 1.5% of the Chief Constable's prior year gross expenditure.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.47m (PY £0.41m).

Group Audit

The PCC is required to prepare group financial statements that consolidate the financial information of the Chief Constable. This is done via a disaggregation process from the group position rather than a traditional consolidation exercise.

New Auditing Standards

There are two auditing standards which have been significantly updated this year. These are ISA 315 (Identifying and assessing the risks of material misstatement) and ISA 240 (the auditor's responsibilities relating to fraud in an audit of financial statements). We provide more detail on the work required later in this plan.

Audit logistics

Our initial planning work began in March 2023 and our final visit is currently planned to take place from September. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report.

Our proposed fee for the audit will be £53,730 (PY: £53,110) for the PCC and £24,101 (PY: £22,771) for the Chief Constable, subject to the bodies delivering a good set of financial statements and working papers. We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has not identified any risks of significant weakness. We will continue to update our risk assessment until we issue our Auditor's Annual Report.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue and expenditure cycles include fraudulent transactions (rebutted)	Group, PCC and Chief Constable	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>In addition, Public Audit Forum Practice Note 10 states that auditors must also consider the risk that material misstatements in financial reporting may arise due to manipulation of expenditure recognition (for instance by deferring expenditure to a later period).</p> <p>As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue and expenditure streams of the PCC and the Chief Constable, we have determined that the risk of fraud arising from revenue and expenditure recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue or expenditure recognition; • opportunities to manipulate revenue and expenditure recognition are very limited; and • the culture and ethical frameworks of public sector bodies, including the PCC, Chief Constable and Group, means that all forms of fraud are seen as unacceptable. <p>Therefore, we do not consider the risk of fraudulent revenue or expenditure recognition to be a significant risk for the PCC, Chief Constable or Group.</p>

'Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty.' (ISA (UK) 315)

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Group, PCC and Chief Constable	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of land and buildings	Group and PCC	<p>The PCC (and group) revalue land and buildings on an annual basis to ensure that the carrying value is not materially different from their current value (or fair value for surplus assets) at the financial statements date, via full valuations or on a desktop basis. Management's internal valuation expert issued the valuations for 2022/23 following a desktop review.</p> <p>Land and building valuations represent a significant estimate by management in the financial statements due to the size of the numbers involved (£201.5m at 31 March 2022) and the sensitivity of the estimates to changes in key assumptions.</p> <p>We therefore identified valuation of land and buildings as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation expert and the scope of their work; • evaluate the competence, capabilities and objectivity of the valuation expert; • discuss with the valuer the basis on which the valuations were carried out to ensure that the requirements of the CIPFA Code are met; • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • engage our own valuer to assess the instructions to the PCC's valuer, the valuer's report and the assumptions that underpin the valuation; • test, on a sample basis, revaluations made during the year to ensure they have been input correctly into the PCC (and group's) asset register; and • evaluate the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of net defined benefit liability (LGPS and Police Pension Schemes)	Group and CC	<p>The Group's net defined benefit pension liability as reflected in its balance sheet represents a significant estimate in the financial statements.</p> <p>It is considered significant estimates due to the size of the numbers involved (£4.3bn at 31 March 2022) and the sensitivity of the estimate to changes in key assumptions.</p> <p>The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.</p> <p>The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.</p> <p>The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 net liability. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimates due to the assumptions used in their calculation.</p> <p>With regard to these assumptions we have therefore identified valuation of the Group's pension fund net liability as a significant risk. This covers both the Local Government Pension Scheme (LGPS) and Police Pension Schemes.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the group's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their expert (Barnett Waddingham "the actuary") for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the group's pension fund valuation; • assess the accuracy and completeness of the information provided by the group to the actuary to estimate the liability; • test the consistency of the pension fund asset (LGPS only) and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • obtain assurances from the auditor of Somerset Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements for the LGPS only.

Group audit scope and risk assessment

Component	Individually Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
Police and Crime Commissioner for Avon and Somerset	Yes	Audit of the financial information of the component using component materiality	See pages 6 to 9	Full scope audit performed by Grant Thornton UK LLP
Chief Constable for Avon and Somerset	Yes	Audit of the financial information of the component using component materiality	See pages 6 to 9	Full scope audit performed by Grant Thornton UK LLP

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Reports and Annual Governance Statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the PCC and the Chief Constable.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statements are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your 2022/23 financial statements, consider and decide upon any objections received in relation to the 2022/23 financial statements;
 - issuing a report in the public interest or written recommendations to the PCC or the Chief Constable under section 24 of the Local Audit and Accountability Act 2014 (the Act);
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act; and
 - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audits.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
1	<p>Determination</p> <p>We have determined financial statement materiality based on a proportion of the gross expenditure of the group, the PCC and the Chief Constable for the financial year. In the prior year we used the same benchmark. For our audit testing purposes we apply the lowest of these calculations, which is £9.4m (PY £8.2m), which equates to approximately 1.5% of the Chief Constable's prior year gross expenditure.</p>	<p>We determine planning materiality in order to:</p> <ul style="list-style-type: none"> • establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; • assist in establishing the scope of our audit engagement and audit tests; • determine sample sizes; and • assist in evaluating the effect of known and likely misstatements in the financial statements.
2	<p>Other factors</p> <p>An item does not necessarily have to be large to be considered to have a material effect on the financial statements.</p>	<p>An item may be considered to be material by nature where it may affect instances when greater precision is required.</p> <p>We have identified senior officer remuneration as a balance where we will apply a lower materiality level, as these are considered sensitive disclosures. We have set a materiality of £17k.</p>
3	<p>Reassessment of materiality</p> <p>Our assessment of materiality is kept under review throughout the audit process.</p>	<p>We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.</p>

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
4	<p data-bbox="257 651 1008 726">Other communications relating to materiality we will report to the Joint Audit Committee</p> <p data-bbox="257 730 1008 1157">Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the PCC and the Chief Constable any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance.</p> <p data-bbox="257 1173 1008 1339">ISA 260 (UK) defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</p>	<p data-bbox="1055 651 2132 726">We report to the Joint Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.</p> <p data-bbox="1055 742 2132 853">In the context of the group, the PCC and the Chief Constable, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.47m (PY £0.41m).</p> <p data-bbox="1055 869 2132 1029">If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Joint Audit Committee to assist it in fulfilling its governance responsibilities.</p>

IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs. We include further information about ISA 315 (Revised) on page 17.

The SAP has been judged to be in scope for our audit and based on our planned financial statement audit approach we will consider the design and implementation of the ITGCs. This will be supported by our IT Audit colleagues who have undertaken work in this area for the preceding audit years, with deficiencies identified and reported through previous Audit Findings Reports. They have undertaken work for 2022/23 and note that action has been taken to address some of the deficiencies, albeit during the financial year under audit and hence increased audit procedures (as undertaken in previous years) will still be required for 2022/23.

Final findings will be reported through our Audit Findings Report.

Value for Money arrangements

Approach to Value for Money work for the period ended 31 March 2023

The National Audit Office issued its latest Value for Money guidance to auditors in January 2023. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.

We have not identified any risks of significant weaknesses from our initial planning work. We will continue our review of your arrangements, including reviewing your Annual Governance Statement, before we issue our auditor's annual report.

Audit logistics and team



Jackson Murray, Key Audit Partner

Responsible for audit quality and engagement with senior officers.



Gail Turner-Radcliffe, Manager

Provides oversight of the delivery of the audit including regular engagement with senior officers.



Vanilla Shi, Assistant Manager

Key audit contact responsible for the day to day management and delivery of the audit work.

Audited Entity responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audited bodies. Where the elapsed time to complete an audit exceeds that agreed due to an entity not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to an entity not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to :

- ensure that you produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, and the Annual Governance Statements;
- ensure that good quality working papers are available at the start of the audit;
- ensure that agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing;
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit; and
- respond promptly and adequately to audit queries.

Audit fees and updated Auditing Standards including ISA 315 Revised

In 2017 PSAA awarded a contract of audit for the PCC and CC to begin with effect from 2018/19. The scale fee agreed in the contract was £27,992 for the PCC and £14,438 for the Chief Constable. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2022/23 audit. For details of the changes which impacted on years up to 2021/22 please see our prior year Audit Plans.

The major change impacting on our audit for 2022/23 is the introduction of ISA (UK) 315 (Revised) - Identifying and assessing the risks of material misstatement ('ISA 315'). There are a number of significant changes that will impact the nature and extent of our risk assessment procedures and the work we perform to respond to these identified risks. Key changes include:

- Enhanced requirements around understanding the PCC and CC's IT Infrastructure and IT environment. From this we will then identify any risks arising from the use of IT. We are then required to identify the IT General Controls ('ITGCs') that address those risks and test the design and implementation of ITGCs that address the risks arising from the use of IT.
- Additional documentation of our understanding of the PCC and CC's business model, which may result in us needing to perform additional inquiries to understand the end-to-end processes over more classes of transactions, balances and disclosures.
- We are required to identify controls within a business process and identify which of those controls are controls relevant to the audit. These include, but are not limited to, controls over significant risks and journal entries. We will need to identify the risks arising from the use of IT and the general IT controls (ITGCs) as part of obtaining an understanding of relevant controls.
- Where we do not test the operating effectiveness of controls, the assessment of risk will be the inherent risk, this means that our sample sizes may be larger than in previous years.

These are significant changes which will require us to increase the scope, nature and extent of our audit documentation, particularly in respect of your business processes, and your IT controls. We will be unable to determine the full fee impact until we have undertaken further work in respect of the above areas. However, for an authority of your size, we estimate an initial increase of £2,500. We will let you know if our work in respect of business processes and IT controls identifies any issues requiring further audit testing. There is likely to be an ongoing requirement for a fee increase in future years, although we are unable yet to quantify that.

The other major change to Auditing Standards in 2022/23 is in respect of ISA 240 which deals with the auditor's responsibilities relating to fraud in an audit of financial statements. This Standard gives more prominence to the risk of fraud in the audit planning process. We will let you know during the course of the audit should we be required to undertake any additional work in this area which will impact on your fee.

Taking into account the above, our proposed work and fee for 2022/23, as set out below, is detailed overleaf and has been discussed with the Chief Financial Officers.

Audit fees

	Actual Fee 2020/21	Actual Fee 2021/22	Proposed fee 2022/23
PCC Audit	£53,992	£53,110	£53,730
Chief Constable Audit	£19,538	£22,771	£23,101
Total audit fees (excluding VAT)	£73,530	£75,881	£77,831

Assumptions

In setting the above fees, we have assumed that the PCC and Chief Constable will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Audit fees – detailed analysis

	PCC	CC	Total
Scale fee published by PSAA	£32,180	£17,751	£49,931
<i>Variations charged in previous years</i>			
Additional work on Value for Money (VfM) under new NAO Code	£7,000	£3,000	£10,000
Increased audit requirements of revised ISAs 540 / 240 / 700	£1,200	£600	£1,800
Enhanced audit procedures on journals testing	£2,100	£1,000	£3,100
Additional procedures to address IT control deficiencies (estimate at planning)	£5,000	£0	£5,000
Auditor's expert in respect of land and building valuations (estimate at planning)	£5,000	£0	£5,000
<i>Variations proposed in 2022/23</i>			
Impact of revisions to ISA 240 and ISA 315 applicable to the period under audit (see page 17)	£1,250	£1,250	£2,500
Response to quality reviews – testing of payroll changes*	£0	£500	£500
Total proposed audit fees 2022/23 (excluding VAT)	£53,730	£23,101	£77,831

*Requirement to test changes in circumstances throughout the period under audit to supporting documentation and ensure that these have been appropriately updated in HR and accounting records.

All variations to the scale fee will need to be approved by PSAA.

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the PCC and Chief Constable. No other services provided by Grant Thornton were identified.

Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

Communication of audit matters with those charged with governance - PCC

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•	
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern	•	•
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	•	•
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		n/a
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Communication of audit matters with those charged with governance – Chief Constable

Our communication plan	Audit Plan	Audit Findings	
Respective responsibilities of auditor and management/those charged with governance	•		ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•		
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•	This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•	
Significant matters in relation to going concern	•	•	We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.
Significant findings from the audit		•	
Significant matters and issue arising during the audit and written representations that have been sought		•	Respective responsibilities
Significant difficulties encountered during the audit		•	
Significant deficiencies in internal control identified during the audit		•	As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.
Significant matters arising in connection with related parties		•	
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•	The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
Non-compliance with laws and regulations		•	
Unadjusted misstatements and material disclosure omissions		•	
Expected modifications to the auditor's report, or emphasis of matter		•	



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MEETING: Joint Audit Committee	DATE: June 2023	AGENDA NO: 10a
NAME OF PAPER: JAC Chair Recruitment	AUTHOR: Paul Butler	PURPOSE: Discussion & Decision

1. PURPOSE OF REPORT AND BACKGROUND

This report updates members of the Joint Audit Committee (JAC) on the actions taken following an unsuccessful process to recruit a new chair of the committee.

Following advertising of the chair role, a shortlisting meeting was held on 27th February 2023 with a view to holding interviews on 20th March. The shortlisting team consisted of the PCC, constabulary and OPCC CFOs, and Zoe Short, Governor of HMP Eastwood Park. On reviewing the applicants, it was unanimously concluded that we did not have an appropriate field from which to make an appointment.

In order to accommodate the impact of the unsuccessful recruitment and to enable a review of the recruitment options to take place, it was agreed that the position of the current chair be extended and we were grateful that they were willing to accept this request.

2. APPROACH

As a result of the unsuccessful recruitment there were wide discussions between JAC members and Chair, CFOs, PCC and HR. These resulted in a general consensus on the following conclusions:

- The direct recruitment of a chair is challenging, drastically reduces the potential field in comparison to recruitment of members (as evidenced by previous member recruitment), and is less than ideal as the learning curve for a completely new starter where meetings are only quarterly is excessive.
- The advert for recruitment required review to more accurately reflect the diverse role of the committee.
- The current quoracy requirement of 3 out of 4 members lacks resilience and expansion of the committee to 5 members would be desirable.
- The preferred option for chair would be to recruit from the existing membership of the committee.
- There is sufficient support within the current JAC membership to ensure that there are candidates for the chair role and that the selection of a chair could be determined by internal vote should there be agreement for this approach.
- By amending the Terms of Reference to allow for an annual confirmation of the chair position, this would enable the committee to determine a balance between continuity and a rotation of the position providing a flexible resilience in the role.

3. TERMS OF REFERENCE

The current Terms of Reference are limited in respect of membership:

3. JAC MEMBERSHIP

- 3.1. The JAC will have a Chair and up to three other members, all of whom must be independent of the PCC, the CC and the Police and Crime Panel.

To recognise the consensus of discussions around membership would result in this section being amended as follows:

- It is not a requirement for members to reside within the Avon and Somerset area, subject to the committee being satisfied of the overall balance of the committee, but members will be expected to have an appropriate knowledge of the geographical area and its issues.

- The JAC will have a Chair and up to **four** other members, all of whom must be independent of the PCC, the CC and the Police and Crime Panel
- The JAC members will select a chair from amongst their number and the position shall be reviewed each year at the first meeting following the 1st April. At such review the committee may either confirm the continuance of the existing post holder or appoint a chair from the membership.

4. RECOMMENDATION

- That the Terms of Reference being amended as above.
- That a revised advert is agreed for the recruitment of two additional members of the committee.

ANNUAL REPORT 1 APRIL 2022 – 31 MARCH 2023

AVON AND SOMERSET JOINT AUDIT COMMITTEE

INTRODUCTION

The principles of good governance as set out by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Financial Management Code of Practice for the Police Service of England and Wales, mandate the need for a Joint Audit Committee (JAC) as an independent body to serve and oversee the Police and Crime Commissioner (PCC) and the Chief Constable (CC).

The purpose of the JAC is to provide independent oversight and advice on governance and risk management. This will help ensure public trust and assure confidence in the governance of the PCC and CC. The JAC also helps the PCC discharge their statutory duties in holding the force to account, managing risk and in approving annual accounts and audit opinions.

This is the annual report of the independent JAC for the PCC and CC of Avon and Somerset.

CIPFA suggests that the annual report is a helpful way to hold the committee to account and sets out a number of aspects that should be considered:

- whether the committee has fulfilled its agreed terms of reference
- whether the committee has adopted recommended practice
- whether the development needs of committee members have been assessed and whether committee members are accessing briefing and training opportunities
- whether the committee has assessed its own effectiveness or been the subject of a review and the conclusions and actions from that review
- what impact the committee has on the improvement of governance, risk and control within the authority.

This annual report will be structured around these five criteria.

HAS THE COMMITTEE FULFILLED ITS AGREED TERMS OF REFERENCE

The JAC terms of reference require meeting four times a year. There was an additional meeting in November to deal with the Annual Accounts for 2021/22.

19th July 2022

11th October 2022

7th November 2022

24th January 2023

15th March 2023

In accordance with the terms of reference all meetings were quorate. July and January had three members in attendance; October and March had all members present. The meetings were also attended by relevant parties from the Office of the PCC, the Constabulary, Internal Audit and External Audit. Papers and minutes have been published.

Meetings were a mixture of in person and video calls.

Commissioned Internal Audit 2022/23

Audits

During the year under review, South West Audit partnership (SWAP) completed ten substantive audits – in accordance with the 2022/23 plan – with the below assurance opinions:

- Substantial – 0
- Reasonable – 7
- Limited – 3

There were 16 Priority 2 recommendations and 20 Priority 3 recommendations that resulted from these audits.

Every internal audit continues to consider leadership; culture; and equality, diversity and inclusion. This helps provide the JAC with a broader view into the functioning of the Constabulary.

An internal audit plan for 2022/23 was agreed at the March 2023 meeting of the JAC.

Annual report of the Internal Auditor

SWAP – acting as the joint head of Internal Audit – have given an annual opinion of reasonable assurance on the overall adequacy and effectiveness of the PCC's and CC's frameworks of governance, risk management and internal control. There were no significant risks identified and no priority 1 recommendations.

Part of the remit of the JAC is to ensure value for money. One element of this is the JAC's appointment of the Internal Auditor and ensuring they are working effectively. At the start of their tenure SWAP set out how they measure their performance and this is reported on in their annual report. There are two areas of performance: completion of audit plan and value to the organisation. The audit plan was almost entirely complete except for one aspect of regional work so that element of performance was good. Value was also rated as 100%.

External Audit

Grant Thornton continued as external auditor appointed through the Public Sector Audit Appointments (PSAA) process.

2020/21 annual accounts

The external auditor has given the following opinion on the financial statements:

- give a true and fair view of the financial position of the group and of the Police and Crime Commissioner as at 31 March 2022 and of the group's expenditure

and income and the Police and Crime Commissioner's expenditure and income for the year then ended;

- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

2022/23 annual accounts

There has been a delay to the publication of the draft accounts and the requisite public notice has been published.

HAS THE COMMITTEE ADOPTED RECOMMENDED PRACTICE

The committee has used the CIPFA good practice framework to review itself as part of the Annual Report process (Appendix 1).

HAVE THE DEVELOPMENT NEEDS OF COMMITTEE MEMBERS BEEN ASSESSED AND WHETHER COMMITTEE MEMBERS ARE ACCESSING BRIEFING AND TRAINING OPPORTUNITIES

Over the last year the JAC had briefings, from Avon and Somerset Police, on the following topics:

- Assurance mapping
- Sustainability
- Qlik Sense
- Mechanics of Audit Board
- Risk Management – data visualisation on Qlik

Two of the members visited the Constabulary's call centre in March 2023 to meet the team and see their work first hand.

Members also keep their knowledge up to date by reading the periodic circulations for internal and external auditors. SWAP provide a news round up, and Grant Thornton circulate briefings and links to national developments in Committee reports.

HAS THE COMMITTEE ASSESSED ITS OWN EFFECTIVENESS OR BEEN THE SUBJECT OF A REVIEW AND THE CONCLUSIONS AND ACTIONS FROM THAT REVIEW

The Committee has assessed its own effectiveness against the consideration of effective police audit committees. The Chair undertakes a detailed 360 which collects feedback from both the offices of the PCC and CC. In addition the Chair also conducts annual reviews with individual members to assess their effectiveness and contribution to the work of the committee. There is not a formal improvement action plan so this should be developed in the coming year.

The JAC Chair was due to step down after the March 2023 meeting. Over the last year a number of attempts were made to recruit a new Chair but these were unsuccessful. The Chair agreed to stay on for the first meeting of the 2023/24 year and the other three members have agreed to take on the Chair role on a rotating basis. In the coming year two new JAC members will be recruited to bolster the membership.

WHAT IMPACT HAS THE COMMITTEE HAD ON THE IMPROVEMENT OF GOVERNANCE, RISK AND CONTROL WITHIN THE AUTHORITY

The most significant areas where the JAC adds value is in the oversight of the external audit, commissioned internal audit and the scrutiny of the organisations' Strategic Risk Registers.

In the last year the JAC has worked with the Internal Auditors to inform length, style and clarity of their reports; they have challenged the External Auditors on delivery of their work and cost; and have worked with the Constabulary to support the development of their risk management process.

JUDE FERGUSON
CHAIR AVON AND SOMERSET JOINT AUDIT COMMITTEE
Contact Officers: Paul Butler, PCC CFO

**Appendix 1 – Self-assessment of good practice
(CIPFA – Audit Committees Practical Guidance for Local Authorities and Police 2018
Edition)**

This assessment reflects how the JAC sits within the broader structure of governance within Avon and Somerset; it does not reflect the effectiveness of the committee or the performance.

Audit Committee Purpose and Governance	Yes	Partly	No
1. Do the organisations have a dedicated audit committee?	✓		
2. Does the audit committee report directly to full council? (Applicable to local government only).	-	-	-
3. Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	✓		
4. Is the role and purpose of the audit committee understood and accepted across the organisations?	✓		
5. Does the audit committee provide support to both organisations in meeting the requirements of good governance?	✓		
6. Are the arrangements to hold the committee to account for its performance operating satisfactorily?	✓		
Functions of the Committee	Yes	Partly	No
7. Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?		✓	
• Good Governance	✓		
• Assurance Framework, including partnership and collaboration arrangements		✓	
• Internal Audit	✓		
• External Audit	✓		
• Financial Reporting	✓		
• Risk Management	✓		
• Value for Money (VfM) or Best Value		✓	
• Counter-fraud and corruption	✓		
• Supporting the ethical framework		✓	
8. Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	✓		
9. Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	✓		
10. Where coverage of core areas has been found to be limited, are plans in place to address this?			✓
11. Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	✓		

Membership and Support	Yes	Partly	No
12. Has an effective audit committee structure and composition of the committee been selected? This should include: <ul style="list-style-type: none"> • separation from the executive • an appropriate mix of knowledge and skills among the membership • a size of committee that is not unwieldy • consideration has been given to the inclusion of at least one independent member (where it is not already a mandatory requirement) 	✓		
13. Have independent members appointed to the committee been recruited in an open and transparent way and approved by the PCC and Chief Constable as appropriate for the organisation.	✓		
14. Does the chair of the committee have appropriate knowledge and skills?	✓		
15. Are arrangements in place to support the committee with briefings and training?	✓		
16. Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?		✓	
17. Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer (CFO)?	✓		
18. Is adequate secretariat and administrative support to the committee provided?	✓		
Effectiveness of the Committee	Yes	Partly	No
19. Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?		✓	
20. Are meetings effective with a good level of discussion and engagement from all members?	✓		
21. Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with responsible officers?	✓		
22. Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	✓		
23. Has the committee evaluated whether and how it is adding value to the organisation?		✓	
24. Does the committee have an action plan to improve any areas of weakness?			✓
25. Does the committee publish an annual report to account for its performance and explain its work?	✓		



Report 11a

Avon & Somerset Police and Office of the Police and Crime Commissioner (OPCC)

Internal Audit Annual Opinion Report 2022/23

Internal Audit Annual Opinion – 2022/23: ‘At a Glance’

Annual Opinion



There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives.

The Headlines

	No Significant Risks identified in year. Three limited assurance opinions reported during the year, plus two ‘low’ reasonable opinions.
	13 reviews delivered as part of the 2022/23 Internal Audit Plan. Two supplementary regional reviews still in progress.
	Continued improvements in reporting timescales and the implementation of agreed actions.
	Implementation of a new Audit Management System Audit Board has now been implemented and is in the process of being embedded with the goal to enable more efficient and transparent reporting.
	Range of innovations and enhancements made to our internal audit process throughout the year. One-page audit report, introduction of Agile auditing and planning.

Internal Audit Assurance Opinions 2022/23

Substantial	0
Reasonable	7
Limited	3
No Assurance	0
Advisory	3
Support Activities	2

Internal Audit Agreed Actions 2022/23

Priority 1	0
Priority 2	16
Priority 3	20
Total	36

Executive Summary

Internal Audit provides an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.



Purpose

The Head of Internal Audit (SWAP Assistant Director) should provide a written annual report to those charged with governance to support the Authority's Annual Governance Statement (AGS). This report should include the following:

- An opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment, including an evaluation of the following:
 - the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities;
 - whether the information technology governance of the organisation supports the organisation's strategies and objectives;
 - the effectiveness of risk management processes; and
 - the potential for the occurrence of fraud and how the organisation manages fraud risk.
- Disclose any qualifications to that opinion, together with the reasons for the qualification.
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and criteria.
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content and the Annual Internal Audit Opinion given.



Executive Summary

Three Lines Model

To ensure the effectiveness of an organisation's risk management framework, the Joint Audit Committee and senior management need to be able to rely on adequate line functions – including monitoring and assurance functions – within the organisation.

The 'Three Lines' model is a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:

- the first line – functions that own and manage risk.
- the second line – functions that oversee or specialise in risk management, compliance.
- the third line – functions that provide independent assurance.

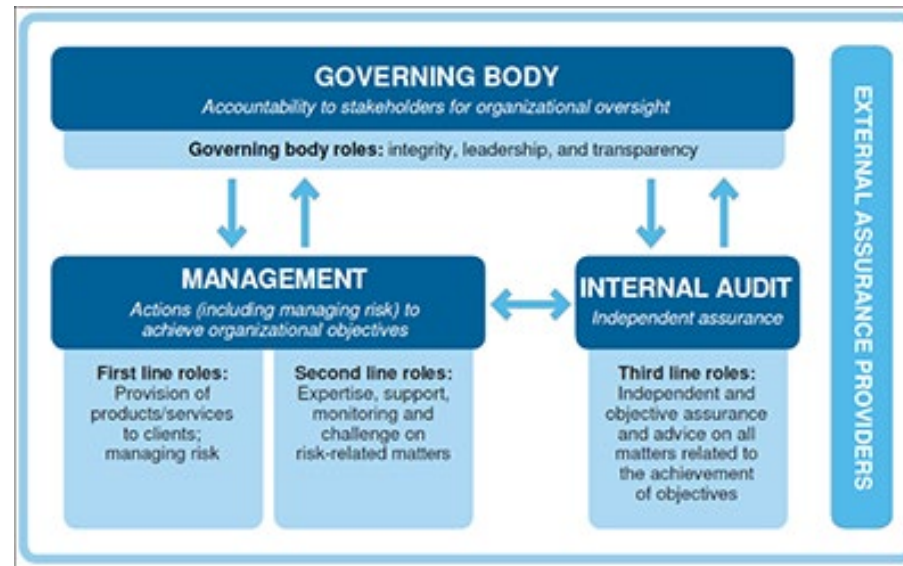


Background

The Internal Audit service for Avon & Somerset Police and Office of the Police and Crime Commissioner (OPCC) is provided by SWAP Internal Audit Services. The team's work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The work of the team is guided by the Internal Audit Charter which is reviewed annually.

Internal Audit provides an independent and objective opinion on the Force and OPCC's control environment by evaluating its effectiveness. This report summarises the activity of the Internal Audit team for the 2022/23 year.

The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines model shown below.



Internal Audit Annual Opinion 2022/23

The Head of Internal Audit (SWAP Assistant Director) is required to provide an opinion to support the Annual Governance Statement.



Annual Opinion

On the balance of our 2022/23 audit work for Avon and Somerset Police and OPCC, enhanced by the work of external agencies, I am able to offer a **Reasonable Assurance** opinion in respect of the areas reviewed during the year.

The Head of Internal Audit is required under the Public Sector Internal Audit Standards (PSIAS) and linked in with the Chartered Institute of Internal Audit IPPF Standard 2450, to provide an annual opinion on the adequacy and effectiveness of the organisations' framework of governance, risk management and internal control.

Our internal audit opinion is a balance reflection rather than a snapshot in time. Information to support this assessment is obtained from multiple engagements and sources (including advice and consultancy work). The results of these engagements, when viewed together, provide an understanding of the organisation's risk management processes and their effectiveness.

On the basis of all assurance opinions provided as a result of internal audit work completed in 2022/23 and giving consideration to the adequacy and effectiveness of the wider governance and risk management arrangements at the Force and OPCC, I am able to offer a Reasonable Annual Opinion (our Opinion). There are currently no significant issues that Internal Audit is aware of which would require inclusion within the Annual Governance Statement.

It is important to note that Internal Audit has not reviewed all risks and assurances relating to Avon & Somerset Police and OPCC and therefore cannot provide absolute assurance on the internal control environment. Senior Management are ultimately responsible for ensuring an effective system of internal control.

The Annual Opinion is based on the following sources of information:

- Completed audits (during the year 2022/23) which evaluate risk exposures relating to the organisation's governance, information systems, reliability and integrity of information, efficiency and effectiveness of operations and programmes, safeguarding of assets and compliance with laws and regulations.
- Observations from consultancy/advisory support.
- Follow up of previous audit activity, including agreed actions.
- Notable changes to the organisation's strategy, objectives, processes, or IT infrastructure.
- Assurances from other providers, including third parties, regulator reports etc.

Opinion on Internal Control

Whilst we consider the breadth of our audit plan adequate to inform an overall opinion, coverage of some more operational areas of the Force's work has been limited and our opinion should be considered in this context. A summary of the assurance opinions awarded during the course of the year, together with details of the number of actions agreed, is included in Appendix A.

Governance

We have not completed a specific piece of assurance work around governance at either Force or OPCC during 2022/23, however we have naturally incorporated elements of governance within our work and made recommendations as necessary. At an individual engagement level, we consider and assess the control framework related to the area under review against three thematic themes of leadership and culture, learning and diversity and inclusion.



Summary of Audit Work 2022/23

Internal audit is only one source of assurance; therefore, where we have highlighted gaps in our coverage, assurance should be sought from other sources where possible, such as HMICFRS, in order to ensure sufficient and appropriate assurances are received.

We have set out how the audits from the 2022/23 Internal Audit Plan provide coverage of the key components set out in the Force Management Statement (FMS) and Avon and Somerset's Police and Crime Plan, against which we have aligned our audit universe.

For 2022/23, we did not afford coverage to the following areas and alternative assurance should be sought as a minimum:

- Prevention & Deterrence
- Major Events
- Engaging, supporting and working with communities, victims and partner organisations



Audit Coverage

Internal Audit Coverage

The diagram below provides an assessment of the *depth of our audit coverage* for 2022/23 against the sections of the Force Management Statement as a proxy for the audit universe as well as the Avon & Somerset Police and Crime Plan:



Summary of Audit Work 2022/23

Definitions of Corporate Risk

High Risk

Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

Medium Risk

Issues which should be addressed by management in their areas of responsibility.

Low Risk

Issues of a minor nature or best practice where some improvement can be made.

We keep our audit plans under continuous review to ensure we are auditing the right things at the right time.

Significant Corporate Risks

During the course of the year, we have not reported any risks which we consider to be a significant/high corporate risk.

Agreed Actions

Over the year, we have found the organisation to be supportive of Internal Audit findings and responsive to the actions agreed as part of the audit process. We have noted that turnaround times in finalising reports continues to improve as we implement an agile approach to the audit process, discussing and agreeing actions prior to or during the close-out of our reviews; negating the need for lengthy draft report discussions.

An internal process is in place whereby the Improvement Team maintains a record of recommendations raised (from Internal Audit and from other sources) and record progress towards implementation. This is reported to the Joint Audit Committee (JAC). In addition, a programme of follow up work is also scheduled each year.

Changes to the Internal Audit Plan

The schedule provided at Appendix A contains a list of all audits agreed for delivery as part of the 2022/23 Audit Plan and the outturn to date. In total, 13 Force and OPCC audits have been completed, with two supplementary pieces of regional work still in progress. It is important that Members are aware of the status of all audits and that this information helps place reliance on the work of Internal Audit and its ability to complete the plan as agreed. In addition to some minor scheduling amendments in the 2022/23 Internal Audit Plan, one supplementary regional audit has been deferred to 2023/24 and replaced with another regional audit.

Risk Management

As part of our Internal Audit work in 2022/23, we conducted a light touch review to provide an assurance opinion following on from our Risk Management review in 2021/22.

We found that the Force have improved their risk maturity and the importance of risk management is starting to embed across many areas of the organisation. Additional aspects of risk management are due to be implemented by the Force, such as the Horizon Scanning quarterly report, a risk management CPD session and defining the Force's risk appetite. In addition, all four actions agreed during the original risk management review were found to have been implemented.

Summary of Audit Work 2022/23

At the conclusion of audit assignment work each review is awarded a "Control Assurance Definition";



Summary of Audit Opinion

Assurance Definitions

No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

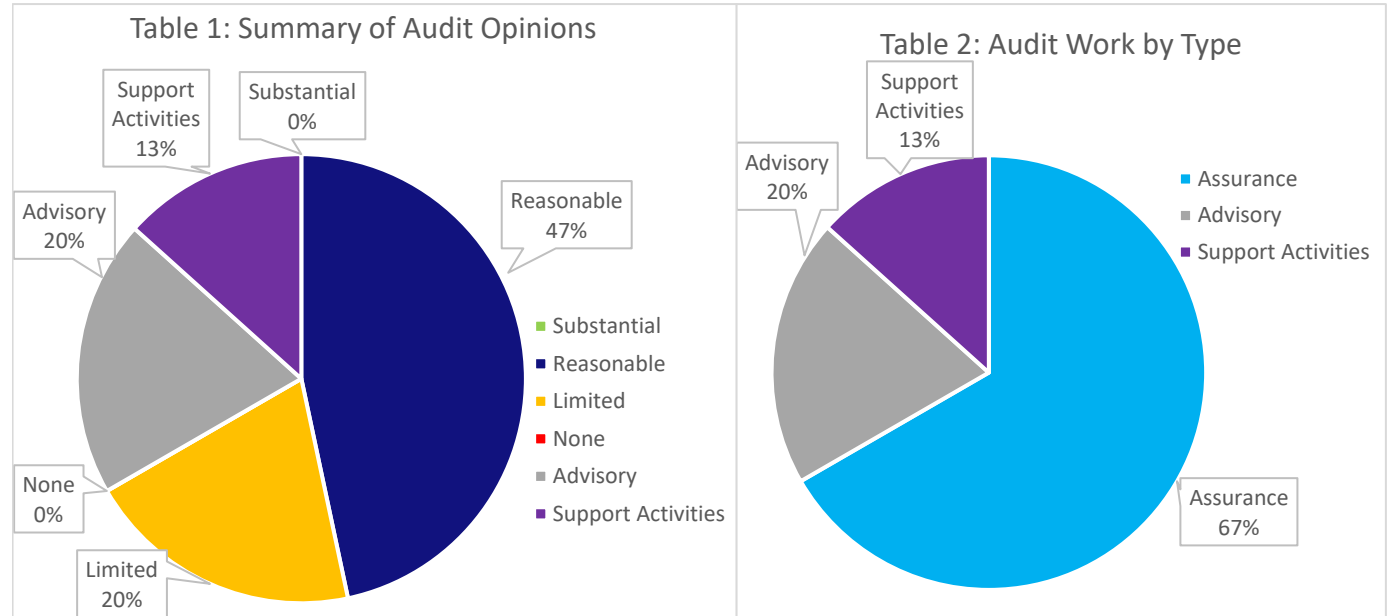


Table 1 above indicates the spread of assurance opinions across our work completed during the past year.

Table 2 indicates the completed audit work by type.



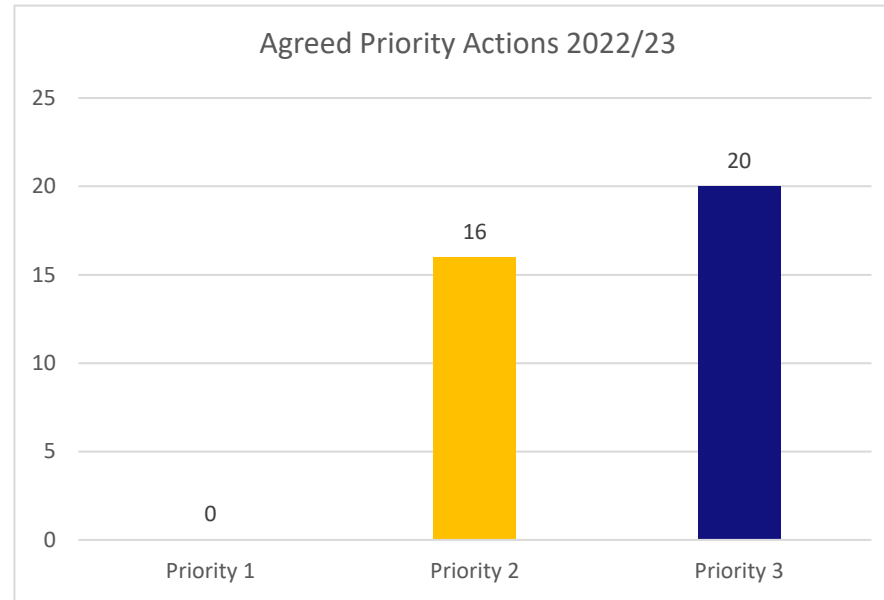
Summary of Audit Work 2022/23

SWAP Performance - Summary of Audit Actions by Priority



Priority Actions

We rank our actions on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of major concern requiring immediate corrective action



Plan Performance 2022/23

Added Value

Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.

Throughout the year, SWAP strives to add value wherever possible i.e. going beyond the standard expectations and providing something 'more' while adding little or nothing to the cost.



Added Value

Innovations and Enhancements to our Audit Process

During 2022/23, we have continued to integrate 'Agile Auditing' into our audit process. With increased collaboration and a joint commitment with the service under review, it is possible to complete audits faster and more efficiently. With the support of SWAPs Data Analytics team, we continue to include analysis of data as part of our auditing wherever possible. This allows us not only the opportunity to test whole populations of data, but where this is not possible or appropriate, to be able to use data analytics to target our testing in a more effective manner.

Our one-page audit report, that summarises all key messages of the audit succinctly, continues to be well received and the introduction of our new audit system at the beginning of 2023 will further enhance our communication methods.

We have also:

- Initiated regional reviews regarding Digital Forensics and the Regional Organised Crime Unit (ROCU).
- Reviewed risk areas and audits undertaken with other partners to inform our 2023/24 audit plan.
- Accessed benchmarking information from other police forces and local authorities.
- Attended and contributed to national Police Audit Group conferences.
- Been included in nominations and were finalists at the Public Sector Finance Awards and have been shortlisted for Excellence in Public Sector Audit and Aligned Public Service Delivery.
-

Regular Updates

To help key officers in the Force keep abreast of changes, SWAP produces a monthly newsletter that provides information on topical areas of interest for public sector organisations.

Counter Fraud Team

SWAP's Counter Fraud Team has also facilitated access to counter fraud intelligence resources and issued alerts and newsletters to key officers in the Force. The Team has also delivered mandate fraud awareness training to the Force's Finance and Payroll team (c.60 in attendance). The session was recorded and will be shared with anyone who did not attend.

Plan Performance 2022/23

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS).



SWAP Performance

SWAP's performance is subject to regular monitoring and review by both the SWAP Board of Directors and the Owners Board. The performance outturn for Avon & Somerset Police and OPCC for the 2022/23 year are as follows:

Performance Target	Performance Outturn
<u>Audit Plan – Percentage Progress (Days)</u>	
Final, Draft and Discussion	95%
In Progress/Review	5%
<u>Value to the Organisation</u>	
Client view of whether our audit work met or exceeded expectations, in terms of value to their area across the 2022/23 year.	100%

Internal Audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice Framework of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS). Both Standards require an Internal and External Assessment (Standard 1300) of the Internal Audit Function.

The Standards require an External Assessment to be carried out at least every five years. SWAP exceeds this with an assessment undertaken every three years. The latest assessment, undertaken in March 2020, found SWAP to be 'Generally Conforming' with the International Professional Practices Framework and the Public Sector Internal Audit Standards (PSIAS) and is the highest level of performance awarded.

As a result of the External Assessment, a Quality Assessment Improvement Plan (QAIP) was produced and has been maintained. This document is a live document, reviewed regularly by the SWAP Board to ensure continuous improvement. As the International Professional Practices Framework is currently under review, SWAP is considering when it will undertake its next External Assessment which is not formally required until March 2025.



SWAP
INTERNAL AUDIT SERVICES
Assuring – Improving – Protecting

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Summary of Internal Audit Work 2022/23

Link to FMS	Link to Police & Crime Plan	Audit Area	Status	Opinion	No of Actions	1 =	↔	3 =
						Major		Action
						1	2	3
Completed Work								
Wellbeing Force-Wide Functions	* Leading the police to be efficient & effective.	Reasonable Adjustments <i>To provide assurance over the effectiveness of the Force's reasonable adjustment processes which support individuals with disabilities, neurodiversity, and other long term health conditions.</i>	Completed	High Limited	2	0	1	1
Knowledge Management & ICT Force-Wide Functions	* Leading the police to be efficient & effective.	IT Service Desk <i>To provide assurance that the Force's Service Desk function effectively and efficiently assists the 'customer' (i.e. officer and staff) in their use of the Force's technology and thereby helps the Force realise its digital policing ambitions.</i>	Completed	High Limited	8	0	4	4
Finance Investigations	* Leading the police to be efficient & effective.	Management of Evidential Property <i>To provide assurance that systems and processes in place are sufficient to ensure compliance with requirements for the management of evidential property.</i>	Completed	High Limited	6	0	4	2
Force-Wide Functions	* Leading the police to be efficient & effective.	Policy and Procedure Management <i>To provide assurance over the effectiveness of the Force and OPCC's management of local policies and procedures.</i>	Completed	Low Reasonable	7	0	3	4
Finance Force-Wide Functions	* Leading the police to be efficient & effective.	Accounts Payable and Budgetary Control <i>To provide assurance that the Force has effective key control frameworks in place for accounts payable and budgetary control processes.</i>	Completed	Low Reasonable	5	0	1	4



Summary of Internal Audit Work 2022/23

Link to FMS	Link to Police & Crime Plan	Audit Area	Status	Opinion	No of Actions	1 =	↔	3 =
						Major		Action
						1	2	3
Force-Wide Functions	* Leading the police to be efficient & effective. * Increasing the legitimacy of, and public confidence in, the police and criminal justice system.	Representative Workforce <i>To provide assurance over the effectiveness of controls in place to ensure the Force is representative of the communities it serves.</i>	Completed	Medium Reasonable	3	0	0	3
Responding to the Public Force-Wide Functions	* Leading the police to be efficient & effective.	Firearms Licensing <i>To provide assurance that there is a sound framework in place at Avon and Somerset Police for the issuing and management of firearms licenses.</i>	Completed	Medium Reasonable	3	0	2	1
Force-Wide Functions	* Leading the police to be efficient & effective.	Assurance Mapping <i>To review the effectiveness of the Force's assurance mapping arrangements.</i>	Completed	Medium Reasonable	2	0	1	1
Force-Wide Functions	* Leading the police to be efficient & effective. * Increasing the legitimacy of, and public confidence in, the police and criminal justice system.	Detective Numbers <i>To provide assurance over the effectiveness of the Force's plans in place to recruit, train and retain accredited detectives.</i>	Completed	High Reasonable	0	0	0	0
Force-Wide Functions	* Leading the police to be efficient & effective.	Risk Management Follow Up <i>An agreed light-touch review to provide an assurance opinion following on from the Risk Management review of 2021/22.</i>	Completed	High Reasonable	0	0	0	0



Summary of Internal Audit Work 2022/23

Link to FMS	Link to Police & Crime Plan	Audit Area	Status	Opinion	No of Actions	1 =	↔	3 =
						Major		Action
						1	2	3
Responding to the Public Force-Wide Functions	* Leading the police to be efficient & effective. * Increasing the legitimacy of, and public confidence in, the police and criminal justice system.	Complaints Handling Follow Up <i>To provide assurance that the agreed actions to mitigate against the risk exposure identified within the 2021/22 Limited opinion audit of Complaints Handling have been implemented.</i>	Completed	Advisory	N/A	-	-	-
Protecting the Vulnerable Managing Offenders	* Leading the police to be efficient & effective.	Clinical Governance Follow Up <i>To provide assurance that the actions agreed to mitigate against the risk exposure identified within the 2021/22 limited assurance opinion audit of Clinical Governance in Custody have been implemented.</i>	Completed	Advisory	N/A	-	-	-
Knowledge Management & ICT	* Leading the police to be efficient & effective.	Remote Working Follow Up <i>To provide assurance that the agreed actions to mitigate against the risk exposure identified within the 2021/22 Limited opinion audit of Remote Working have been implemented.</i>	Completed	Advisory	N/A	-	-	-
Force-Wide Functions	* Leading the police to be efficient & effective.	Follow Up of Agreed Actions	Completed	Support Activities	N/A	-	-	-
Force-Wide Functions	* Leading the police to be efficient & effective.	Planning, Reporting and Advice	Completed	Support Activities	N/A	-	-	-
In Progress								
Finance Investigations Collaboration	* Leading the police to be efficient & effective. * Increasing the legitimacy of, and public confidence in, the police and criminal justice system.	Digital Forensics Outsourcing Review (Regional) <i>To undertake a comparison of in house and external costs in order to better inform decision making and reduce overall spend.</i>	Fieldwork	-				



Summary of Internal Audit Work 2022/23

Link to FMS	Link to Police & Crime Plan	Audit Area	Status	Opinion	No of Actions	1 =	↔	3 =
						Major		Action
						1	2	3
Managing Serious and Organised Crime Collaboration	* Preventing & fighting crime. * Leading the police to be efficient & effective.	Regional Organised Crime Unit (ROCU) Review (Regional)	Scoping	-				
		<i>A review of the governance arrangements in place for the ROCU.</i>						
Audits Deferred/Removed								
Force-Wide Functions	* Leading the police to be efficient & effective.	Recruitment and Retention Benchmarking Review (Regional) <i>To undertake a recruitment and retention benchmarking review to identify any best practice, areas for concern or any benefits which may impact recruitment or retention.</i>	Deferred					Deferred to Q3 2023/24 and replaced with ROCU Review





Report 11b

Avon & Somerset Constabulary and Office of the Police and Crime Commissioner Joint Audit Committee (JAC)

Report of Internal Audit Activity – June 2023

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Executive Summary

SWAP is required to provide an annual opinion to support the Annual Governance Statement.

As part of our plan progress reports, we will look to provide an ongoing opinion to support the end of year annual opinion.

We will also provide details of any significant risks that we have identified in our work. A reminder of our assurance opinions and risk assessment is on our [website](#).

The Chief Executive for SWAP reports company performance on a regular basis to the SWAP Directors and Owners Boards.



Audit Opinion and Summary of Significant Risks

Progress of the 2023/24 Internal Audit Plan

Since the last committee in March 2023, the audit of Wellbeing has been finalised. Fieldwork for the Corporate Performance Management and Estates – Compliance with Statutory Obligations audits are currently in progress. Scoping meetings have taken place for two of the three audit engagements scheduled in Q2. We have been informed by the Audit and Inspection Team that due to resourcing within the ICT Directorate, the timing for a Technology and Digital audit in Q2 as originally agreed may not be suitable. We are awaiting further information from the Force in relation to this audit.

Further detail is provided on the stage of each audit in Appendix A and progress is summarised in the table below:

Performance Measure	Performance
<u>Delivery of Annual Audit Plan</u>	
Completed	7%
In Progress	23%
Ready to Start	3%
Not Yet Due (Q2-4)	67%

Audit Opinion:

We are able to provide a **Reasonable** assurance opinion based on work completed to date.

Significant Risks:

No significant risks have been identified since the previous update to this Committee.

Regional Audit Work

Regional audit work for 2022/23 currently remains in progress. Two regional audits of Digital Forensics Outsourcing and Regional Organised Crime Unit (ROCU) have been agreed. The audit of Digital Forensics is currently in progress. The scope for the ROCU audit, which replaces the Recruitment and Retention Benchmarking audit by request of the regional Directors of Finance, is still to be established and agreed.

Internal Audit Plan Progress 2022/23

Follow Up

Our follow up audits of IT Service Desk, Reasonable Adjustments and Victim Support Services from 2021/22 and 2022/23 are planned to commence in Q2. A further follow up of Management of Evidential Property is not scheduled until Q3/Q4.

Internal Audit Plan Progress 2022/23

Appendix A

Link(s) to FMS Area(s)	Audit Area	Period	Estimated Cost	Status	Opinion	No of Recs	1 = Major	↔	3 = Minor
							Recommendations		
							1	2	3
Wellbeing Force-Wide Functions	Wellbeing	Q1	£4,635	Completed	Reasonable	0	-	-	-
Force-Wide Functions	Estates – Compliance with Statutory Obligations	Q1	£4,635	In Progress	-	-	-	-	-
Force-Wide Functions	Corporate Performance Management	Q1	£3,862	In Progress	-	-	-	-	-
Finance Force-Wide Functions	Cash Handling	Q2	£3,862	Not Yet Due	-	-	-	-	-
Finance Force-Wide Functions	Key Financial Controls – Accounts Payable and Accounts Receivable	Q2	£6,952	Not Yet Due	-	-	-	-	-
Knowledge Management and ICT	Technology and Digital Audit Provision	Q2	£4,635	Not Yet Due	-	-	-	-	-
-	Contribution to Regional Police Audits	Q1-4	£3,862	Not Yet Due	-	-	-	-	-
Responding to the Public Investigations Protecting Vulnerable People Knowledge Management and ICT	Follow up audits of IT Service Desk, Reasonable Adjustments, Victim Support Services and Management of Evidential Property	Q1-4	£1,931	Ready to Start	-	-	-	-	-
Force-Wide Functions	Planning, Reporting & Advice	Q1-4	£7,725	Ongoing					



Audit Objective To review the effectiveness of the Force's arrangements to manage officer and staff wellbeing and to ensure that the Force is applying a consistent organisational approach to the promotion and safeguarding of the wellbeing of its employees.

Link to CRR Risk 4: Failure to grow, develop and then maintain the workforce and leadership culture, capacity and capability.

Assurance Opinion	Number of Actions		Audit Assessment of Agreed Themes	
	Priority	Number	Theme	
	Priority 1	0	Leadership & Culture	
	Priority 2	0	Learning	
	Priority 3	0	Diversity & Inclusion	
	Total	0	<i>Please see Appendix 1 for more details.</i>	

Risk Reviewed	Assessment
Poor employee health and wellbeing could contribute to increased absences, resignations and/or reduced productivity. This could result in the Force failing to meet its targets and performance standards which may lead to legal, financial and reputational damage.	Medium
Risk Management Awareness	Satisfactory

Key Findings	
	The Force has undertaken the Oscar Kilo (OK) Blue Light Wellbeing Framework (the 'Framework') which is a statement of intent showing a commitment to health and wellbeing tailored specifically for emergency services. The Framework is a self-assessment to benchmark against seven standards / strands consisting of over 100 statements. The Force has developed an action plan to build on three standards / strands which it has assessed as underdeveloped (Mental Health, Protecting the Workforce and Personal Resilience). Actions are delivered by the Health and Wellbeing Working Group (the 'Working Group') which reports to the People Committee. Membership of the Working Group includes over 20 Single Points of Contact (SPOCs) from different directorates who are responsible for promoting and delivering health and wellbeing initiatives within their areas, which is then fed back to the Working Group each month. Work is underway to create directorate 'local plans' in order to capture, monitor and report this activity more effectively.
	Primary, secondary and professional support is available to officers and staff to assist with improving health and wellbeing. The Force is currently undergoing an Occupational Health (OH) review to achieve a model of OH which is fit for purpose and can meet the demands of the organisation.
	The Force recognises the need to become a more trauma informed / aware organisation. A steering group has been set up which is chaired by the Chief Officer People and Organisational Development to provide direction and momentum to this goal. However, this work is still in its infancy.
	Data which helps provide an indication of the state of wellbeing of officers and staff across the Force is reported to the People Committee and available on Qlik. Some information however is relatively new and therefore has not yet been formally reviewed and analysed.

Audit Scope
<p>We considered the following areas as part of the audit:</p> <ul style="list-style-type: none"> ▪ Policies, procedures and guidance available to officers and staff. ▪ Initiatives carried out by the Force in recent years to help improve the health and wellbeing of officers and staff and any planned initiatives for the future. ▪ Resources available to support the health and wellbeing of officers and staff. ▪ Assessing how the Force is applying the principles of trauma informed approach in practice against the principles of safety, trust, choice, collaboration, empowerment and cultural consideration. ▪ Performance measures in place to help monitor the overall health and wellbeing of officers and staff. ▪ Reviewing the experiences of minority groups.

Conclusion
 The Force recognises the importance of the health and wellbeing of its officers and staff and the areas that it needs to improve upon. Whilst no actions have been raised as part of our audit, a reasonable assurance opinion has been provided which takes into account the current gaps and improvement work to be completed. Further detail is given below at Appendix 1.

1.1 Findings: - Improvement work.

The Force's Corporate Strategy which sets the mission, vision and values includes a priority to *'improve people engagement and wellbeing, creating the conditions for better working lives, workforce retention, and improved productivity and sustainability'*. Central to achieving this priority is the Oscar Kilo (OK) Blue Light Wellbeing Framework (the 'Framework') which is a statement of intent showing a commitment to health and wellbeing tailored specifically to emergency services. The Framework is a self-assessment that the Force has completed to benchmark itself against seven standards / strands consisting of over 100 statements. The seven standards / strands are Leadership, Absence Management, Creating the Environment, Mental Health, Protecting the Workforce, Personal Resilience and Occupational Health. The Force has developed an action plan to build on three standards / strands which it has assessed as underdeveloped (Mental Health, Protecting the Workforce and Personal Resilience). The Force therefore recognises the gaps in its current wellbeing offer and has plans in place to address these.

The action plan is delivered by the Health and Wellbeing Working Group (the 'Working Group') which reports into to the People Committee. The Working Group is chaired by the HR Corporate Business Partner and Health and Wellbeing Lead and includes representation from all directorates through SPOCs. There are currently over 20 Single Points of Contact (SPOCs) who are responsible for engaging with their directorates to promote health and wellbeing and to deliver initiatives. SPOCs are required to report back to the Working Group on their work each month and share any best practice for consideration by other members. These arrangements however are due to be formalised further through the roll out of directorate local plans which will identify directorate health and wellbeing needs / requirements and outline specific objectives to deliver these. This will ensure directorate specific activity is consistently captured, reported and monitored. The work to develop these local plans began earlier this year (2023) and will be progressed throughout this year. No additional audit actions have been raised in respect of the controls reviewed in this area, as improvement work is already underway to address the current gaps in reporting and monitoring local activity. The findings have been reported for consideration only and to support the rationale for our overall assurance opinion and risk assessment.

1.2 Findings: - Health and wellbeing resources.

Primary, secondary and professional support is available to officers and staff to assist in improving health and wellbeing. These resources include an Occupational Health Unit, over 40 trained Mental Health First Aiders with a further 30+ to be trained by mid-2023, 61 TRiM practitioners and 9 Coordinators and over 60 Welfare Officers. In addition, the Force also has relationships with external health care providers such as Able Futures who provide support to people living and working with mental health difficulties and Surfwell which is a surf therapy support service for people struggling with mental health. Internal and external resources are published mainly on Pocketbook but are also promoted through conversations that the SPOCs have within their directorate areas.

The numbers for employees accessing internal resources are captured but not necessarily reported on as capacity tends to meet demand as confirmed by the Corporate Business Partner and Health and Wellbeing Lead. However, the Force is currently undergoing an OH review, the purpose of which is to achieve a model of OH that is fit for demand across the organisation. The review was prompted due to demand on the service over the last few years. The OH review is to help identify how the Force can learn and understand from what is being referred and how it can manage these cases prior to reaching OH intervention. Primarily the Force wants to get to a position of prevention rather than reaction. Occupational Health is also one of the seven standards / strands of the OK Framework. The review is planned for completion / implementation in Autumn/Winter 2023/24. The review of OH, and in particular, the context of why it is needed, has been taken into consideration when forming our overall assurance opinion and risk assessment.

1.3 Findings: - Trauma informed approach.

The Force recognises the need to become a more trauma informed / aware organisation. Trauma-informed practice aims to increase awareness of how trauma can negatively impact individuals and communities, and their ability to feel safe or develop trusting relationships with health and care services and their staff. It aims to improve the accessibility and quality of services by creating culturally sensitive, safe services that people trust and want to use. It seeks to prepare practitioners to work in collaboration and partnership with people and empower them to make choices about their health and wellbeing. There are 6 principles of trauma-informed practice: safety, trust, choice, collaboration, empowerment and cultural consideration. The Chief Constable is the senior sponsor for this work, and a steering group has been set up which is chaired by the Chief Officer People and Organisational Development to drive this forward and to build on what already exists or is planned. The group was first convened in March 2023 and therefore work is still in its infancy and will be progressed over the next year.



1.4 Findings: - Wellbeing data.

One of the Force’s strategic objectives is to unlock ‘the power of people data’ to inform decision making. Examples of how this objective is being met or planned to be met have been outlined below:

- The People Committee is regularly cited on data which provides an indication of employee wellbeing through its employee life cycle report. Sickness, leave, turnover, demand for support services such as OH and TriM are some examples of datasets that are reviewed by the People Committee.
- Qlik is also used to help directorate heads and management to monitor directorate specific information including absence, headcount, and vacancies, IPR compliance, timesheet reporting and exit interview responses. Timesheet and exit interview responses are relatively new Qlik reports which will need to be analysed further. This is likely to occur as part of the directorate discussions to develop their local plans (discussed at 1.1 above.). Qlik reports generally will play a vital role in holding directorates heads and management to account for the wellbeing of their officers and staff.
- A new collaborative case management system between HR and the Professional Standards Department (PSD) went live in April 2023. The system should improve reporting over grievances, bullying and harassment, misconduct, performance and reasonable adjustments. The new solution provides capability for better management information to help identify disproportionality within the above processes. The next step will be to analyse this information and bring any findings to the attention of the People Committee. As above, this is likely to be done as part of the development of directorate local plans.
- The annual People Survey is used to gather feedback from officers and staff in relation to the Force’s wellbeing offer. The findings of the People Survey are reported to the People Committee and uploaded into Qlik for directorates and the information will also be considered as part of the development of local directorate plans.

The above information has been used to help drive improvement work in recent years. For example, in March 2022, a review of attendance information by the People Committee led to two reviews being completed: 1) a review of psychological disorder in high-risk individuals which led to the creation of health attendance meetings that encourage joint working between HR, OH and the business and 2) a review of PCSO attendance that looked at evidence of disproportionality against ethnicity and gender. A Gender Equality Network Group is due to be established in the summer of 2023 to help support the workforce in a range of areas including career progression, flexible working and gender representation. The need for the group arose as a result of the People Survey. A Spotlight Report was commissioned in April 2023 to look at the average working hours lost due to sickness in the last 12 months by ethnicity and gender based on an employee lifecycle report presented to the People Committee. The findings of this report will be communicated to the People Committee in Autumn 2023.

Audit Assessment of Agreed Themes

Theme	RAG Rating	Rationale
Leadership & Culture		The Force’s Corporate Strategy which sets the mission, vision and values includes a priority to <i>‘improve people engagement and wellbeing, creating the conditions for better working lives, workforce retention, and improved productivity and sustainability’</i> . A Health and Wellbeing Working Group has been convened to help deliver this priority which is accountable to the People Committee. The Force recognises the need to become a trauma informed organisation and has set up a steering group which is sponsored by the Chief Constable to help deliver this.
Learning		The Force understands and recognises where it must improve its wellbeing offer to its officers and staff through the completion of the Oscar Kilo (OK) Blue Light Wellbeing Framework. An action plan has been agreed to develop these areas further. The Health and Wellbeing Working Group provides a mechanism to regularly assess the Force’s performance against this Framework. In addition, data which provides a picture of employee wellbeing is available for management to analyse. The Force also seeks formal feedback from its employees annually through the People Survey and informally through the work of the SPOCs and staff networks which report into the Working Group.
Diversity & Inclusion		Diversity information is captured through various datasets discussed at 1.4 above as well as the People Survey. This information is reported strategically to the People Committee and to Management via Qlik. New products and solutions have been introduced recently to help identify disproportionality such as timesheet and exit interview reports as well as a jointly own case management system for HR and PSD processes. These should help aid and inform decision making. Examples of where data has driven improvements in recent years or work is in progress has been discussed at 1.4. above.