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Date : September 2024

To: ALL MEMBERS OF THE JOINT AUDIT COMMITTEE

- i. David Daw (Chair), Zoe Rice, John Vanstone, James Madsen, Nassir Mahmood
- 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 **Port-Oyns Room** at Avon and Somerset Police HQ, with an option to also virtually **via Teams** at **13:00** on **12th September 2024**.

Joint Audit Committee Members are invited to attend a pre-meeting at 10:00 in the Port-Oyns Room and a Members Briefing session at 11:00.

Due to the timings of these meetings refreshments and lunch will be provided.

The agenda for the meeting is set out overleaf.

Yours sincerely

Vicky Ellis
Office of the Police and Crime Commissioner

INFORMATION ABOUT THIS MEETING

(i) Car Parking Provision

Visitor car parking is available, please follow the directions as you drive in.

(ii) Wheelchair Access

The Meeting Room has access for wheelchair users and there will be a disabled parking bay nearby, this is within the main car parking area and will need to be accessed via the intercom with reception. Please let us know in advance if you will require this so that we can make the arrangements with reception.

(iii) Emergency Evacuation Procedure

The attention of Members, Officers and the public is drawn to the emergency evacuation procedure for the **Port-Oyns Room**: Follow the Green Fire Exit Signs to the **Circular Car Park to Front of Admin Building Assembly Point**.

(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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(v) REPORT NUMBERS CORRESPOND TO AGENDA NUMBER

AGENDA

12 September 2024, 13:00 – 16:00

1. Apologies for Absence

2. Emergency Evacuation Procedure

The Chair will draw attention to the emergency evacuation procedure for the **Port-Oyns Room**: Follow the Green Fire Exit Signs to the **Circular Car Park to Front of Admin Building Assembly Point**. The emergency evacuation procedure for any Teams call participant will be left for them to determine.

3. Declarations of Gifts/Offer 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 20 June 2024 (Report 5) 13:00

6. Office of the Police and Crime Commissioner Strategic Risk Register (Report 6) 13:05

7. Constabulary Strategic Risk Register and Verbal Organisational Risk Update from the Chief Constable/ Deputy Chief Constable (Report 7) 13:20

8. Annual Accounts and Governance Statement (Report 8) 13:35
a) Joint Audit Committee Member Questions and Answers

9. External Audit: Draft Audit Findings Report (Report 9) 13:50

10. Business from the JAC 14:20
a) Governance and Scrutiny Board Update (Verbal Update)
b) Update on IOPC Investigations (Verbal Update)

- c) Preparedness for PEEL Inspection (Verbal Update)
- d) Update on ERP Programme Management and implementation progress (Verbal Update)

- 11. Internal Audit (Report 11): 15:05
 - a) SWAP Quarterly Update
 - b) ASP Compliance with Statutory Obligations Follow Up
 - c) ASP Key Financial Controls – Corporate Credit Cards
 - d) Q3/4 2024/25 Six Monthly Audit Plan
- 12. Internal Audit Progress Review (Report 12): 15:45

Part 2

Items for consideration without the press and public present

- 13. Exempt Minutes of the Joint Audit Committee Meeting held on 20 June 2024 (Report 12) 15:55

POLICE AND CRIME COMMISSIONER FOR AVON AND SOMERSET

MINUTES OF THE JOINT AUDIT COMMITTEE (JAC) MEETING HELD ON THURSDAY 20TH JUNE 2024 AT 13:30. MEETING HELD VIA TEAMS.

Members in Attendance

Zoe Rice
James Madsen
John Vanstone

Officers of the Constabulary in Attendance

Sarah Crew, Chief Constable
Jon Reilly, Deputy Chief Constable
Nick Adams, Constabulary CFO
Nick Lilley, Director of Information Technology (part of the meeting)
Victoria Caple, Head of Victim Care, Safeguarding and Vulnerability (part of the meeting)
Phil Baxter, Programme Director ERP (part of the meeting)
James Davis, Delivery Manager – Portfolio (part of the meeting)
Jason Sims, Staff Officer to Chief Constable (observing)

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
Vicky Ellis, OPCC Secretariat Manager

Also in Attendance

Clare Moody, Police and Crime Commissioner
Charlotte Wilson, SWAP
Juber Rahman, SWAP
George Amos, Grant Thornton

15. Apologies for Absence

David Daw (Chair)
Louise Hutchison, Chief Officer – People and Organisational Development

16. Emergency Evacuation Procedure

The emergency evacuation procedure for each call participant was left for them to determine.

17. Declarations of Interest / Gifts / Offers of Hospitality

None.

18. Public Access

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

19. Minutes of the Joint Audit Committee (JAC) Meeting held on 21st March 2024 (Report 5)

RESOLVED THAT the minutes of the meeting held on 21st March 2024 were confirmed as a correct record.

Action update:

Minute 31 Update provided in relation to the actions around the fire alarms statutory obligations in the Estates Audit. Members were assured that the follow up report should verify that actions are complete. **Close action**

Minute 37a Internal audit reports are now being sent to JAC Members as soon as they are finalised. Members are discussing improved way of sharing document with the JAC digitally. **Close action**

Minute 37b Internal auditors met with a JAC Member to discuss the scope of the culture within specialist teams audit and have shared the scope with JAC Members for comment. **Close action**

Minute 6a Internal auditors will liaise with the OPCC to arrange a demo of the new Dashboards – this can also be an introductory meeting between new JAC Members and SWAP. This will need to take place once the starting process is complete for all new JAC Members.

Minute 6b New JAC Members should be briefed by SWAP on the approach and decision making in relation to Internal Audit Planning. This will need to take place once the starting process is complete for all new JAC Members.

Minute 8 Going forward the Chief Constable or Deputy Chief Constable will give an update at JAC meetings on concerns and issues (similar to the update given at GSB). **Close action**

Minute 9a The Joint Audit Committee meeting on 12th September 2024 should be held in person.

Minute 11 (i)

The title of the Audit Progress Review report should be amended in the future to Internal Audit Progress Review. Report next due to JAC on 12th September 2024.

Minute 11 (ii) Constabulary leads should be invited to give an update on the Internal Audit Progress Review report where they have overdue recommendations. Report next due to JAC on 12th September 2024.

Minute 12 Members received a briefing on Assurance Mapping prior to this JAC Meeting which was helpful. **Close action**

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

Two significant changes affecting the OPCC Strategic Risk Register were highlighted. These are the election of a new PCC and the calling of a general election.

SR1 – Governance Failure

It is recognised that the election of a new PCC means a short term loss in corporate knowledge but the mitigating actions were highlighted. Also highlighted was the recruitment of three new JAC Members – two have started already and the third is expected to start in time for the next JAC meeting. JAC Members requested any appropriate and relevant documentation from the PCC induction process that would be helpful for new Members.

SR2 – Failure to deliver the Police and Crime Plan

It was noted that the existing Police and Crime Plan will remain in place until it is superseded by the newly elected PCC's Police and Crime Plan, which must be in place by the end of March 2025. The Police and Crime plan is in the early stages of development with a governance structure having been agreed. As a stakeholder group the JAC Members will be part of the consultation and engagement process for the new Police and Crime Plan.

Members were assured that there are no conflicts of interest between the PCC's priorities and the priorities of the Chief Constable.

Members asked how the risks and challenges of executing the Police and Crime Plan are assessed. The OPCC has just begun the planning process and will take into consideration the guidance, recently published by the Association of Police and Crime Commissioners (APCC) on producing Police and Crime Plans, which includes approach to risk.

Members asked how the current picture around public confidence will feed into the Police and Crime Plan process and inform the engagement and consultation. The PCC wants the consultation and engagement to be meaningful and wide reaching across the force area and specific

groups/communities. The PCC wants this to be a process of communication and platform for ongoing connection.

SR3 – Financial incapability or ineffectiveness

It was felt that this risk could not be lowered due to the savings still to be found in the last three years of the Medium Term Financial Plan (MTFP), the pressure on public finances and the uncertainty as a result of a general election being called.

SR4 – Failure to act as the voice of the local people

The new PCC has a strong message around connecting and engaging with local communities as an ongoing conversation. The OPCC has developed a 100 day plan around engagement.

SR5 – Lack of capacity or capability, or poor wellbeing within the OPCC

The response rate and results of the OPCC staff survey were positive. An area for improvement which was highlighted is work/life balance of staff. The Senior Leadership Team (SLT) will be considering ways to improve this.

SR6 – Failure to deliver commissioned services

The Victims Services recommissioning process is being led by the OPCC Partnerships, Policy and Commissioning directorate. The process is coming to an end with the contracts for services due to begin on 1st April 2025.

SR7 – Failure to support delivery of effective and efficient collaborations with other forces

This risk has reduced in recognition that it had previously been overly influenced by one particular service. The broader collaboration picture with other forces is much more positive.

SR8 – Failure to deliver effective and efficient collaborations or outcomes with other partners

Uncertainty around funding was highlighted, in particular the three year Home Office funding settlement in relation to the Violence Reduction Partnership (VRP) which is due to come to an end on 31st March 2025. While a decision regarding the future of this funding is awaited the VRP are considering how the work could be taken forward sustainably. The Violence Reduction Partnership Board will be chaired by the PCC going forward. It was also noted that in relation to Community Safety Partnerships (CSPs) there is uncertainty around the proposed changes to the Criminal Justice Bill which was not passed by parliament before it was dissolved.

Members asked what the OPCC risk appetite is and what level of risk it is comfortable with. There is no formal description of the OPCC risk appetite but this is an ongoing discussion and will vary dependent on the type of risk e.g. the OPCC has limited control of the finance risk but Governance is a core function and there would be a lower appetite for risk there. It was also noted that the OPCC is a small organisation and doesn't have the operational level below the Strategic Risk Register in the same way as the Constabulary.

RESOLVED THAT the OPCC will provide any appropriate and relevant documentation from the PCC induction process that would be helpful information for new Members.

21. Constabulary Strategic Risk Register and Organisational Risk Update (Report 7)

It was agreed that the Chief Constable would give an update under this item on the areas at the top of her worry list. This will be helpful context in terms of looking at the Strategic Risk Register and in discussing the Police and Crime Plan.

The Chief Constable highlighted public confidence as the single most important measure of policing success – without public confidence and trust there is no policing by consent. Public confidence in policing feels weakened right now and rebuilding that trust and confidence is at the top of the organisation's priorities. The below was highlighted as important to achieving this:

- Getting basic policing right, prevention, response, disruption, bringing people to justice and people satisfaction/confidence.
- Behaviour on and off duty.

The Chief Constable is concerned about the wellbeing of those in the organisation. These are the people that run towards danger, who face trauma at work in a way most organisations do not, and who step into a crisis. It is important to support the workforce as they will bring back the trust. The Chief Constable has spent time on the frontline recently and found that generally people don't feel they have the time to do their vocation well and that they are letting down the public (70% of time is not spent on core police work). Officers also do not feel valued by the public (this feeling is largely led by media and social media) and don't feel as though society leaders listen and address their key issues.

The Chief Constable has plans in place to address issues within the budget available. Capacity must be created and investment in leadership will drive the culture of the organisation. Addressing the issues is not without challenge but what can be done quickly to ease the situation will be looked at. It was noted that almost 50% of officers have joined the organisation in the last four years and they need to be afforded the time to learn and grow their capability.

Challenges at this time include summer demand (the busiest time), incidents of violent crime, operations and His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection.

Corporate Risk Register

The risk around data has reduced from a red to amber risk in recognition of the amount of activity. Members queried the migration of data to CLOUD not having been discussed at the Ethics Committee according to the report – it is understood that this is planned but the Constabulary will confirm.

The report suggests that some committee chairs are tolerating red risks and not escalating them to the Constabulary Management Board (CMB). Members sought assurance on the reasons for this and how often this occurs. The people that are involved in solving issues and mitigating risks are involved in the sub-boards and therefore appropriately placed to monitor the risks on a short term basis where improvements are expected imminently – where there is an ongoing issue this will be escalated to CMB.

The Constabulary recognise that they don't formally have a definition of risk appetite but will be looking at this during 2024/25 and consulting with other forces who do.

Members would be interested in a roadmap to understand where risk can be expected to change and what actions can help to shift the risk rating. This is something the Constabulary can work towards.

RESOLVED THAT

- i. the Constabulary should confirm, in relation to the data risk, whether the migration to CLOUD is scheduled to be discussed by the Ethics Committee; and
- ii. the Constabulary should keep the JAC Members updated with the work around risk appetite and liaise with Members offering advice.

22. Annual Accounts and Governance Statement (Report 8):

a) Draft Annual Accounts and Governance Statement

The Constabulary CFO talked through the highlights from the covering report. Members queried what is in the group accounts and what is in the Chief Constable accounts – Chief Constable accounts is operational and all assets are technically owned by the PCC so these are all in the group accounts.

The value of the pensions liability was highlighted to Members and explanation given. Members were assured that the Officer pensions value is a shared liability with the Home Office.

Members queried the Staff pensions value which is the Local Government Pension Scheme run by Somerset Council. This is reviewed by the actuaries every three years, looking at a 15 year horizon to assess the amount going forward. Members were assured that the OPCC CFO sits on the Somerset Council Pension Fund Committee and fund managers attend that committee.

Members also noted that the external auditors assess the pension liability as part of their audit.

Members attention was drawn to the reconciliation included and the year-end adjustments and provisions. The Reserve position is noted in the group accounts and the net reduction of £4m in the Reserve over the year is

explained. Provisions were discussed – the biggest number being insurance provision.

Asset valuations is the biggest number other than the pensions liability. An annual desktop exercise is run to check against various indices and is looked at as part of the external audit process.

b) Joint Audit Committee Member Questions and Answers

The final audited accounts are due to be presented to the JAC on 12th September 2024 where Members will be asked to recommend signing the accounts to the Police and Crime Commissioner and Chief Constable. Members will be asked to submit their questions on the Draft Annual Accounts and Governance Statement by mid-July. Members questions will then be collated and answers prepared – the questions and answers document will be published as part of the September JAC papers.

RESOLVED THAT the Constabulary CFO will confirm the date Members questions are due and in what format they should be submitted. The Constabulary CFO will also brief new JAC Members on the accounts.

23. External Audit: Progress Report (Report 9)

The External Auditors received the draft accounts on 10th June 2024. Some early work has been done but the audit is due to get underway by the end of June 2024 for completion and submission of the Audit Findings Report to the 12th September 2024 Joint Audit Committee. Members sought assurance regarding the timescales of the audit and were informed that the external auditors are confident, at this stage, and have a team in place that is resourced to deliver to this.

New Members can find a value for money section in the Joint Audit Plan, submitted to the JAC meeting on 21st March 2024, for information.

Members queried why the fees are higher for the PCC than for the Chief Constable. This is because the PCC pays for the group accounts which helps the audit at Chief Constable level. External audit is through a (Public Sector Audit Appointment) PSAA tendering process and they determine the fees.

24. Business from the JAC (Report 10):

a) Confirmation of the JAC Chairing Arrangements

Two new JAC Members have been appointed and a third is due to start by the 12th September 2024 JAC meeting. This will improve resilience and the knowledge set within the JAC. The Chair thanked everyone involved in the appointment process. It has been agreed that JAC Member David Daw will step into the JAC Chair role from July 2024 until the end of the calendar year when a permanent appointment will be discussed.

b) Governance and Scrutiny Board (GSB) Update

Minutes of the GSB will be circulated to JAC Members as soon as they become available going forward. The OPCC CFO gave an update on the discussions at the most recent GSB on 12th June 2024:

- 2023/24 Financial Outturn
- Update on tackling disproportionality
- Risks and issues
- Force Management Statement (FMS) and Strategic Policing Requirement Self Assessment
- Annual sustainability report
- Business Case for a new app which can provide unprecedented levels of investigation functionality and efficiency through AI.
- Victim satisfaction – declined due to a number of factors in the Criminal Justice System as a whole. Links to the Chief Constable's earlier discussion regarding public confidence.

c) Update in Independent Office of Police Conduct (IOPC) Investigations

There are currently 19 independent investigations by the IOPC – 11 of these are from 2023, 5 are from 2024 and 3 are overdue. An update on the status of the 3 overdue cases was given. Themes of the 19 investigations includes discriminatory behaviour and driving standards.

RESOLVED THAT the Deputy Chief Constable will brief new JAC Members on the IOPC process.

d) Preparedness for PEEL Inspection

The Deputy Chief Constable gave an update on the preparedness of the force for the HMICFRS PEEL Inspection. The PEEL inspection is done every 2 years. Some elements have already been done but there are still a number to be looked at between now and September. Members were assured that staff are prepared to be honest and transparent in the process.

There were 17 recommendations from the previous inspection – 8 of these are with HMICFRS and the rest are with the Constabulary awaiting finalisation. It was noted that last time the Constabulary was inspected on Crime Data Integrity but will not be this time – improvements have been made in this area but the Constabulary recognise there is still more to do and will therefore be seeking two independent assessments to look at the gaps.

The final PEEL Inspection report is due to be published in March 2025.

RESOLVED THAT the Deputy Chief Constable will brief the new JAC Members on the PEEL Inspection process.

25. Internal Audit (Report 11):

a) Internal Audit Annual Opinion and Report

A reasonable internal audit annual opinion has been given based on the various engagements throughout the year and the wider governance and risk management arrangements. One limited assurance opinion was highlighted which represents a high level of corporate risk, this is in relation to the Estates audit – the follow up is in progress and the initial response is that 10 out of the 13 actions have been implemented with the remaining three still to be verified.

Members were assured by the internal auditors that access is given where required and the working relationships with the Constabulary and OPCC are positive.

b) SWAP Quarterly Update

Members asked if the table in the quarterly update can include when each audit was due and when it was completed as well as more of a breakdown of the costs e.g. number of hours. A breakdown of the cost is difficult to provide in this context as the cost per hour will depend on the level of the person doing the audit work – it was noted that the average cost of internal audit per day in 2023/24 was £386.

Members have noted that the internal audit reports no longer include sections on learning, leadership, culture and equality and diversity. Members request that this be included again in internal audits going forward.

It was noted that the Strategic Approach to ICT in the Joint Audit Committee papers is the final version and it is an error that it is marked as draft.

RESOLVED THAT

- i. The table should include the dates audit were due and when they were completed; and
- ii. A section on learning, leadership, culture and equality and diversity should be included in all internal audit reports going forward.

c) Personal Development Unit (PDU)

A reasonable assurance opinion was given in respect of the effectiveness of controls to ensure student recruits achieve competency to patrol independently, particularly in respect of tutoring under the Policing Education Qualifications Framework (PEQF). Four actions were raised.

The Constabulary highlighted that there needed to be more clarity around who owns the Tutoring and that this is patrol rather than the PDU. The Constabulary found this to be a good review process. The Tutoring process is important in setting the tone at an early stage. It was noted that the Tutor role is a voluntary role which is taken on in addition to the core role.

Members welcomed the survey work completed but were concerned about the low response rate at just 12% and asked the Constabulary to consider the best way to get feedback from more people in order to learn.

d) Strategic Approach to IT

A reasonable assurance opinion was given in respect of the Force Strategic Approach to IT links with their obligations regionally and nationally to police initiatives. Two actions were raised and the Constabulary Director of IT confirmed that the first is already underway. With regard to the first part of the second action this is in place but action will be taken to ensure greater visibility and the governance and meeting structure was highlighted. The Constabulary have asked SWAP to feedback on what a good Accountability and Delegation Framework looks like. SWAP confirmed that they were content with the Constabulary update provided against action 2.

e) Victim Support Services

A reasonable assurance opinion was given in respect of the Force providing victims of crime with appropriate support to help them cope, recover and be protected from re-victimisation. Five actions were raised.

It was noted that of the 6 actions from 2021 Lighthouse Safeguarding Unit (LSU) 5 remain outstanding. This is partly due to national progress e.g. the Ministry of Justice (MoJ) were working on a national victim feedback mechanism but they are no longer doing that so it will need to be done in-house.

Members asked how the 5 outstanding actions from the 2021 review were being tracked and what the follow up process is. There are various mechanisms of governance around these. It is worth noting that a lot of the actions feed into wider actions which are sat in programmes of change. The importance of ensuring that actions agreed with SWAP are SMART, add value and are not repeats of actions already in place elsewhere was discussed.

f) Enterprise Resource Planning (ERP) Programme Management 2024/25

A reasonable assurance opinion was given in respect of the effectiveness of project management arrangements to ensure the Force's new Enterprise Resource Planning (ERP) system (Oracle Fusion) is delivered on time and on budget. The Constabulary highlighted that there are a number of points and figures in the paper that need to be corrected and updated.

It was noted that the vast majority of overdue tasks referred to relate to data migration and that where no resource had been assigned it was because it is an overarching task where an individual wouldn't expect to be assigned to it e.g. Programme Board which is an event not a task.

Members were assured by the Constabulary that the plan is serving its purpose in enabling them to look down the track to assess the achievability of the go live date – this can continually be assessed based on the metrics in the plan.

The Constabulary explained to JAC Members that the ERP system is the critical corporate system for all back office functions (finance, procurement and HR). The current system is called SAP and is being replaced by Oracle. In Oracle the duty management, e-recruitment and Individual Performance Review (IPR) systems can be integrated which is not happening in SAP.

RESOLVED THAT

- i. an update should be given regarding the ERP Programme Management and implementation progress at the next JAC meeting; and
- ii. When the internal audit report is amended, regarding the points and figures which need correcting, this should be circulated to JAC Members.

Part 2

Items for consideration without the press and public present

- 26. Exempt Minutes of the Joint Audit Committee Meeting held on 21st March 2024 (Report 12)**

SEE EXEMPT MINUTES

- 27. Internal Audit: Proceeds of Crime Act (Report 13)**

SEE EXEMPT MINUTES

The meeting concluded at 16:35

CHAIR

ACTION SHEET

MINUTE NUMBER	ACTION NEEDED	RESPONSIBLE MEMBER/ OFFICER	DATE DUE
Minute 6a Internal Audit Reports: SWAP Quarterly Update 21st March 2024	SWAP should liaise with the OPCC to arrange a demo of the new Dashboards once the new JAC Members are in place – this can also be an introduction to SWAP for the new Members.	SWAP to liaise with the OPCC	12 th September 2024
Minute 6b Internal Audit Report: Updated 2024/25 Quarter 1 and 2 Proposals 21st March 2024	New JAC Members should be briefed by SWAP on the approach and decision making in relation to Internal Audit Planning.	SWAP to liaise with the OPCC	12 th September 2024
Minute 9a Business from the JAC: JAC Recruitment and Chair Update 21st March 2024	The June 2024 meeting of the Joint Audit Committee should be in person.	OPCC	12 th September 2024
Minute 11 (i) Audit Progress Review 21st March 2024	The title of the report should be amended in the future to Internal Audit Progress Review	Constabulary Audit and Inspection Lead	12 th September 2024
Minute 11 (ii) Audit Progress Review 21st March 2024	Constabulary leads should be invited to give an update where they have overdue recommendations	Constabulary Audit and Inspection Lead	12 th September 2024
Minute 20 OPCC Strategic Risk Register	The OPCC will provide any appropriate and relevant documentation from the PCC	OPCC CFO	Immediate

20th June 2024	induction process that would be helpful for new Members.		
Minute 20 (i) Constabulary Strategic Risk Register and Organisational Risks	The Constabulary should confirm, in relation to the data risk, whether the migration to CLOUD is scheduled to be discussed by the Ethics Committee.	Delivery Manager – Portfolio	Immediate
20th June 2024			
Minute 20 (ii) Constabulary Strategic Risk Register and Organisational Risks	The Constabulary should keep the JAC Members updated with the work around risk appetite and liaise with Members offering advice.	Delivery Manager – Portfolio	TBA
20th June 2024			
Minute 22b Annual Accounts and Governance Statement: JAC Member Questions and Answers	The Constabulary CFO will confirm the date Members questions are due back and in what format they should be submitted. The Constabulary CFO will also brief new JAC Members on the accounts.	Constabulary CFO	Immediate
20th June 2024			
Minute 24c Business from the JAC: Update on IOPC Investigations	The Deputy Chief Constable will brief new JAC Members on the IOPC process.	DCC	By 12 th September 2024
20th June 2024			
Minute 24d Business from the JAC: Update on Preparedness for PEEL Inspection	The Deputy Chief Constable will brief the new JAC Members on the PEEL Inspection process.	DCC	By 12 th September 2024
20th June 2024			
Minute 25b(i) Internal Audit: SWAP Quarterly Update	The table should include the dates audit were due and when they were completed.	SWAP	12 th September 2024

20th June 2024			
Minute 25b(ii) Internal Audit: SWAP Quarterly Update 20th June 2024	A section on learning, leadership, culture and equality and diversity should be included in all internal audit reports going forward.	SWAP	12 th September 2024
Minute 25f (i) Internal Audit: ERP Programme Management 24/25 20th June 2024	An update should be given regarding the ERP Programme Management and implementation progress at the next JAC meeting.	Constabulary CFO	12 th September 2024
Minute 25f (ii) Internal Audit: ERP Programme Management 24/25 20th June 2024	When the internal audit report is amended, regarding the points and figures which need correcting, this should be circulated to JAC Members.	SWAP	Immediate

MEETING: Joint Audit Committee	DATE: 12 September 2024	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 20 June 2024.

2. POINTS OF NOTE

The SRR was reviewed by the OPCC SLT in August 2024. There were no changes to the risk scores this time but key points to note are highlighted below.

SR1 – Governance Failure

The PCC is currently reviewing the agenda and format of Governance and Scrutiny Board (GSB) meetings, with a view to ensuring strategic focus and a joined-up approach with the Constabulary's governance structure.

SR2 – Failure to deliver the Police and Crime Plan

The draft Police and Crime Plan 2024-2029 was published, and consultation launched, 15 August 2024. The consultation is asking for people's views on the Plan and suggestions on how we can achieve the priorities within it.

SR3 – Financial incapability or ineffectiveness

The 2024 police officer pay award of 4.75% is higher than budgeted but the Government have indicated the difference will be funded by an additional grant. Police staff pay award is likely to be the same level.

The Government have confirmed a single year settlement for policing this year; with no change to the police funding formula on which that settlement is distributed across policing areas.

SR4 – Failure to act as the voice of local people

The consultation on the Plan (mentioned above) includes a question asking people if they would be willing to pay for policing through their council tax, and by how much. This will help inform the PCC's decision about the precept later in the year.

The consultation includes a survey as well as several public forums and focus groups.

SR6 – Failure to deliver commissioned services

The recommissioning of victims services is complete with service providers appointed and new contracts to start April 2025.

Office of the Police and Crime Commissioner for Avon and Somerset

Strategic Risk Register

August 2024

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 reduction in public confidence
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 / reduction in public confidence
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 reduction in public confidence
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 reduction in public confidence
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	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">• Election of new PCC represents loss of corporate knowledge in the short term.• Joint Governance Framework complexity not fully understood in all aspects by ASP.• New duties and expectations of PCCs being created by central government, potentially without additional 'levers' to support delivery. Taking on new responsibilities means there are more likely to be governance failures whilst the team learn.• 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.		<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).• Reduced public confidence and trust.• 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) - oversight of performance, risks and issues and provides a formal decision making mechanism for internal (non-Constabulary) business.• Joint Governance Framework to be kept under review to ensure up-to-date and fit for purpose <ul style="list-style-type: none">• OPCC policies and procedures being reviewed. <ul style="list-style-type: none">• OPCC self-assessment of compliance with their Equality Duty. <ul style="list-style-type: none">• Governance & Scrutiny (GSB).• Quarterly performance report and dashboard.• PCC and Chief Constable 1:1s.• OPCC attend CMB, SPM and other strategic meetings (open invitation from the CC).• Joint Audit Committee, External Audit, Internal Audit and annual governance statement. <ul style="list-style-type: none">• 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 & OOCd.• OPCC Information Governance Group oversees compliance with GDPR and DPA 2018.• PCC chairs the Local Criminal Justice Board• Review publication scheme and check website is compliant with relevant requirements.	Oct-24	CoS	<ul style="list-style-type: none">• A review of the Joint Governance Framework is ongoing, and is now being informed by guidance and best practice from a national level.		
	Oct-24	CoS CFO			
	Oct-24	Head of HR & BS	<ul style="list-style-type: none">• Policy review is progressing, with staggered publication to staff continuing through 2024/25. A digital record is being kept when staff confirm they have read the documents with a few completions outstanding.• 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. Development of prioritisation plan to identify areas of highest concern and any quick wins has started but been put on pause due to other priorities.• GSB being reviewed under new PCC.		
	Nov-24	CoS			
	Sep-24	Director of P&A	<ul style="list-style-type: none">• 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.		
	PCC CoS CFO				
	CoS CoS CoS	<ul style="list-style-type: none">• Specified Information Order - quarterly performance reports and complaints overview on PCC website.			
	Director of P&P Director of P&A CFO				
	PCC CoS	<ul style="list-style-type: none">• Although the governance process is working well the outcomes do not necessarily reflect this.• Publication scheme being updated alongside review of content in line with guidance.			

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">• Current plan issued by previous PCC; new plan must be published by Mar-25.• Several homicide and serious violence incidents in Bristol in 2024.• Savings requirements will result in a significant reduction in Police Staff Investigators – this will reduce the capacity of CID and likely cause further impact on Patrol.• 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 - inexperienced workforce (particularly in Patrol) / staff turnover in Comms / staff posts being reduced.• 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 2023.		<ul style="list-style-type: none">• Loss of legitimacy in the OPCC and Constabulary.• Loss of public confidence/trust in the OPCC 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">• Develop Police & Crime Plan 2024-2029• Governance & Scrutiny (GSB).• Quarterly performance report and dashboard.• OPCC Business Plan now focusses the work of the OPCC on supporting the Police and Crime Plan.• OPCC Scrutiny Strategy.	Oct-24	Director of P&A Director of P&A	<ul style="list-style-type: none">• Draft plan published 15-Aug – open for consultation until 21-Oct.		
	<ul style="list-style-type: none">• OPCC attend CMB and other strategic meetings (open invitation from the CC).• PCC and Chief Constable 1:1s.• 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.	Oct-24	CoS Director of P&A	<ul style="list-style-type: none">• Five strategic aims and key deliverables agreed and published with related workstream tracker.• Plan and objectives refreshed for 2024/25.• Framework drafted but revised GSB will directly influence this so once the GSB changes are agreed the draft will need to be amended.• 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.• ASP governance and performance structure changed Sept-23; aligns with PEEL.	
		CoS PCC CFO CFO Director of P&A	<ul style="list-style-type: none">• Qlik data now available for PSD as well as wider areas of policing through S&A and P&G. This assessment is now driving PCC GSB commentary.		

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 high inflation and interest rates.• Pay awards may exceed central government projections and effectively be unfunded.• Pressure on elements of savings plans due to performance challenges.• May not be able to achieve maximum precept increase from 2025/26 onwards; especially considering 'cost of living' crisis already impacting the public.• Risks around pension funds due to wider economic impact.• Increasing pension costs for officers and staff schemes; although this will probably be funded.• Revenue and capital budgets not fully funded for term of MTFP. Diminishing potential for capital receipts.• Scale of capital programme increased.• National work will require local funding with limited control over decision making e.g. ESMCP, NPAS, national IT.		<ul style="list-style-type: none">• Officer numbers protected so may lead to using officers in roles currently undertaken by civilians.• Failure to set a sustainable revenue budget or capital plan across the medium term.• Failure to meet heightened expectations of stakeholders.• Loss of public confidence.• Unable to fund expected 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 clear governance process. 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 CFO	MTFP after planned savings: 2024/25 balanced 2025/26 balanced 2026/27 -£4.3 million 2027/28 -£8.8 million 2028/29 -£12.0 million 2024 police officer pay award of 4.75% is higher than budgeted but the Government have indicated the difference will be funded by an additional grant. <i>Key assumptions:</i> <i>Income – from 2025/26 core grant funding will increase by 1% p.a. and precept funding will increase by 2% p.a.</i> <i>Pay – will increase by 3.0% in Sept-24, 2.5% for the next two years and 2.0% p.a. thereafter</i> <i>Inflation (non-pay) – 3.0% in 2024/25, decreasing to 2.0% p.a. thereafter</i>		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to act as the voice of local people	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">• New PCC establishing and building on public connections and networks• Failure to engage with the public and other stakeholders• Lack of public awareness of the PCC• Lack of public confidence in the PCC• Engagement methods do not always reach a wide audience or different communities or groups; failure to engage with young people.		<ul style="list-style-type: none">• Loss of legitimacy• 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.• Failure to hear the victim's voice may mean services do not meet the actual need.• Police and Crime Panel criticism and/or fail to agree precept increase.• Lack of public confidence in the PCC.• Could undermine the working relationship between the Constabulary and OPCC.• Low voter turnout in PCC elections.• Loss of political support for the need for PCCs.			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">• Police & Crime Plan consultation.• Annual Precept Survey.• PCC engagement programme.• Overarching approach to communications with more focus 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.• OPCC/ ASP Corp Comms joint meetings.• Calendar of regular media appearances / communications activities which will also link to national days or weeks where relevant.• Revised stakeholder mapping and management.• New contact management system to facilitate better contact analysis.	Nov-24	Head of C&E	<ul style="list-style-type: none">• Draft plan published 15-Aug – open for consultation until 21-Oct. Online survey, public forums and focus groups.• 2025/26 survey combined with Police & Crime Plan survey.• Mapping and research undertaken with gap analysis completed. Developing electronic form for maintenance of database going forward.• New Contact Management System (iCase) delayed. iCase implemented in ASP In May-24 and OPCC development will follow.• Delivery of this work involves community engagement including an independent scrutiny panel.• The OPCC has a standing invite to all Gold Groups.		
		Head of C&E			
		Head of C&E			
		Head of C&E			
<ul style="list-style-type: none">• Tackling Disproportionality programme supported by the OPCC• 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.• A&S Police & Crime Survey collects data on public awareness of and confidence in the PCC.	Nov-24	Head of C&E			
		Director of P&A			
		Head of C&E			
		PCC / CoS			
		CoS			
		Director of P&A			

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of capacity or capability, or poor wellbeing within the OPCC	SR5	CoS	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	4	12
			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.● Increased demand on HR while ERP is being tested and 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.● High levels of recruitment in terms of employees, volunteers or panel member roles.● As a result of new police misconduct regulations there is an anticipated increase in Police Appeal Tribunals (PATs).● Short-term projects funded by government require resource to be recruited or moved within short time-scales.		<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.			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">● PDR process and regular 1:1s between line managers and direct reports.● Annual staff survey, supplemented by pulse surveys, to inform internal policy and ways of working.● Learning and Development Plan with commensurate training budget maintained.● Wellbeing resources and support offered and promoted, including Health and Wellbeing Passports.● Salary levels set at a reasonable market rate and in line with other OPCCs.● Regular team meetings to share knowledge and resolve issues.● Online Applicant Tracking System implemented to make recruitment process more effective and efficient for Hiring Managers, HR team and candidates.● Implement new HR and Finance back-office system (ERP Oracle) with ASP to make processes more effective and systems led.● Working with APACCE to organise PAT training for OPCC staff.	Nov-24	Head of HR & BS Head of HR & BS Head of HR & BS Head of HR & BS Head of HR & BS Head of HR & BS Head of HR & BS	<ul style="list-style-type: none">● 2024 staff survey had 86% completion rate, and overall another set of positive indicators. Some areas improved including L&D, others saw decrease and are being addressed including work-life balance.● Skills matrix refreshed as part of the review with organisational and team requirements identified. OPCC ● Learning & Development Plan (Sept-23). Training opportunities and resources developed and promoted.● Bite size training being run in Apr/May-24.● Wellbeing and financial support initiatives promoted to the team.● Wellbeing strategy launched – Aug 23.		
	Oct-24	Director of P&A	<ul style="list-style-type: none">● High volume of recruitment of staff/volunteers and panel members Jan-Apr-24. Temporary resource in place to mitigate impacts.● HR working alongside ASP colleagues to test and implement new HR and Finance back-office system. Go live delayed to Apr-25 with a review of the risks and viability of this date to take place. Temporary resource in place to mitigate impacts.		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver commissioned services	SR6	Director of P&P	5	3	15
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	3	12
			Mitigated Risk change:		↔
Cause		Impact			
<ul style="list-style-type: none">• Cost of living / inflationary increases reduce the capacity of commissioned services to deliver.• Short term Home Office funding arrangements and cuts to budgets in agreement period.• All MOJ funding for victim services ends Mar-25 across core and specialist services (MOJ formula and general grants) which is a risk for local services the closer we get to this without clarity of budgets.• Reduction in MoJ funding.• Home Office funding for DRIVE ends Mar-25.• Services without sustainable funding and cliff-edge arrangements.• Reduction in rape support fund means less funding for therapeutic services.• Victims and Prisoners Bill is proposing only modest funding to deliver the Collaborative Commissioning Duty.• Lighthouse (the primary commissioned service) not delivering to the agreed standard.• Increasing demand including victim support services; particularly DA and SV.• Significant additional reporting requirements for compliance purposes.• Failure to hear the victim’s voice may mean services do not meet the actual need.		<ul style="list-style-type: none">• Failure to support and protect, victims particularly vulnerable victims – PCP Priority 1 (SR2).• Failure to reduce harm.• Loss of public confidence in the PCC.• Damaged relationships with Constabulary and partners.• Non-compliance with Government grants.• Reduction or withdrawal of victims grant from Government.• Failure to devolve further funding/commissioning.			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">• Commissioning Strategy• Victim Services recommissioning for 2025/26• 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.• 6-monthly monitoring of services financial returns.• Scan and apply for additional funding as available.• Lobbying to increase funding for Victims and Prisoners Bill. Pursuing funding from MoJ related to Victim’s Code of Practice.• Therapeutic services – working with Integrated Care Board to support through one-off funding and remodelling of service offer.• One-off funding for support for services to mitigate inflationary pressure.• Independent evaluation of DRIVE to demonstrate value of the programme and secure further funding.	<div>Nov-24</div> <div>Sep-24</div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> 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Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to support delivery of effective and efficient collaborations with other forces	SR7	Chief of Staff	5	3	15
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	3	12
			Mitigated Risk change:		↔
Cause		Impact			
<ul style="list-style-type: none">Challenges with staff retention and capacity in South West Forensics.Ineffective governance and scrutiny over existing collaborations – particularly SWROCU.NPAS is particularly challenging in terms of lack of consensus on future direction and sustainable funding.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.		<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.			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">Regional Collaboration Advisor and Coordinator roles recruited to support PCCs.External review of SW Forensics was commissioned.Collaboration Governance.SWAP are the Internal Auditor – working in partnership with other regional forces.Regional ACC is in place (in line with HMICFRS recommendations).PCC is national lead on Minerva collaboration, alongside CC as police lead.		CoS CoS CoS CoS CoS CoS	<ul style="list-style-type: none">Regional Collaboration Advisor started Feb-24 and Coordinator Jul-24.SW Chief Constables and PCCs agreed to implement review recommendations and extra investment.Two SW Operational Boards chaired by ACCs, feed into SW Strategic Board.Regional PCC representation at the NPAS Board.Op Scorpion – regional anti-drugs operation – has been running (approximately) quarterly from Jan-22.		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations or outcomes with other partners	SR8	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">• The broader Criminal Justice System is not operating effectively with significant delays in cases getting to court and insufficient capacity in prisons.• 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.• 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. This increases the risk of demand and funding requests moving to the ASC and OPCC.• OPCC unable to effectively support the growing number of partnership programmes.• 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.• National review of CSPs• Violence Reduction Unit and Serious Violence Duty funding from Home Office is due to run out Mar-2025. This funding is critical to the delivery of A&S's VRP activity, including paying for key staffing roles and interventions.• Serious Violence Duty – data sharing a particular challenge. Overseen by VRP Directorate.• Safer Streets 5 (2023) – two projects have a set end point but the third is a broader piece of work about reducing MVAWG. Project Manager is only funded until Mar-25. HO funding only confirmed for one year of 18 month project.		<ul style="list-style-type: none">• Offenders fail to be brought to justice in a timely manner, or at all. If convicted they may not receive/serve sentences which match public expectations. This damages confidence in the CJS and may lead to future additional harm to victims and the wider public.• 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.• Reduced ability of responsible authorities across A&S to effectively deliver their statutory obligations under the Serious Violence Duty and loss of an A&S wide approach.• Sudden end or reduction of services and interventions funded by the A&S VRP structure causing gaps resulting in vulnerable young people not being supported and incidents of serious violence increasing.			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">• PCC chairs the Local Criminal Justice Board• Violence Reduction Partnerships (VRPs) facilitated by VRP Directorate of OPCC• Serious Violence Duty governance	Nov-24	VRP Director	<ul style="list-style-type: none">• New VRP structure in place with roles filled. SV Duty governance in place. Convening function for the SV Duty at A&S level will be managed by VRP Directorate.• Following the change of government VRPs are waiting for funding decisions to be announced, therefore there is uncertainty over finances post Apr-25.•The VRP will be developing a sustainability plan by Jan-25.• A workshop has been set to discuss financial risk in the September VRP Executive meeting to explore alternative means of funding to protect critical service delivery.• Need to improve OPCC oversight of these plans but that has to be considered in the context of the national CSP review which is now on hold. This will be informed by the review of the Partnership Strategy.		
<ul style="list-style-type: none">• Governance of Community Safety Plans	Nov-24	Director of P&P	<ul style="list-style-type: none">• Partnership Strategy complete and signed off. Describes the ‘as is.’ Further review to be undertaken during the course of 24/25• 5 CDPs went live in Sept-22. Aligned to local authorities and reporting to their boards.		
<ul style="list-style-type: none">• Partnership Strategy	Nov-24	Director of P&P			
<ul style="list-style-type: none">• Combatting Drugs Partnerships		Director of P&P			
<ul style="list-style-type: none">• A&S Reducing Reoffending Board and Strategy	Sept-24	Director of P&P	<ul style="list-style-type: none">• Draft A&S RR strategy will be discussed with CSPs during the summer; due for final sign-off at RR Board in Sept-24.		
<ul style="list-style-type: none">• PP&C team have leads for victims, CJS and reducing re-offending• OPCC continue to be represented at CSPs• Regular meetings (outside of Boards) with LA chairs/CEOs• Information sharing relevant to all partnership working; particularly CJ, reducing reoffending and VRPs.		Director of P&P CoS CoS Respective Strategic Groups			



AVON & SOMERSET CONSTABULARY CORPORATE RISK

QUARTERLY REPORT – Q2 2024/25
JULY TO SEPTEMBER 2024

Corporate Risk Report

The Constabulary manages risk at two levels.

Corporate Risks – These are seven static strategic risks updated quarterly and reported via the Joint Audit Committee.

Organisational Risks – These are tactical risks identified by Directorate and Departments and managed through the formal Governance Framework at Constabulary Management Board, Committee or local Directorate / Department Leadership meeting depending on the level of mitigated risk.

This report provides a quarterly overview of Corporate Risks for the Joint Audit Committee.

Report Title	Corporate Risk Report
Period covered	Q2 2024/25
Date of report	22/08/24
Report author	James DAVIS (PMO)
Joint Audit Committee date	17/09/24

Part 1 – Corporate Risk Management approach

Part 1 describes the overall approach to Corporate Risk Management developed and implemented by the Portfolio Management Office (PMO).

The PMO seeks to mature the organisational approach to Corporate Risk. The seven Corporate Risks were reviewed with Chief Officer Group leads as part of the annual review process in Q1 2024/25. The PMO has revisited the Corporate Risks and risk record management looking to achieve the following:

- Ensure the Corporate Risks are described as outcomes as opposed to the failure of any local processes.
- Ensure the causes of all Corporate Risks are clear.
- Ensure that completed mitigations are evidenced.
- Ensure that new mitigations for the next quarter are identified.
- To reflect mitigations as “risk controls”.
- Ensure the risk mitigation score (Likelihood versus Impact) is review.
- Ensure the risk mitigation score links to define measurable controls.
- Ensure the trigger points for changes in risk scores are known.

Through the identification and tracking of quantifiable risk controls, risk mitigations become more objective, and it is possible to begin to forecast risk projections.

Part 2 – Corporate Risk overview

Part 2 provides an overview of the mapping of the Corporate Risks based on mitigation scores based on the 5 x 5 matrix.

The current Corporate Risk assessments (as of August 2024) are as below.

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

Part 3 – Corporate Risk projections

Part 3 provides a summary of projected Corporate Risk assessments for the next 12 month period.

The Corporate Risk projections (mitigated risk score) are captured below and reflect the current assessment of risk management controls and expected progress against their measures. The grid below provides a summary overview. Additional information is provided on the individual Corporate Risk Records (records referenced with a PR number).

Constabulary Corporate Risk Roadmap									
Risk Reference & Title	Historic risk assessments last 12 months (mitigated values)				Risk Management Context (please refer to individual PR records for more detail)	Forecast risk assessments next 12 months (mitigated values)			
	Q2 2023/24	Q3 2023/24	Q4 2023/24	Q1 2024/25		Q2 2024/25	Q3 2024/25	Q4 2024/25	Q1 2025/26
PR/735 Finance	20	20	15	15	Assessment reflects balanced budget for 2025/26. Risk further mitigated with longer term balanced position.	15	15	15	15
PR/736 Service	12	12	12	12	Assessment reflects progress against current HMICFRS AFIs noting new PEEL Inspection Report due early 2025.	12	12	12	12
PR/737 People	15	15	15	15	Assessment reflects continued delivery of initiatives and expectation to see benefits realised over time.	15	15	15	12
PR/738 Infrastructure	12	16	12	8	Assessment reflects balanced Capital Plan for three years and effective planning for several large scale projects.	8	8	8	8
PR/739 Data	16	16	16	12	Assessment reflects several existing mitigations with the requirement to implement significant investments.	12	12	12	12
PR/740 Governance	9	9	9	9	Assessment reflects maturing governance framework subject to future review to understand areas for improvement.	9	9	6	6
PR/1436 Confidence	15	15	15	15	Assessment reflects considerable organisation mitigations and current public confidence survey scores.	15	15	15	15

Part 4 – Corporate Risk development activity

Part 4 provides an overview of activity supported by the PMO to continually mature and develop the Constabulary approach to Corporate Risk management.

The PMO has the following areas of focus for risk management in Q3.

- Ongoing identification and tracking of new risk controls for each risk (indirectly identified through reporting through Constabulary governance).
- Introducing a process to ensure key themes from Organisational Risk Register influence Corporate Risk Assessments.
- Development of Q3 Corporate Risk assessments in November 2024.
- Development of risk appetite concept.
- Continued CPD in relation to risk management – Orange Book.

The PMO assesses risk management currently at Level 3 on the Capability Maturity Model Integration (CMMI) which is described as “Defined” with risk proactively managed across the organisation.

Part 5 – Organisational Risk summary

Part 5 provides a brief overview of the Organisational Risk Register (ORR) metrics for information.

The Organisational Risk Register is managed on a continual basis by the PMO with support from Risk Super-Users and Risk Owners. The current assessment of the ORR as of 22/08/24 is as below.

There are currently **212** organisational risks mapped – this number has remained relatively static for over a year.

LIKELIHOOD 🔍		IMPACT 🔍					
		-	1	2	3	4	5
5	-	1	2	2	5	0	
4	-	2	11	16	20	2	
3	-	3	9	31	24	1	
2	-	0	14	26	26	2	
1	-	4	0	3	2	5	

The assessment of these risks on the 5 x 5 matrix shows:

- Red RAG risks account for 14.2% of the register.
- Amber RAG risks account for 35.4% of the register.
- Green RAG risks account for 50.5% of the register.

The alignment of organisational level risks to the corporate risk themes are as follows:

- Finance – 9 risks (4.2%)
- Service – 98 risks (46.2%)
- People – 33 risks (15.6%)
- Infrastructure – 10 risks (4.7%)
- Data – 40 risks (18.9%)
- Governance – 15 risks (7.1%)
- Confidence – 7 risks (3.3%)

Part 6 – Report conclusions

Part 6 provides the key highlights from the quarterly Corporate Risk Report for Joint Audit Committee consideration.

- The Corporate Risks have been subject to a Q2 review with Chief Officer colleagues.
- There are no proposed changes to the mitigated risk scores for Q2.
- There are no significant projections for changes to risk scores for the next 12 months.
- Risks have been reconsidered to reflect outcomes, causes, controls and trigger points.
- There process is maturing but there is still a requirement to link with organisational risk.
- The Constabulary has identified a number of medium to long term risk controls which should maintain then reduce the corporate risks as presented – however several of these relate to future planning and implementation of significant investments where it will take time to realise benefits and therefore present an objective evidence base in support of lower assessments.

The PMO can offer additional commentary on this report and the individual Corporate Risks on request.

Part 7 – Corporate Risks – individual risk records

Part 7 provides a consolidation of the seven corporate risk records from the PMO VERTO Management System.

The records are attached in the following order:

- **PR735 – Finance** – Inability to deliver a sustained balanced budget.
- **PR736 – Service** – Failure to meet the five public outcomes and achieve required PEEL gradings.
- **PR737 – People** – Failure to develop a workforce capable of achieving our vision.
- **PR738 – Infrastructure** – Failure to develop our infrastructure assets in order to achieve our vision.
- **PR739 – Data** – The Constabulary fails data management inspections or is subject to a data breach.
- **PR740 – Governance** – Business decisions are made outside of due process and without audit trail.
- **PR1436 – Confidence** – The Constabulary has decreasing public confidence survey results.

AVON & SOMERSET CONSTABULARY

Corporate Risk Register



Date of register 17/08/2024

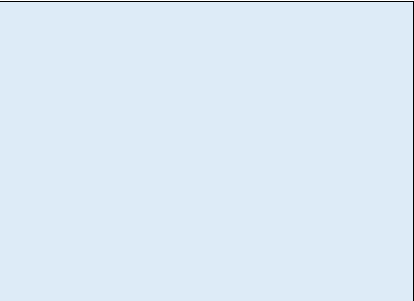
Corporate Risk - overview information

Corporate Risk URN	PR000735	Current Mitigated Score	15
Corporate Risk Title	Finance - Inability to deliver a sustainably balanced budget	Mitigated Impact Score	5
Corporate Risk Owner(s)	Nick Adams	Mitigated Likelihood Score	3
		Date of Risk Review	30/11/2024
Corporate Risk Description	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. 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.		

Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	25
Unmitigated Impact Score	5
Unmitigated Likelihood Score	5

Rationale	<p>The financial context for Avon & Somerset Constabulary includes the following:</p> <ul style="list-style-type: none">Since 2010/11 it has been necessary for Avon & Somerset to find more than £100M in revenue savings to balance our budgets, which is nearly a third of our size – there is no part of our organization that has not had to reduce to deliver savings.Our financial position continues to operate in the context of the way in which funding for policing is distributed across England and Wales. For example, if you compare our funding to those forces with one of the top 10 cities as measured by population size (of which Bristol is one), we receive the lowest overall funding per head of population. If we were to receive the average of the other 9 force areas with a large city, we would receive £128.8m (33% of our 24/25 budget) more in funding each year (this would be £55.2m [14% of our budget] more if you were to exclude London). <p>The Medium-Term Financial Plan (MTFP) is updated annually to forecasts over a 5-year planning horizon. The last MTFP published in February 2024 looked out to 2028/29, while the MTFP being developed at this time looks out to 2029/30. 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. Despite the forecast increase in funding, it is clear that across the medium</p>
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term our costs will continue to outgrow our funding. On latest forecasts as set out in our draft MTFP we predict a deficit against which we have identified savings to balance the budget in 2024/25 and for 2025/26 leaving a further saving requirement for later years in the MTFP window. We recognise that savings will largely be achieved through targeted police staff headcount reduction. 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. Within this the cost of transitioning our fleet to electric vehicles, including the cost of managing a substantial programme of work to install charging infrastructure, is beginning to be quantified. Managing this alongside our other ambitions without the provision of additional funding will place pressure on our capital funding and require us to challenge the timing and prioritisation of some of our plans. Our reserve levels are forecast to reduce across the medium term, particularly as we use these to fund our Capital Programme.

Corporate Risk - latest assessment - mitigated risk

Mitigated Assessment
Mitigated Impact Score
Mitigated Likelihood Score

15
5
3

Rationale

Quarter 2 Risk Mitigations update

Risk PR/735 was reviewed with Nick ADAMS on 13/08/24 and considered five elements

- (1) Risk description.
- (2) Causes of the risk.
- (3) Controls / Mitigations completed.
- (4) Controls / Mitigations planned.
- (5) Projections for future mitigated risk assessment scores.

Description

The Corporate Risk is confirmed as "Finance - Inability to deliver a sustainably balanced budget" to reflect the outcome as opposed to not adhering to local processes.

Cause of the risk

The causes of this risk are associated with central government underfunding, inflation and insufficient resources to meet demand.

Controls / Mitigations completed

- Alignment of Annual Financial Planning Cycle with the Constabulary Strategic Planning Cycle and Portfolio of Change.
- Comprehensive understanding of national finance landscape and key funding decision points.
- Flexible management and implementation of Police Officer Uplift numbers.
- Proactive response to the Constabulary savings challenge to identify and deliver short term savings for immediate financial years.
- Management of the Capital Plan to meet organisational objectives making use of reserves to supplement budgets as required.

Controls / Mitigations planned

- Commencing the annual process of developing our revised MTFP, with high level assumptions paper presented to Constabulary Management Board in August and PCCs Governance and Scrutiny Board in September.
- Monitoring of Government announcements on public service finances, and policing funding, including any announcements around the precept referendum cap levels – Chancellor of the Exchequer due to make a budget statement on 30th October after which we would hope to get greater clarity.
 - Early indications are that 2025/26 likely to be a one-year settlement, to allow longer for the Government to complete a spending review (SR) which won't report until after the next MTFP has been compiled – therefore will monitor and benchmark longer-term assumptions with those being made by other forces to ensure consistency where appropriate to do so. The SR announcements when they are made, should provide likely forecasts across multiple years in line with the request for this from PCCs and CCs, and endorsed more recently in the HMICFRS State of Policing report.
- We recognise there is also uncertainty as to how the Government will want to deliver on its manifesto commitment to recruit “*thousands of new police officers, police and community support officers, and special constables*”. What this means for Avon and Somerset, including clarity around how it is intended this further growth will be funded, is something we would also hope to achieve greater clarity over following the announcements at the end of October.
- The 2024 police inflationary pay award of 4.75% was approved by the Government and announced in July. The police staff pay award remains subject to ongoing negotiation, but it is reasonable to expect this to be agreed at the same rate. The Government has announced in-year funding of £175m to support the added pressure of this pay award but are yet to confirm the method by which this would be distributed to individual PCCs. We will continue to monitor further announcements around this.
- We intend to model a range of Council Tax scenarios in support of the PCC and her decision around precept, which is currently the subject of ongoing public consultation. The final proposal is unlikely to be confirmed until Q4 in advance of being presented to the Police and Crime Panel in February.
- We will continue to work with partners nationally to co-ordinate forecasts, and lobby for the funding we believe policing needs, as well as the greater certainty of multi-year forecasts for funding.
 - As part of this ongoing work, the NPCC Finance Committee has reviewed the financial standing of all Police Forces based on their last published MTFPs. This maps Avon & Somerset (for 2027 based on current forecasts) as “High Risk High Resilience” in terms of our position but are not flagged as one of the 11 forces in a “zone of concern”.

Risk assessment score projections

- **Impact** - The impact of this risk will remain relatively static and is assessed high as 5/5.
- **Likelihood** - The likelihood score of 3 remains for now. This reflects the wider uncertainty and level of financial planning assumptions that exist in the short term and medium term. The Constabulary has adopted a relatively prudent approach to its financial planning meaning an assessment of “high resilience” has been returned. It is appropriate to defer any consideration of changes to the mitigated risk assessment to Q3 to coincide with the development of the 2025/26 MTFP. The Constabulary does not project a risk reduction in the short to medium term future but nor does it expect the risk to increase. The trigger for a reduced Likelihood score of 2 would be a three to four year balanced budget with a mitigated likelihood score of 1 only returned should a five year balanced budget be presented.

Earlier assessments

Mitigated risk score Q3 2023/24
Mitigated risk score Q4 2023/24
Mitigated risk score Q1 2024/25
Mitigated risk score Q2 2024/25

20
15
15
15

AVON & SOMERSET CONSTABULARY

Corporate Risk Register



Date of register 02/09/2024

Corporate Risk - overview information

Corporate Risk URN	PR000736	Current Mitigated Score	12
Corporate Risk Title	Service - Failure to meet the five public outcomes and achieve required PEEL grading	Mitigated Impact Score	4
Corporate Risk Owner(s)	Jon Reilly	Mitigated Likelihood Score	3
		Date of Risk Review	30/11/2024

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. 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 introduced 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
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Unmitigated Impact Score
Unmitigated Likelihood Score

5
4

Rationale

<p>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, it may become necessary to prioritise and focus on specific areas of improvement. We continue to manage challenges with non-core demand (calls for service relating to non-crime incidents). Additional data also tells us that a large percentage of officer time at scene relates to non-crime incidents. We previously sent a Task Force to visit Humberside Police to understand more on their approach called 'Right Person, Right Care'. This reflects the National Police Chiefs Council 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. This will 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 continue to be in dialogue with local partners and stakeholders as we seek to introduce RCRP having adopted a more cautious approach than other Forces to ensure the public were not adversely affected by the changes. Programme #1 as part of our Constabulary Portfolio of Change will look to deliver our solutions here. We recognise the synergy between the other corporate risks and this one, 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 seventh Corporate Risk (reference PR/1436) to reflect this.</p>
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Corporate Risk latest assessment - mitigated risk

Mitigated Assessment
Mitigated Impact Score
Mitigated Likelihood Score

12
4
3

Rationale

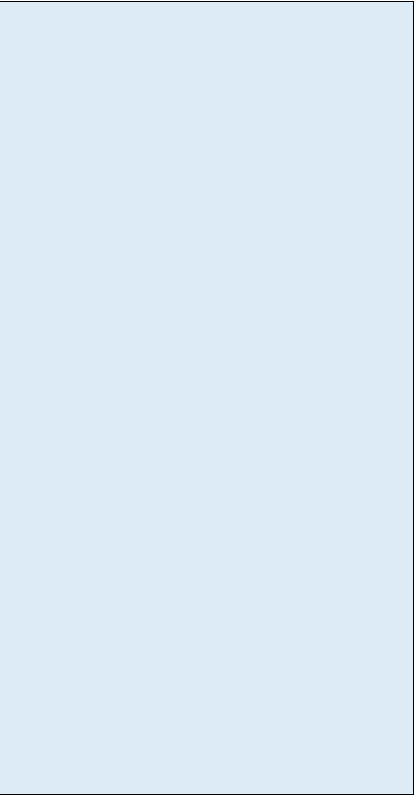
<p>Quarter 2 Risk Mitigations update</p> <p>Risk PR/740 was reviewed with DCC REILLY considered five elements</p> <ul style="list-style-type: none"> • (1) Risk description. • (2) Causes of the risk. • (3) Controls / Mitigations completed. • (4) Controls / Mitigations planned. • (5) Projections for future mitigated risk assessment scores. <p><u>Description</u></p> <p>The Corporate Risk should be reframed to "Service - Failure to meet the five public outcomes and achieve required PEEL grading".</p>

Cause of the risk

The Constabulary is unable to efficiently manage increasing demand. There are inefficient process. There are challenges with an a relatively inexperienced workforce in some parts of the business. There is an inconsistent approach to the delivery of core policing services.

Controls / Mitigations completed

- Performance priorities are defined within the Constabulary Performance Control Strategy and routinely reported via the IPQR product at the monthly Constabulary Management Board highlighting progress and areas for improvement as required.
- The Constabulary provides transparency in terms of its national / Most Similar Group (MSG) performance for key metrics via the quarterly Specified Information Order returns.
- The commencement of activity to develop the first Constabulary Workforce Plan (contingency planning, skills gaps).
- The definition and implementation of the Seasonal Demand Plan for 2024 as below.
- Seasonal summer demand this year has been managed similarly to 2023 starting with an Operation RESET and with Response and NPT dealing with BAU and incoming demand. This year NPT are not being deployed outside of their LPAs. Operations are supporting with daily demand, prison recalls, most wanted and public order incidents. Three days per week CID join Patrol to deal with incoming demand.
- As of August, immediate attendance has remained relatively stable so far this summer at 79.4%, however, priority attendance has worsened and is at 56.2% currently. The Force has also been in Demand Level 2 at the start of July and continued for a three-week period to the end of July. Tactical options were put in place to assist with the demand levels.
- The summer demand period has included unexpected demand from protests and riots. Twelve hour shifts were implemented for all Police Officers and Operational Staff were asked to volunteer to extend their shifts. SLAs and the demand level were maintained at their usual levels through the period of extra demand created by the protests and riots.
- The recognition of technological solutions to address aspects of demand management (e.g. telephone upgrades, exploring the potential of voice analytics, the development of artificial intelligence through STAR bids).
- The implementation of a Constabulary Portfolio of Change (8 x Programmes) to deliver outstanding policing.
- The first phase of the Right Care, Right Person initiative went live in the Constabulary in July and already we are seeing a significant reduction in the number of calls attended by frontline uniformed officers putting much needed capacity back into the system. The reduction in logs attended is being monitored and recorded to quantify the saving.
- Mental Health Link Officers have been reintroduced into Ambulance Control rooms 24/7 and also have a positive impact on reducing the number of Mental Health calls response colleagues are attending. The initiative is now also funded 50% by the Integrated Care Boards across the Force areas.
- Call scripts have been reviewed and improved resulting in the average length of calls reducing and creating more system wide capacity.
- The switchboard function in the Control Room has been altered to provide greater availability of call handlers combined with a temporary uplift of 25 x Call Handlers to allow technological solutions to be implemented. These changes have seen strong improvements in 999 call answering and abandoned rates for 101.
- The implementation of HMICFRS GOLD Groups to manage existing AFIs.
- Of the 17 HMICFRS AFIs from 2022, the status (as of July 2024) is 3 x Improving, 5 x Work Ongoing, 9 x Closure Pending. Eleven of these HMICFRS AFIs have now been submitted for filing and a further four will be submitted by the end of September showing a step change in performance.
- Constabulary HMICFRS PEEL Presentation delivered in August complementing earlier document submissions and fieldwork.



Controls / Mitigations planned

- The continued delivery of the following 3 x HMICFRS GOLD Groups to manage existing AFIs noting filing update above.
- Allocation AFI GOLD Group - covering recording vulnerable victims.
- Vulnerability AFI GOLD Group - covering risk assessments, DVDs backlog, RSO visits, enforcement action in ICAT, ICAT demand.
- Response AFI GOLD Group - covering Problem Solving Plans, response SLA's and abandonment rates.
- These GOLD Groups are framed around weekly meetings to accelerate progress, focussing on tangible actions and understanding current status and requirements.
- October Strategic Planning Meeting will be used to seek consensus views of the approach ahead of the communication of future HMICFRS AFIs from the 2024 PEEL Inspection Report.
- Constabulary will assess requirements on receipt of formal final report from HMICFRS early 2025.

Risk assessment score projections

- **Impact** - The impact of this risk will remain relatively static and assessed as 4/5 given the primacy of any AFI's identified through the formal HMICFRS process.
- **Likelihood** - The likelihood score of 3 remains for now. The proactive Constabulary approach to AFI management and closure has delivered positive results in recent months with no AFIs being reported as "Not Started" or "Initial Work" and nine due to be closed (signed-off). The Constabulary will receive the outcome from the 2024 PEEL Inspection towards the end of the calendar year and the overall and thematic gradings will be used to re-assess this risk. It is expected a similar approach to HMICFRS AFI management will be deployed. Once the Constabulary can demonstrate progress with the revised set of AFIs, there will be a clear rationale for the reduction of the likelihood score to 2. This is unlikely to be achieved until early 2025/26. However, the risk score will also be duly influenced by and reflect the overall gradings awarded by HMICFRS.

Earlier assessments

Mitigated risk score Q3 2023/24
Mitigated risk score Q4 2023/24
Mitigated risk score Q1 2024/25
Mitigated risk score Q2 2024/25

12
12
12
12

AVON & SOMERSET CONSTABULARY

Corporate Risk Register



Date of register 19/08/2024

Corporate Risk - overview information

Corporate Risk URN	PR000737	Current Mitigated Score	15
Corporate Risk Title	People - Failure to develop a workforce capable of achieving our vision	Mitigated Impact Score	5
Corporate Risk Owner(s)	Louise Hutchison	Mitigated Likelihood Score	3
		Date of Risk Review	30/11/2024
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.		

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. 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, 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

Quarter 2 Risk Mitigations update

Risk PR/737 was reviewed with Lou HUTCHISON on 19/08/24 and considered five elements

- (1) Risk description.
- (2) Causes of the risk.
- (3) Controls / Mitigations completed.
- (4) Controls / Mitigations planned.
- (5) Projections for future mitigated risk assessment scores.

Description

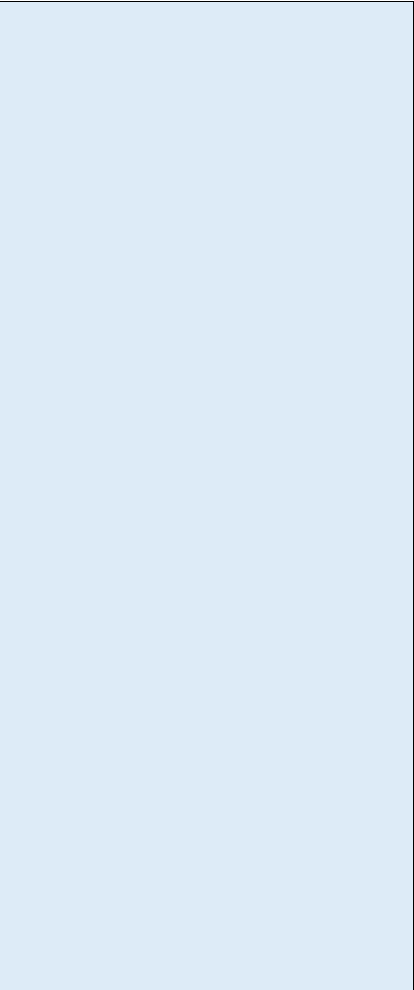
The Corporate Risk should be reframed to "People - Failure to develop a workforce capable of achieving our vision" through not growing, developing and maintaining our workforce.

Cause of the risk

Leadership is ineffective. There is a lack of Workforce Planning. There is an inadequate welfare / support offer. There is insufficient support in terms of staff development.

Controls / Mitigations completed

- Programme #4 as the delivery vehicle for key deliverables including the Occupational Health Review and Strategic Workforce Planning.
- The implementation of the Occupational Health Business Case has enabled the unit to recruit to its identified vacancies.
- The implementation of the First Line Leadership Programme.
- The completion of the Recruitment Improvement Project.
- The initial development of Mid Line Leadership proposals.
- Performance & Insight Committee Performance Report including comprehensive metrics for key performance indicators such as TRIM offers, sickness trends and completion of mandatory College of Policing courses.
- The development of the Wellbeing Strategy
- The developing role of the People Committee to manage initiatives noting the annual review of the Terms of Reference in July.



- Establishment of the Senior Leadership Group (SLG) as a cohesive forum for presenting, consulting and cascading key messages in relation to people development.
- The continued introduction of the Trauma Informed approach - 16 cross-Directorate educators have been trained and this has been complemented by a Trauma Informed toolkit and Train the Trainer training.

Controls / Mitigations planned

- The UWE Evaluation of the FLL commences towards the end of 2024 and will identify the success of the First Line Leadership Programme and its ability to foster a leadership culture able to deliver our vision.
- Ability to understand the potential benefits of ORACLE in terms of HR delivery (noting that ERP go-live is not until April 2025).
- Presentation of first Strategic Workforce Plan at the October Strategic Planning Meeting in October 2024 for ratification.
- Delivery of the 2024 People Survey to provide the mechanism to understand progress being made in relation to leadership, workforce planning and welfare / support - results will be due November 2024.
- The Mid Line Leadership Final Business Case would have been approved for implementation.
- The Occupational Health Closure Report will confirm organisational benefits and areas for organisational learning.
- We will continue to review our Police Officer promotion process (SIPP - Sergeants Inspectors Promotion Process) and will test various elements from the autumn as a College of Policing pilot Force before its fully implemented from the 2025/26 financial year.
- Planning commences ahead of the delivery of the Quarter 4 Leadership events.

Risk assessment score projections

- **Impact** - The impact of this risk will remain relatively static and assessed as 5/5.
- **Likelihood** - The likelihood score of 3 remains for now. There are several tactical activities at different stages of delivery and the combination of their future implementation will provide an evidence base for the reduction in the Likelihood score. This is not expected until the 2025/26 financial year. These activities include the full embedding of the First Line Leadership and Mid Line Leadership Programmes, the ability to demonstrate proactive workforce planning to remain upstream of key resourcing decisions, the expected improving metrics from the 2024 People Survey. The current Likelihood score of 3 reflects to some degree a low Police Officer turnover rate of 7% and a Police Staff turnover rate of 12%. The overall sickness rate is 4.6% of working hours lost in the last 12 months. It is unlikely that these values will reduce significantly over time but if they were to increase there may be a consideration to increase the risk Likelihood score.

Earlier assessments

Mitigated risk score Q3 2023/24
Mitigated risk score Q4 2023/24
Mitigated risk score Q1 2024/25
Mitigated risk score Q2 2024/25

15
15
15
15

AVON & SOMERSET CONSTABULARY

Corporate Risk Register



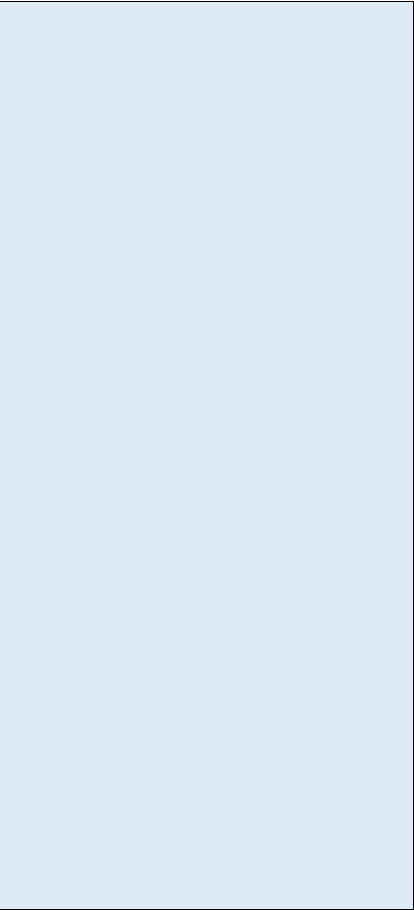
Date of register 17/08/2024

Corporate Risk - overview information

Corporate Risk URN	PR000738	Current Mitigated Score	8
Corporate Risk Title	Infrastructure - Failure to develop our infrastructure assets in order to achieve our vision	Mitigated Impact Score	4
Corporate Risk Owner(s)	Nick Adams	Mitigated Likelihood Score	2
		Date of Risk Review	30/11/2024
Corporate Risk Description	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. 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 - Digital and Data.		

Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	20
Unmitigated Impact Score	5
Unmitigated Likelihood Score	4
Rationale	<p>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. 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.</p> <p>Estate</p> <p>Since the pandemic we have moved a significant proportion of our staff (c.1600) 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 are reflected in our estates strategic plan, presented to</p>



the Constabulary Management Board in August 2023, and to the PCCs Governance and Scrutiny Board in September. The cost of our buildings has increased significantly, driven by inflationary pressures on the costs of utilities and in the cost of business rates following the changes which were implemented with effect from April 2023. We have some specific challenges within our estate which are informing our forward plans. In particular we are progressing decisions in relation to our estate in South Somerset (Yeovil and Chard) 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. We are also at various stages of project delivery around our estate in Bath, Central Bristol (Trinity Road), South Bristol (Broadbury Road) and Minehead. 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 often many months and for parts is also proving to be a challenge. We have seen improvement in manufacturing of vehicles, but reliable delivery and conversion for policing purposes remain 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 presented acute challenges in relation to specialist operations roles. These challenges remain but have eased as replacement vehicles have been introduced into the fleet. Over the medium term we recognize that it will be necessary to transition our fleet gradually to alternative fuel, with the majority expected to transition to electric by 2030, reflecting the pace at which the market is transforming its manufacturing capabilities. This will require significant investment in charging infrastructure, as well as careful management around training and operational deployment all of which will need to be effectively co-ordinated.

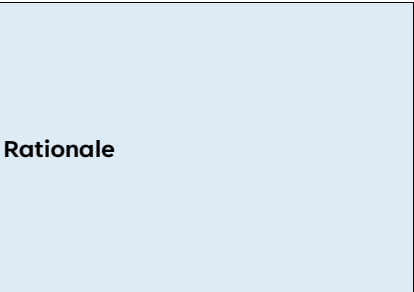
Uniform and equipment

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

8
4
2



Rationale

Quarter 2 Risk Mitigations update

Risk PR/738 was reviewed with Nick ADAMS on 13/08/24 and considered five elements

- (1) Risk description.
- (2) Causes of the risk.
- (3) Controls / Mitigations completed.
- (4) Controls / Mitigations planned.

- (5) Projections for future mitigated risk assessment scores.

Description

The Corporate Risk should be reframed to "Infrastructure - Failure to develop our infrastructure assets in order to achieve our vision" to reflect the outcome as opposed to not adhering to local processes.

Cause of the risk

Causes of this risk have been identified as insufficient capital funding, market pressures, inefficient local processes and availability of local resources.

Controls / Mitigations completed

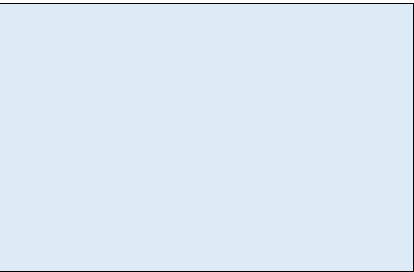
- The significant future changes for our Infrastructure and Fleet delivery have been mapped to Constabulary Portfolio delivery vehicle under Programme #8.
- We have progressed through a number of Project Stage Gate Reviews for significant projects such as Bristol ('Trinity Road'), Bath ('Plymouth House'), Yeovil ('Horse Lane') plus consideration of a number of strategic options for HQ. These are managed through joint Constabulary and OPCC governance arrangements (Outline Business Cases for Bath and Yeovil have been approved in the summer 2024).
- Building utilisation metrics are now readily available and reported through the Finance & Asset Committee.
- A Building Users Survey has been developed to help with the consistent reporting of Estate Project benefits information.
- New estate developments are cognisant of our trauma informed strategic imperative (Trauma-Informed checklists).
- We can demonstrate high levels (90%+) of fleet availability through the management of our fleet by Transport Services.
- We are committed to sustainable solutions where appropriate and are standing up a Programme of Work in support of vehicle electrification.
- Estates Capital Planning continues to flex over a five-year period to meet changing needs.
- The Constabulary is well placed to ensure alignment of infrastructure activity to the priorities of the new Police & Crime Plan.

Controls / Mitigations planned

- Programme #8 is beginning to develop regional collaboration plans for HQ.
- A number of Project Stage Gate Reviews are scheduled for the autumn (Almondsbury Feasibility, Force Collisions Investigation Unit accommodation, SW Forensics Digital Forensic Unit accommodation).
- Ability to increase the level of data informed decisions about fleet allocation.
- Implementation of and adherence to National Fleet Maintenance Standards.
- Reprofiting of the Capital Plan and Estates Roadmap in order to ensure sufficient funding for approved Projects.
- Continued use of Cost Consultancy support to deliver value for money from our most significant schemes of work.
- Appointment of a Programme Manager for the Fleet Electrification activity.

Risk assessment score projections

- **Impact** - The impact of this risk will remain relatively static and assessed as 4/5.
- **Likelihood** - The likelihood score of 2 remains. This was lowered within the last few months to reflect the consistent corporate management of all main infrastructure initiatives either via the Constabulary Change Portfolio or through established business as



usual processes. The biggest element to this risk is effective financial planning and consideration of optimism bias acknowledging funding uncertainties and inflationary pressures. The Constabulary is also having to meet ambitions that are being imposed on the organisation (e.g. electrification). There are wider concerns about how capital for UK policing is managed in the sense of allocations need to increase to meet the need and a longer-term settlement helps planning (e.g. the national Emergency Service Mobile Communication Programme to replace Airwave radio infrastructure does not have funding for local forces to support the necessary costs we will incur to implement). There can be options to delay some capital investment but not always. The main "control" for this risk is having a balanced Capital Plan. The current Capital Plan is balanced for three years. Should the Constabulary be in a position to have a balanced five-year Capital Plan then the risk Likelihood would reduce to a score of 1.

Earlier assessments

Mitigated risk score Q3 2023/24
Mitigated risk score Q4 2023/24
Mitigated risk score Q1 2024/25
Mitigated risk score Q2 2024/25

16
12
8
8

AVON & SOMERSET CONSTABULARY

Corporate Risk Register



Date of register 17/08/2024

Corporate Risk - overview information

Corporate Risk URN	PR000739	Current Mitigated Score	12
Corporate Risk Title	Data - The Constabulary fails data management inspections or is subject to a data breach	Mitigated Impact Score	4
Corporate Risk Owner(s)	Nick Adams, Nick Lilley, Ellena Talbot, Head of Compliance & DPO	Mitigated Likelihood Score	3
		Date of Risk Review	30/11/2024
Corporate Risk Description	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 its vision of outstanding policing for everyone and show sustained improvement against the four priorities in the Police and Crime Plan 2021 to 2025. 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. 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 & Data Ethics, and related functions, to ensure innovation is secure, ethical and compliant.		

Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	20
Unmitigated Impact Score	5
Unmitigated Likelihood Score	4
Rationale	Avon & Somerset Constabulary has a successful track record in using our data to build insight and inform decision making – democratizing this through the provision of tools to all officers and staff across the organization. However, we recognize that this has been achieved despite the complex data architecture we have in place, where data is held in multiple systems – thereby compromising our ability to confidently build a single view of the data we hold to inform our decision making and planning activities. Data literacy across the organisation is improving but will continue to remain an area where we will want to do more to fully realise our ambition to become more data driven as an organisation. The Constabulary has made strong investment in future technologies such as advanced analytics, robotics and automation.

However, the aforementioned foundational issues may pose obstacles to the success of innovative techniques. We also recognise the challenge posed by the evolution of Artificial Intelligence and the continued threats relating to data security.

Corporate Risk latest assessment - mitigated risk

Mitigated Assessment	12
Mitigated Impact Score	4
Mitigated Likelihood Score	3

Rationale

Quarter 2 Risk Mitigations update

Risk PR/739 was reviewed with Nick ADAMS and Nick LILLEY on 14/08/24 and considered five elements

- (1) Risk description.
- (2) Causes of the risk.
- (3) Controls / Mitigations completed.
- (4) Controls / Mitigations planned.
- (5) Projections for future mitigated risk assessment scores.

The risk is being considered through the lenses of (a) Management (b) Governance (c) Legal (d) Ethics.

Description

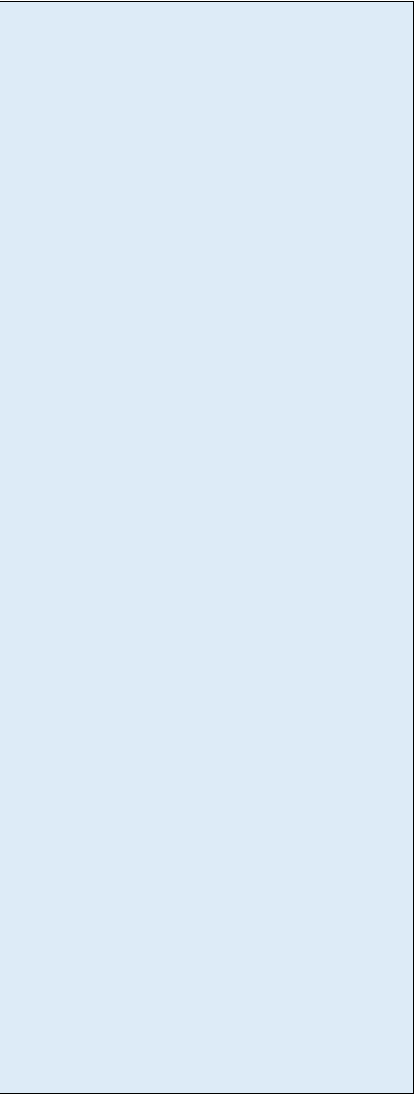
The Corporate Risk should be reframed to "Data - The Constabulary fails data management inspections or is subject to a data breach" to reflect the outcome as opposed to not adhering to local processes.

Cause of the risk

Insufficient local processes and frameworks, insufficient understanding and adherence to policies and frameworks, insufficient technical "design" to mitigate risks.

Controls / Mitigations completed

- Organisational commitment for transfer of systems to CLOUD platforms.
- Development of new software solutions providing data management benefits (e.g. ORACLE, Digital Evidence Management, RBCAS).
- Compliance with UK GDPR and DPIA 2018.
- Compliance with Operational Security Assessment for Policing.
- Implementation of the Constabulary Information Governance Framework.
- Integration of the Data Protection Team as part of the Constabulary Ethics Committee.
- Development of Artificial Intelligence Centre of Excellence Proof of Value work.
- Alignment with the National Management Centre to mitigate "bad actor" risks.
- Implementation of sound governance processes for oversight of Data risks (e.g. Joint Audit Committee, Confidence & Legitimacy Committee - Information, Data & Security) plus Legal and Information Technology Directorate Leadership Meetings.



Controls / Mitigations planned

- Project Closure Report for Information Governance Framework should provide evidence of benefits realisation in respect of data management processes.
- Implementation of joint Information Management Plan between the I.T. Directorate and Compliance Services.
- The development and implementation of retention schedules and policies.
- The development of ROPA and the identification of Information Asset Owners.
- The continued deletion of data from the G: drive.
- Understanding the process with South West Procurement to assure data security standards for suppliers are assessed.
- Completion of IBM Artificial Intelligence Centre of Excellence Proof of Value and debrief with the potential for future investment.
- Implementation of Digital Evidence Management investment (during 2025) to improve the tactical management of evidential information removing duplication with data sets.
- Implementation of new Digital Interview Recording solution to move an element of evidential management from disks.
- The implementation of ORACLE will deliver improvements with the CLOUD based management of HR and Finance data.
- The development of the Role Based Access System (RBACS), managed as a corporate project, will manage the access of individuals to capabilities (PNC access to manage this way by 2026).
- The continued implementation of the Constabulary Data Strategy - as of June 2024 there were 141 accepted activities with 69 completed, 28 in progress, 28 not started and 16 requiring large scale projects (detailed summary available on request).
- Working within the National Artificial Intelligence Concordat to ensure consistent standards.
- Agreement to operate aligned to the principles of the "algo-care" framework / assessment to ensure the appropriateness of any algorithms used.
- Continued awareness of personal data responsibilities recorded annual compliance recording as part of the IPR process.

Risk assessment score projections

- **Impact** - The impact of this risk will remain relatively static and assessed as 4/5.
- **Likelihood** - The likelihood score of 3 remains for now. We recognised there are several factors that will influence the likelihood assessment beyond our direct control (external environment and bad actors) - we continue to operate within an environment with heightened risk. A number of controls are described above - some complete, some still to be delivered - and these combined explain the assessment of 3. With regards to future risk projections, an evidence base for a lower likelihood score would be based on the successful implementation of significant investments (e.g. ORACLE) and further CLOUD transition progression. Therefore, we would not expect the risk score to lower until at least Q3 2025/26 which will also align with one year of the implementation of the Information Governance Framework.

Earlier assessments

Mitigated risk score Q3 2023/24
Mitigated risk score Q4 2023/24
Mitigated risk score Q1 2024/25
Mitigated risk score Q2 2024/25

16
16
12
12

AVON & SOMERSET CONSTABULARY

Corporate Risk Register



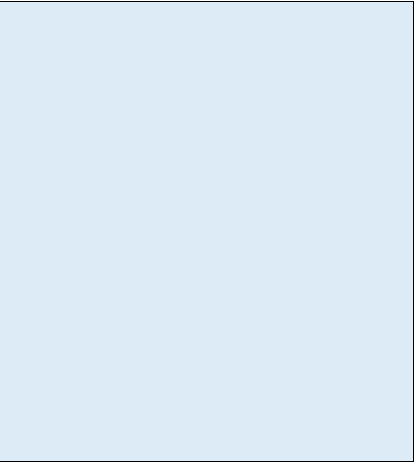
Date of register 17/08/2024

Corporate Risk - overview information

Corporate Risk URN	PR000740	Current Mitigated Score	9
Corporate Risk Title	Governance - Business decisions are made outside of due process and without audit trail	Mitigated Impact Score	3
Corporate Risk Owner(s)	Will White, James Davis	Mitigated Likelihood Score	3
		Date of Risk Review	30/11/2024
Corporate Risk Description	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 & 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.		

Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	12
Unmitigated Impact Score	4
Unmitigated Likelihood Score	3
Rationale	<p>The Constabulary adheres to the Chartered Institute for Public Finance Accountants (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 Constabulary operates, includes the following:</p> <ul style="list-style-type: none">• 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. Locally we have a joint scheme of governance in place between the Police and Crime Commissioner and the Constabulary, through which we set out how we will conduct business efficiently and effectively in accordance with the statutory framework within which we operate. Earlier in 2023 it was recognised that the capacity at Chief Officer level to oversee planning and performance management has been challenging to manage, with limited capacity to lead the breadth of organisational activity across the Chief Officer portfolio. To address this a third ACC role was introduced in the spring of 2023, to head up our “Strategic Planning & Performance” Portfolio.

Across the South West region there are several collaborative partnerships in which Avon & Somerset is a member. These include operational functions such as the South West Regional Organised Crime Unit (SWROCU), South West Forensics (SWF) and organisational functions such as the South West Police Procurement Service (SWPPS). Each of these have their own governance and oversight arrangements, which ultimately report into a regional strategic board where regional PCC’s and CC’s retain oversight. While these arrangements exist, it is recognise that more could be done to clarify the governance arrangements, particularly to ensure that the 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

9
3
3



Rationale

Quarter 2 Risk Mitigations update

Risk PR/740 was reviewed with ACC Will WHITE on 15/08/24 and considered five elements

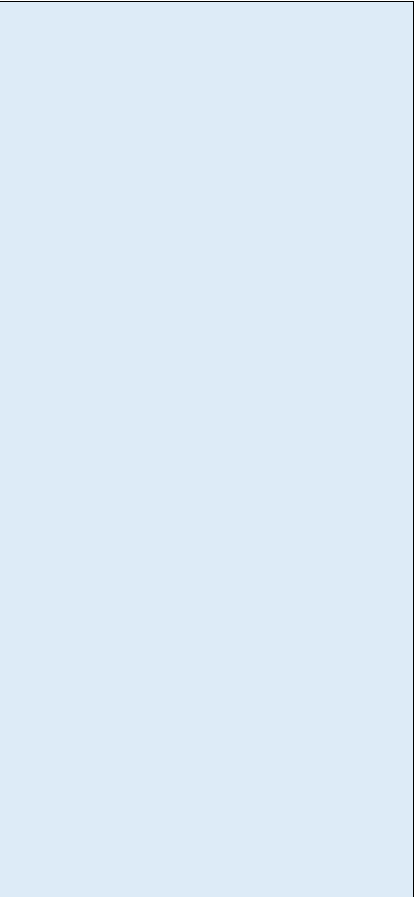
- (1) Risk description.
- (2) Causes of the risk.
- (3) Controls / Mitigations completed.
- (4) Controls / Mitigations planned.
- (5) Projections for future mitigated risk assessment scores.

Description

The Corporate Risk should be reframed to "Governance - Business decisions are made outside of due process and without audit trail" to reflect the outcome as opposed to not adhering to local processes.

Cause of the risk

Local governance documentation is not defined, reviewed, updated, communicated and applied to ensure understanding. Behaviours are not compliant with defined governance processes.



Controls / Mitigations completed

- New Governance Framework introduced May 2022 further to external Consultancy activity.
- Final refinements to the Governance Framework with new meetings introduced to ensure optimised governance framework.
- Central ownership of Governance Framework by Portfolio Management Office (covering logistics and documentation).
- Annual Governance Statement completed providing transparent overview of delivery of governance arrangements in 2023/24.
- Alignment of the Constabulary Strategic Planning Cycle to the Strategic Planning Meeting (SPM) - mutually beneficial.
- Standardisation of PMO support documentation (Agendas, Meeting Capture, Action Logs) and publication via MS Teams Space.
- Identification of key areas of responsibility for specific meetings (e.g. Financial Reporting, Project Stage Gate Reviews, Risk Escalations).
- Clarity of OPCC Governance & Scrutiny thresholds for referrals.
- Regional governance arrangements in place and reported at CMB (SWROCU, CTPSW, PCC/CC, Regional I.T.)

Controls / Mitigations planned

- 2024/25 review of Governance Framework TORs to ensure agenda planning, reporting cadence and attendees are up to date.
- Governance logistics for 2025/26 being managed by the PMO - Outlook invites to be issued September 2024 up to March 2026.
- PMO planning for Post Implementation Review to understand recommendations / areas for improvement.

Risk assessment score projections

- **Impact** - The impact of this risk will remain relatively static and assessed as 3/5.
- **Likelihood** - The likelihood score of 3 remains for now. The refresh of the TOR's for 2024/25 maintains the status quo of ensuring governance arrangements reflect changes in roles and slight changes for agenda planning. The Post Implementation Review should identify a number of areas for improvement that will help refine the framework still further. On their identification and implementation, the likelihood score could reduce from 3 to 2. This is unlikely to be until early 2024/25.

Earlier assessments

Mitigated risk score Q3 2023/24
Mitigated risk score Q4 2023/24
Mitigated risk score Q1 2024/25
Mitigated risk score Q2 2024/25

9
9
9
9

AVON & SOMERSET CONSTABULARY

Corporate Risk Register



Date of register 02/09/2024

Corporate Risk - overview information

Corporate Risk URN	PR001436	Current Mitigated Score	15
Corporate Risk Title	Confidence - The Constabulary has decreasing public confidence survey results	Mitigated Impact Score	5
Corporate Risk Owner(s)	Jon Reilly	Mitigated Likelihood Score	3
		Date of Risk Review	30/11/2024

Corporate Risk Description	<p>The latest Public Confidence figures will be updated to this Corporate Risk Record in due course.</p> <p>Public Confidence 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. 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 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.</p>
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Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	20
Unmitigated Impact Score	5
Unmitigated Likelihood Score	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.
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Corporate Risk latest assessment - mitigated risk

Mitigated Assessment	15
Mitigated Impact Score	5
Mitigated Likelihood Score	3

Rationale	<p>Quarter 2 Risk Mitigations update</p> <p>Risk PR/1436 was reviewed with DCC Jon REILLY and considered five elements</p> <ul style="list-style-type: none"> • (1) Risk description. • (2) Causes of the risk. • (3) Controls / Mitigations completed. • (4) Controls / Mitigations planned. • (5) Projections for future mitigated risk assessment scores. <p><u>Description</u></p> <p>The Corporate Risk should be reframed to "Confidence - The Business has decreasing public confidence survey results" reflecting a risk whereby the Constabulary is not able to maintain confidence and legitimacy which affects our ability to Police by consent.</p> <p><u>Cause of the risk</u></p> <p>National policing narrative impacts locally. High profile local failure of police delivery. High profile local conduct / standards issue reported.</p> <p><u>Controls / Mitigations completed</u></p> <ul style="list-style-type: none"> • Transparency of Constabulary Service delivery through the publication of the Force Management Statement #6 document in May 2024 covering the 2023/24 Financial Year. • Story Films documentary broadcast in January / February 2024.
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- Existence of a strong Independent Advisory Group Network.
- The implementation of Programme #7 on the Constabulary Portfolio as a delivery mechanism for change further to the formal sign-off of the Programme Brief at the Strategic Planning Meeting in July.
- Implementation of the Deferred Prosecution Model as part of the Out of Court Resolutions Project.
- Continued CPD for Front Line Officers.
- Revised Stop & Search Force Procedure.
- Implementation of changes to misconduct regulations.
- Reporting of Operation HARDY in the local media.
- Implementation of Operation HARMONY through Neighbourhood Teams.
- Delivery of the Cultural Behaviour Insights Discovery Project.
- Publication in the summer of "Race Matters - Action After Words" - a report one year on since Avon & Somerset's institutional racism declaration. The Constabulary Anti-Racism Strategy, created in partnership with our communities and now guiding our Race Matters Work, sets out how we will become an anti-racist police service aligned to our wider organisational values. The strategy is framed around a four pillar structure (1) Represented (2) Not over Policed (3) Involved (4) Not Under Protected.
- Implementation of the new Sexual Misconduct Advocate service supporting anyone in the organisation who experiences inappropriate sexual behaviour in the workplace.
- Local public sentiment towards the Police was very strong, particularly from minority communities, asylum seekers and those who represent them, following the national disorder. The proactive work of our neighbourhood policing teams across the Force to reassure and support those communities most in fear was excellent and the feedback received from partners and the community was very complementary. Similarly, the fair yet robust response to protect received similar levels of praise. Officers worked extended shifts to keep communities safe and this was well received driving up public trust and confidence.

Controls / Mitigations planned

- The identification of priority work packages for Programme #7 - Building Trust & Confidence (to form the "To Be") will be central to further mitigation reporting for this risk.
- The process for Force Management #7 covering the 2024/25 Financial Year begins in September and will culminate with another full transparent report for publication in May 2025 - inclusive of the outcomes from the 2024 HMICFRS PEEL Inspection.
- We continue to root out those Officers and Staff who do not maintain the high standards expected of them with a number of cases over the last few months. Where possible, we publish the names of the staff members to further promote the transparency we want to bring to this.

Risk assessment score projections

- **Impact** - The impact of this risk will remain relatively static and assessed as 5/5.
- **Likelihood** - The likelihood score of 3 remains for now. The assessment of this score is based on the delivery of the controls listed about plus a baseline figure from the Police & Crime survey of 61.5% for the question "Taking Everything into account, I have confidence in the Police in this area" - figure based on the last 4 quarters dated April 2024. The trigger for a higher likelihood score of 4 would be if the value for this survey question dropped below 60% and a score of 5 would be returned in the value for this survey question dropped below 55%. Conversely, if the value increased to 65% the likelihood score would reduce to 2 and would reduce to 1 if 70% was achieved - balanced with the evidence of implementation of activity from Programme #7.

Earlier assessments

Mitigated risk score Q3 2023/24
Mitigated risk score Q4 2023/24
Mitigated risk score Q1 2024/25
Mitigated risk score Q2 2024/25

15
15
15
15

PCC and Chief Constable

Avon and Somerset

2023/24 Financial Performance Statement

In the independent review into local authority financial reporting and external audit, completed by Sir Tony Redmond (known as the “Redmond Review”), several recommendations were made. These included the publication of a simplified summary statement on financial performance alongside the IFRS compliant Statement of Accounts to enhance transparency.

The Government in their response agreed that a standardised statement of service information and costs should be prepared and published alongside the statutory accounts and have asked CIPFA to develop this product in consultation with local authorities. To date this work has yet to be concluded.

In recognition of this intent, we have produced this document as a draft “mock-up” of what a simplified financial statement might look like for the PCC and CC of Avon and Somerset. In so doing we have relied upon the format published as an [appendix](#) to the Redmond Review itself.



**AVON &
SOMERSET**
POLICE & CRIME
COMMISSIONER

Our Financial Performance Statement

We have a responsibility to feed back to you, as a local resident or tax payer, on how we spend and manage the resources of the Police and Crime Commissioner (PCC) and Chief Constable for Avon and Somerset.

The financial performance statement compares the budget (what we planned to spend) at the start of the year with what we actually spent and explains the changes. If we have over or under spent, we have explained why.

As well as our annual expenditure, this statement also includes information about our longer-term financial sustainability. This is important so that you know the resources we have available to provide services into the future. The summary shows you what we own and what we owe, and what we have put aside to make sure we can deliver services beyond this year.

You can have confidence in the figures in this report because we must follow regulations and standards in compiling them, and the information from our accounts is independently audited.

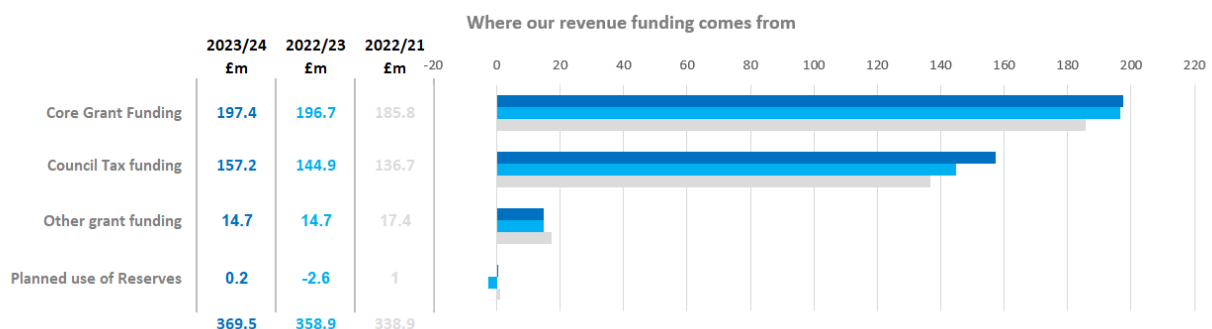
This information is consistent with that reported in the audited accounts. A full set of [Avon and Somerset Chief Constable's](#) and [Avon and Somerset PCC's Statement of Accounts](#) are available from our respective websites.

ABOUT AVON AND SOMERSET PCC AND CHIEF CONSTABLE

The PCC is elected by the public every four years to secure the maintenance of an efficient and effective police force, and to hold the Chief Constable to account. The Chief Constable is responsible for delivering operational policing for the Avon and Somerset area and reports to the PCC. We both work closely with our 5 local councils, Avon Fire and Rescue Service, Somerset and Devon Fire and Rescue Service, other local partners and other police forces and PCCs.

WHERE THE PCC AND CHIEF CONSTABLE GET THEIR MONEY FROM

We primarily get our money from council tax and grants from the government.



We must make sure that when we set the budget for the year, we can afford to pay for the services we offer. This includes any plans we make where we need to include longer-term commitments. We must balance our budgets each year (make sure expenditure can be fully paid for) and setting council tax is an important part of this process.

Our total external funding in 2023/24 is £369.5m. With this funding we must support the services for a population of 1.7m who live within the 1,844 square miles covered by the Avon and Somerset area.

ANALYSIS OF FINANCIAL PERFORMANCE

Table 1 below shows what the PCC and Chief Constable planned to spend (its budget) against what we actually spent in the year.

Where we generate income, such as fees and charges, that income will be included net police services it relates to. Where we receive grant funding for specific purpose that also will be included within our net revenue spend.

The net revenue spend (expenditure less income) can be compared to the budget, and the difference between the two is shown in the final column of Table 1 below. The positive figures are those where we have spent more than planned and the negative figures are where we have spent less than planned.

The differences are explained in Table 2 below.

Table 1 – Avon and Somerset Police Budget - what we planned to spend against what we finally spent

	Budget (what we planned to spend)	Net Spend (what we actually spent)	Difference from budget
	£m	£m	£m
PCC budgets	4.6	4.6	0
Chief Constable budgets	364.9	362.1	-2.8
Total net revenue spend	369.5	366.7	-2.8
Less; core grant funding	-197.4		
Less; other grant funding	-14.7		
Less; planned use of reserves	-0.2		
Less; Council tax funding	-157.2		
Total funding	-369.5		

WHAT WERE THE DIFFERENCES

Table 2 – Explanations for the significant differences between what we planned to spend and what we spent

We spent £2.8m less than budget due to the following significant differences:	
Explanation	Difference £m
Officer pay award higher than expected	+4.9
Greater use of officer overtime to support operations	+3.3
Staff pay award higher than budgeted	+1.6
Greater use of staff overtime for vacancies and abstractions	+1.2
Movement of Ill health retirement provision	-0.6

We spent £2.8m less than budget due to the following significant differences:	
Explanation	Difference £m
Underspends on both energy costs and on rent and rates costs	-0.5
Inflationary increases of repairs & maintenance of our fleet of vehicles, and travel overspends for student Officers	+0.5
Underspends in communications & computing driven by lower cloud consumption costs	-0.6
Underspend against forensics budget for backlog in forensics submissions, reflects delay in return of outsourced work	-0.3
Overspends on supplies and services	+1.5
Underspends against collaboration costs	-0.9
Transfer of surplus funding for Hinkley Point policing to reserve	+0.4
Transfer of ringfenced funds for Learning business case to reserve	+0.4
In year savings	-0.6
Additional grant funding to support pay award	-7.5
Additional grant funding to support software license costs	-0.4
Overachievement of investment income due to higher interest rates	-1.9
Overachievement of income for mutual aid and rechargeable operations	-1.3
Other income overachievements including Hinkley Point, Op Safeguard (use of Custody facilities by Ministry of Justice) and Operational Training courses	-2.0
TOTAL POLICE SERVICES	-2.8

The underlying revenue financial performance reported showed that we had spent £2.8m/0.8% less than we had budgeted for at the start of the year.

As the table above shows, there were a number of both underspending and overspending areas of the budget. The most significant overspend relate to pay for police officers and police staff, where the pay award was higher than originally budgeted. This pressure was offset by the provision of additional grant funding from the government.

There were also pressures on our overtime spend, which was greater than budgeted, reflecting both operational demands and resourcing challenges, as well as some operations and events in force and outside of force (e.g. policing for the Kings coronation) for which we were able to recover costs through fees and charges.

Analysis of our Financial Position

The PCC and Chief Constable use your money to provide necessary local services. The summary financial position below (also known as the balance sheet) represents a summary, or 'snapshot', of our financial position at a single point in time. Each year, at 31 March, it sets out what the PCC and Chief Constable (known collectively as the Group) own and how much is owed and the resources it has left to support the provision of future services

Below we show the group financial position at the year end, which is a summary of the balance sheet in the audited accounts. This information supports the assessment of whether or not the group has a sustainable financial position and is able to support and maintain services on an on-going basis. The net financial position helps inform future financial planning and sustain the services we deliver.

GROUP FINANCIAL POSITION

Table 3 – A snapshot of our financial position at 31st March 2024.

	Excluding Pensions	Pensions	Including Pensions
	£m	£m	£m
What we own (held as assets)	342	565	907
What we owe (held as liabilities)	-158	-3,199	-3,357
Net financial position (assets less liabilities)	184	-2,634	-2,450
The net financial position is held in reserves as follows:			
Reserves available for future spend	60	-	60
Non-useable reserves held to comply with accounting regulations	124	-2,634	-2,510
Total Reserves	184	-2,634	-2,450

The group financial position must be presented in accordance with international accounting standards, thereby ensuring we comply with a consistent standard of financial presentation used by organisations around the world.

One of the standards we are required to use establishes that we account for retirement benefits (pensions) when we are committed to give them, even if the actual giving will be many years to come.

We have two different pensions' schemes in place:

- The police officer pension scheme – this is the pension scheme for police officers, into which they make employee contributions, and the Chief Constable makes employer contributions. The payment of pensions to pensioners remains the responsibility of the Home Office, although the Chief Constable is required to account for this liability under the current arrangements for the management of this pension scheme.
- The police staff pension scheme – both the PCC and Chief Constable are members of the Somerset County Council Local Government Pension Scheme which provides a pension scheme for police staff, and into which they make an employee

contribution and the Chief Constable, and the PCC make an employer contribution. These contributions are invested to grow over time to match the future cost of pensions. Unlike the police pension scheme, the costs of this are wholly the responsibility of the PCC and Chief Constable.

Across both pension schemes we account for all pension payments accumulated to date (including those paid and the entitlements to future payments). In the case of the police staff pension scheme, we then offset this liability against the value of the pension investments (assets) as measured at 31st March.

Included within our reported financial position is a pension fund net liability (a deficit) of £2.63bn, of which £2.62bn relates to police officers (and is ultimately a liability for the Home Office), and £13.1m to police staff.

These values can only ever 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. 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.

Financial Sustainability

We must plan for the long term to ensure that we can continue to deliver our services in future years and be able to deal with any unexpected events. As a result, it is important that our financial standing (or sustainability) is robust.

Each year we develop a [five-year financial plan](#), which includes looking at risks, the future demands on our services and the maintenance of our police officer numbers. This forward projection is produced in support of the annual budget setting and precept decision making.

The biggest risks identified in our 2024/25 MTFP are:

- **Staff costs** – nearly 80% of everything we spend is on staffing. Our future financial plans are therefore heavily dependent on what annual inflationary changes are made to pay, and whether these are funded through increases to our funding. In keeping with the assumptions made by most PCCs across the country, we forecast in our plan a pay award of 3.0% for both officers and staff in 2024/25, 2.5% in 2025/26 and 2026/27. Thereafter we forecast a pay award of 2.0% p.a.
- **Pension costs** – the Government has accepted the finding of the courts that the transitional arrangements into the 2015 public sector pension’s schemes were discriminatory. We are working with other forces to determine what this means in relation to police pensions. The Government announced in December 2023 that employer contributions on police officer pensions would increase from 31% to 35.3% and at the same time announced that the pensions grant would increase to fund this extra cost.
- **Delivering savings and efficiencies** – the Chief Constable and the PCC are both considering how we continue to improve the efficiency of the services we provide.

We have a strong track record of delivering savings and balancing our budgets, and we intend to continue to build on this to bring forward further proposals that ensure that at the same time as growing our officer numbers we remain efficient and productive in the provision of policing services.

- **Inflation and market pressures** – at the time our projections were made we were already seeing the impact of inflation and wider market pressures on our non-pay costs. Our plans recognised ongoing increases in utilities costs (electricity and gas in particular), fuel costs and in specific contractual areas such as forensic science services costs.

RESERVES

The PCC holds reserves in order to:

- Support capital and revenue investment to continue to transform and change.
- Manage uncertainty and risk in our future; and
- Comply with accounting practice and convention.

Table 4 – A snapshot of our useable reserves at 31st March 2024.

	£m
Earmarked reserves – discretionary	5.4
Earmarked reserves – non-discretionary	8.3
Capital and PFI reserves (incl. capital receipts)	34.1
Unallocated reserves – general fund	12.0
Total useable reserves	59.8

The majority of reserves held at the balance sheet date are ring-fenced to support future capital investment, reflecting our conscious decision to use reserves to support planned investment particularly across our estate and in our ongoing digital transformation.

Some reserves are earmarked for specific purposes, including funds which are received with specific conditions attached that remain unspent at the end of the financial year and those funds which we account for as the lead body acting on behalf of a partnership.

The general fund value is set annually with the approval of the PCC following a risk assessment which considers the wider general and specific context within which we are operating and quantifies the risk associated with this.

RAISING DEBT TO FINANCE INVESTMENT

The PCC can borrow to invest in property or other infrastructure that supports the delivery of services, but we must ensure that we can pay this amount back. We have an underlying need to borrow to finance these assets (this excludes assets funded through PFI) of £47m. We must set aside a prudent amount of resources each year so we can pay back the borrowing, and this must be affordable when compared to our annual income.

We compare what it is costing to cover our borrowing costs (both interest and provision for pay back of the borrowing) for these assets against the funding we receive from council

tax and grants (our income streams) to show you what proportion of income is required to fund our investments.

Table 5 – Borrowing costs as a proportion of income

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Actual	Actual	Actual	Forecast	Forecast	Forecast
1.02%	0.96%	0.91%	0.86%	0.94%	1.11%

You can find more on these balance sheet items in [Avon and Somerset PCC's Statement of Accounts](#).

Financial Metrics

The table below provides some key financial metric data based on the 2023/24 budget for Avon and Somerset to provide further context.

Table 6 – Financial Metric information

Measure	Avon and Somerset		National Average	
Police officer costs (£/pop)	£102.24	46.79%	£142.07	56.14%
PCSO costs (£/pop)	£8.05	3.68%	£5.86	2.32%
Police staff costs (£/pop)	£59.70	27.32%	£57.79	22.84%
Other employment costs (£/pop)	£7.40	3.39%	£6.14	2.43%
Premises costs (£/pop)	£10.10	4.62%	£11.70	4.62%
Transport costs (£/pop)	£3.31	1.51%	£4.40	1.74%
Supplies and services costs (£/pop)	£18.36	8.40%	£26.19	10.35%
Partnership costs (£/pop)	£10.86	4.97%	£6.98	2.76%
Capital financing costs (£/pop)	£8.03	3.68%	£7.06	2.79%
Local income (£/pop)	-£9.56	-4.38%	-£15.13	-5.98%
Total cost of policing (£/pop)	£218.49	100.00%	£253.06	100.00%
Core police grant funding (£/pop)	£111.81	51.17%	£144.86	57.24%
Legacy council tax grant funding (£/pop)	£8.33	3.81%	£8.51	3.36%
Council tax funding (£/pop)	£89.03	40.75%	£89.09	35.21%
Other funding (£/pop)	£9.32	4.27%	£10.60	4.19%
Total funding of policing (£/pop)	£218.49	100.00%	£253.06	100.00%

The above information is taken from Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services published [value for money profiles](#) based on 2023/24 budgets.

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



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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, partner agencies and organisations, the Chief Constable, and senior leaders within the Constabulary. Throughout 2023/24 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 which 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 Directorate
- ✚ Response Directorate
- ✚ Criminal Investigations Directorate
- ✚ Operational Support Directorate
- ✚ Information Technology Directorate
- ✚ Finance and Business Services Directorate
- ✚ People and Organisational Development Directorate
- ✚ Office of the Chief of Staff Directorate
- ✚ Legal and Compliance Services Directorate

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 is monitored, reviewed and revised to ensure we continue to deliver against the PCC's priorities, achieve our mission and bring our organisational values to life.

Over the course of 2023/2024 we have developed a clear strategy, through which we have confirmed the outcomes that define what the measures by which achieving our vision of "Outstanding Policing for everyone" will be. We have set out 18 outcomes, some of which are defined as organisational outcomes, some as people outcomes and some as financial outcomes, but all underpinning and supporting our five public outcomes which are

- ✚ There are high levels of trust and confidence among all the communities we serve
- ✚ We respond quickly and well to emergencies
- ✚ People who use our services have high levels of satisfaction
- ✚ We are cutting crime and protecting the vulnerable from criminals
- ✚ We bring offenders to justice and disrupt their criminality

Our initiatives and activities have been marshalled into eight change programmes under a single portfolio. These programmes are working on big, transformative change that build on a clear understanding of the root causes of how to improve our service. Alongside this we will continue to enhance our services by adapting as we go – unlocking continuous improvement, and ensuring we are truly effective at business as usual, getting the basics right in each encounter we have, to deliver on our mission to Serve, Protect and Respect.

The Constabulary has undergone a period of rapid growth in police officer numbers in support of delivering the Government's officer uplift plans. In the last five years we have recruited nearly 1,700 new officers into Avon and Somerset, the majority of which (nearly 1,400) have been through our Police Constable Degree Apprenticeship (PCDA) or Degree Holder Entry Programme (DHEP). The staffing information for both organisations as at 31 March 2024 is as follows

Employees	Actual FTE	Actual Headcount
Police Officers	3,294	3,351
Police Community Support Officers	282	294
Police Staff	2,733	3,042
OPCC	34	37
Total	6,343	6,724

In addition, the Constabulary is supported by 209 Special Constables, 57 Police Cadets and approximately 1,857 volunteers, of which 1,714 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.

A new performance framework was introduced in September 2023 that aligned more strongly with the HMICFRS PEEL questions asked of us as part of their inspection process. The framework uses the PEEL questions as a lens to understand progress against a number of local and national outcome frameworks, 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 His Majesty's Inspector of Constabularies and Fire and Rescue Services (HMICFRS) when conducting their Police Efficiency, Effectiveness and Legitimacy (PEEL) reviews
- ✚ Other national frameworks (i.e. police race action plan, violence against women and girls' national performance framework)

Progress against the above frameworks is consistently monitored to provide good visibility across a range of measures. This occurs throughout our enhanced governance approach, where our committees have their own suite of KPI's that align to the force's strategic outcomes, with 'insight reports' updating on progress and emerging issues that ensure the Chair is able to 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 continued increases in calls for service from the public, better crime recording practices and increases in serious and complex demand volumes being sustained

Overall police recorded crime levels have increased by +6.5% compared to prior year. More than half of this annual increase can be attributed to our improved crime recording standards, resulting in better capturing and recording of crime types. This includes increases in crimes such as rape (+35%), harassment (+52%) and child safeguarding-based offences (+150%). The remainder of this increase in recorded crime levels reflects the +42% increase in the high-volume crime of shoplifting. This increase reflects the national picture and links closely to the impact of 'cost of living' challenges.

'Neighbourhood crime', a national measure comprising personal robbery, vehicle offences, residential burglary, and theft from person offences, remains stable with a +2.9% change from the previous year. This measure saw a significant reduction (-18%) at the time of the Covid-19 pandemic and this is a position we have continued to sustain despite the lifting of these restrictions.

Recording crime accurately is a key priority to us as it underpins the service we provide to victims. We have continued to progress, evolve and invest as part of an extensive improvement plan in this

area. While we know we have further to go, the increase in overall recorded crime reflects the progress we are making here.

Our trailblazing, end-to-end approach to investigating rape, introduced locally as part of our Operation Bluestone, has led the way nationally, shaping the approach now being adopted by forces across the country. Through our work here we have continued to see sustained improvements in rape charge volumes (+80%) and our charge rates, improving to 8% up from the 7.5% reported last year. Given the increased numbers of recorded rapes we are now seeing as we improve recording practices and the public have greater confidence in reporting to us, this represents a significant performance improvement.

The force have continued to see an increase in calls for service from the public. This year we saw a further increase of +13% in the volume of 999 calls received (+14% in 2022/23). We now receive more than 350,000 999 calls p.a. Despite the continued increase in 999 calls, the abandoned rate for these calls remained very low at 0.3%. As an ongoing consequence of prioritising 999 calls, the 101 emergency calls abandoned rate has risen to 11.7% (up from 10.5% last year). The victim satisfaction rates for initial contact remain good at 88.5% for the last 12 months (+3.2% on prior year).

The latest national data for public confidence (September 2023), as measured by the crime survey for England and Wales, shows the force positioned mid-table (22nd/43) with a confidence rate of 65.9% - in line with national average. Our own local public confidence survey shows similar overall public confidence levels at 64.5% for the last 12 months (-2.1% on previous year). Nationally there has been an increasingly complex and strained relationship between policing and the public, reflecting a series of national scandals and public failings. As part of our approach to transparency, we opened our doors to a documentary film crew four years ago to show how we are investigating police officer misconduct. The product of this was three hour-long documentaries aired on Channel 4 in early 2024 under the title "To Catch a Copper". We will continue to throw open our doors transparently to shine a light in ways that help us recover the lost confidence of our communities.

Overall victim satisfaction to reports of volume crime stands at 68.2% (+0.4% on prior year), with victims of anti-social behaviour reporting satisfaction rates of 74.4% (+3.4%), victims of burglary 58.2% (dwelling burglary victims at 80.2%), victims of hate crime 68.7% (+2.3% on prior year) and victims of violent crime 68.2% (-1.8%). Overall satisfaction with the way victims are treated remains strong at 84.4% (-1.1%).

Whilst we have maintained areas of strong performance, we recognise that there are areas that require improvement

- ✚ Our file quality compliance rates, as measured against the Director of Public Prosecutions guidance assessment, shows us at around 43% compared to a national average rate of 57%. This will remain a key performance focus for the coming year
- ✚ Despite improvements seen over the last 6 months, our response times for immediate and priority incidents are still below desired levels. The progress and challenges in this area are closely connected to the level of experience and skill among our officers, particularly due to the large influx of new police officers and students under tutelage. While we expect this situation to improve gradually, it will remain a focal point for ongoing attention and improvement
- ✚ Our positive outcome rate, measuring the sanctioned detection or restorative justice outcomes as a percentage of recorded crime, is 11.2% (-0.6%). This rate places us in the lower end of national benchmarks, a position which we recognise is not where we want to be. Whilst the large improvements made in recording more crime will play a factor here, we will continue to bring focus to this through our ongoing investigative standards work

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.

The force will be inspected again in 2024 with findings expected to be published in early 2025. Through this inspection we will be highlighting the improvements made against previous HMICFRS recommendations, as well as setting out where we are in our ongoing work to realise our vision.

3 Financial Performance

3.1 Revenue Expenditure

In 2023/2024 the approved net revenue budget was set at £369.5m, an increase of £15.8m (4.5%) on the previous year. This budget was funded through a combination of Government grants (£212.3m/57.5%) and local council tax (£157.2m/42.5%).

Of this budget, £364.9m was provided to the Chief Constable to support the provision of policing services to the communities of Avon & Somerset, an increase of £16.6m (4.8%).

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 2023/2024 was reported to the PCC in June 2024 and can be found published on the PCC's website.

The Constabulary's underlying net revenue expenditure in 2023/2024 was £366.7m. When compared to budget this means we have underspent by £2.8m (0.8%), 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 £4.9m/2.8% against budget. This reflects the pay award agreed at 7% with effect from September 2023, thereby driving a cost increase greater than the 3.0% 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
- ✚ **Officer overtime** – we overspent by £3.3m/50.9% 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 Kings coronation, the policing of protests in London and policing of football matches. Some of this overspend is offset by income for special policing services or mutual aid reimbursement (see income below)

- ✚ **Staff pay and allowances** – we overspent by £1.6m/1.6% against budget. In common with officer pay the reason for this overspend was the 7% pay award which mirrored that agreed for police officers. We estimate that this added £2.6m to our costs above the 3.0% originally budgeted for and therefore, were it not for this, we would recognise an underspend of £1.0m, thereby reflecting the vacancies we have seen in staff roles throughout the year
- ✚ **Staff overtime** – we overspent by £1.2m/94.8% against budget. The staff overtime is driven by the underlying vacancies. Areas which have seen the 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 staff turnover during the year
- ✚ **Pensions** – we underspent by £0.6m/6.5% against budget, which largely reflects the actual cost of our injury pensions being less than was budgeted for
- ✚ **Premises** – we underspent by £0.5m/3.0%, which reflects underspends on both energy costs and on rent and rates costs
- ✚ **Transport** – we overspent by £0.5m/9.4%, which is predominantly a reflection of inflationary increases, repairs and maintenance costs of our fleet of vehicles, as well as travel overspends for our student officers
- ✚ **Supplies and services** – we overspent by £0.5m/1.2%, reflecting underspends on computing costs because of lower cloud consumption costs incurred, an underspend against the funding to reduce the backlog in digital forensic submissions reflecting the status of this outsourced work and overspends in relation to legal services costs where we had to outsource our data protection officer role for a large period of the year while we recruited into this role. In addition we overspent on the rollout of new jackets to operational officers and staff, increased kennelling costs associated with the seizure of dangerous dogs and increased fees for training, including additional Degree Holder Entry Programme fees
- ✚ **Partnerships** – we have underspent by £0.9m/4.5%, which is largely reflective of vacancies within the South West Regional Organised Crime Unit, our Major Crime Investigation Team and our shared specialist training function, offset by overspends on Scientific Investigations
- ✚ **Income** – we received £15.0m/45.5% more in income than was budgeted for. This includes additional specific purpose grant funding in support of the officer and staff pay awards (£7.5m), grant funding for temporary over-achievement of officer uplift (£1.8m), grant funding in support of IT cost pressures (£0.5m), additional income for policing at Hinkley Point and income relating to the use of our custody facilities by the Ministry of Justice as part of their Operation Safeguard (£0.6m). We also over-achieved our income budget for operational mutual aid and special services income (£1.2m), offsetting overtime pressures as above and over-achieved against our investment income by £1.9m, reflecting the strong returns seen throughout the year

The following table summarises the revenue financial performance for 2023/2024 after the agreed adjustments have been made to account for the reported underspend:

	Budget	Expenditure	Over/ Under (-)
	£'000	£'000	£'000
Neighbourhood & Partnerships	59,435	54,818	(4,617)
Response	87,961	94,744	6,783
Operational support	52,737	52,557	(180)
CID	40,539	46,886	6,347
Collaboration	24,248	23,052	(1,196)
Enabling services	92,740	92,133	(607)
Central costs & miscellaneous	7,209	(2,089)	(9,298)
Constabulary sub total	364,868	362,100	(2,767)
Office of the PCC	2,212	2,208	(5)
Commissioning	2,393	2,389	(4)
Total revenue expenditures	369,473	366,697	(2,776)

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 2024, covers the five year period from 2024/2025 through until 2028/2029. 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.

	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	£'000	£'000	£'000	£'000	£'000
Budget requirement	397,481	415,176	427,520	439,886	451,063
Less total funding	-391,103	-397,843	-405,405	-413,164	-421,131
Surplus(-)/deficit before savings	6,378	17,333	22,115	26,722	29,932
Savings	-6,378	-17,333	-17,794	-17,875	-17,927
Planned use of reserves	0	0	0	0	0
Surplus(-)/deficit after savings	0	0	4,321	8,847	12,005

The key assumptions that underpin this forecast position are

- ✚ Our funding is forecast to grow by £51.9m/14% p.a. by 2028/2029, driven by increases to both the core grant funding (+£20.3m/9.5% by 2028/2029) and to council tax funding (+£31.6m/20.1% by 2028/2029)
- ✚ Our budget requirement is forecast to increase by £60m/16% p.a. by 2028/2029, driven by many factors, including
 - inflationary adjustments to officer and staff pay incorporating the full year of the 7% pay award, and then +3% in 2024/25, +2.5% in 2025/26 and +2.0% in each year thereafter, increasing costs by £53.3m p.a. by 2028/2029
 - 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 £7.1m p.a. by 2028/2029
 - inflationary increases to general and specific (e.g. fuel, utilities, etc) non-pay costs are assumed to add £9.0m p.a. by 2028/2029
 - growth and commitments across the Constabulary of £8.8m p.a. by 2028/2029, including support for further permanent growth in police officer numbers, as well as targeted growth in police staff posts in areas such as victim services and vetting and growth in non-pay costs reflecting investment into our estate and the costs of our IT provision to enable ongoing transformation
 - 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 and investment into our South West Forensic function to support service improvements and the costs of achieving new accreditation standards – an increase of £6.8m p.a. by 2028/2029
 - increases to the ring-fenced uplift grant funding by £11.8m effective from 2024/2025, reducing to £9.3m p.a. by 2028/2029, which reflects the continued funding in support of maintaining and over-recruiting our officer numbers against target, as well as the increased funding in support of the additional police officer pension costs, which increased in April 2024
 - increases to income budgets, reflecting inflationary increases and forecast increases in return on investments – an increase of £2.5m in 2024/2025, reducing to an increase of £0.7m p.a. by 2028/2029

- adjustments to budgets recognising a reduction of £2.5m p.a. from 2024/2025, reflecting the changes against our previous plans, including elements of inflationary provision set aside in 2023/2024 which, when compared to the actual cost incurred, could be released from budget on a recurring basis
- realisation of new planned and targeted revenue savings of £8.2m p.a. from 2024/2025, rising to £17.9m by 2028/2029

4.2 Policing Precept

In December 2023 the policing minister confirmed that PCCs would have flexibility to raise the policing precept by up to £13 p.a. for an average band D property in setting the 2024/2025 budget. This provided additional flexibility to previous announcements, reflecting the continued 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 4.9%. Following review, the Police and Crime Panel endorsed this proposal, enabling the PCC to confirm approval of this increase and the underlying budget.

4.3 Capital and Projects

The MTFP includes a capital and projects programme of £114m over the next five years, with identified funding at the time this programme was presented of £105.2m, resulting in a funding deficit of £8.8m.

This 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 forecast spend include £17m of forecast costs of replacing existing personal issue equipment (e.g. laptops, mobile phones and body worn video cameras) and infrastructure (e.g. video conferencing and digital interview recording equipment). Our plans also include £26m on ICT projects, including the provision of a new Enterprise Resource Planning (ERP) system, a new Digital Evidence Management System, the roll out of new digital communications devices to replace our legacy airwave radio systems as well as several smaller projects.

Forecast spend on estate of £40m includes some ongoing capital replacement and repairs work, a number of projects including plans in Yeovil, Chard, Minehead, Frome, Bath, South Bristol (Broadbury Road) and Central Bristol (Trinity Road) as well as force-wide projects to introduce electric vehicle charging capabilities across our estate and a project to upgrade our achieving best evidence (ABE) interview suites.

Our programme also includes £19m to support the ongoing replacement of our vehicle fleet, while enabling further gradual transition to electric powered vehicles.

We will continue to review options for how we can close the deficit in our funding and this has already included how we have accounted for our year-end revenue underspend, as well as working with other forces for recognition and funding in support of the costs we forecast we will incur in transitioning to a fleet of electric vehicles.

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 and 2024/2025 funding settlements, albeit additional precept flexibility was required to manage inflationary pressures. Forecasting beyond this is a challenge and will only be confirmed after a general election, now confirmed as 4th July 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 2024/2025 and 2025/2026 budgets, whilst recognising that further savings will be needed across the medium term.

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). 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 2023/2024 we have identified and delivered £1.5m savings through procurement and ongoing contract management. The delivery of procurement savings is an important component of demonstrating how we achieve value for money.




6 Accounting for Pensions

In line with International Accounting Standard (IAS) 19 on employee benefits, we are reporting a significant pensions liability of £3.2bn. This is reduced when the pension scheme assets of £0.6bn are considered. 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.

7 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 His Majesty's Treasury.

This Statement of Accounts summarises the financial year for 2023/2024. 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 as at 31 March 2024** – 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 the 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 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.

Signature

Nick Adams LLB (Hons), FCA

Chief Finance Officer to OCC

Date

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 20 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 2024 and its income and expenditure for the year ended 31 March 2024.

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 & 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 & Somerset Police and Crime Commissioner (PCC) and the Chief Constable in place for the year ended 31 March 2024. It also details improvement areas to enhance further governance arrangements that the Constabulary plans to progress during 2024/25.

1.2

Its purpose is to supplement the Avon and Somerset PCC's annual governance statement to give the complete picture of the management 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).

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 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 (PCP), which sets the Force's strategic direction and priorities. These will be subject to review in 2024/25 further to the May 2024 PCC election.

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 31st March 2024 and includes the Code of Corporate Governance, Memorandum of Understanding, Decision-making Framework, Scheme of Delegation, Financial Regulations and Contract Standing Orders.

4.2

The Joint scheme of Governance was reviewed and refreshed by the OPCC in 2022 and clarifies the way in which the two organisations will govern both jointly and separately to do business in right way, for the right reason at the right time.

4.3

The OCC Governance Framework was also reviewed by an independent external consultancy in 2022 and implemented by the Constabulary Portfolio Management Office (PMO). We have continued to evolve this throughout 2023/24, with key changes including the introduction of

- ✚ A new monthly **Portfolio Steering Board** replacing a quarterly Change Portfolio Committee to proactively manage portfolio delivery.
- ✚ A monthly **Investigative Standards Forum** (tactical investigative management); and
- ✚ A bi-monthly **Operational Improvement Committee** largely focussing on service improvements for Response and Neighbourhood teams.

4.4

The management of the Constabulary Governance Framework is discharged to the central PMO for routine management. The PMO ensures all Terms of Reference are updated annually (completed autumn 2023) and meeting logistics are planned in September of each year for the next 18 months (i.e. up to the end of the subsequent financial year).

4.5

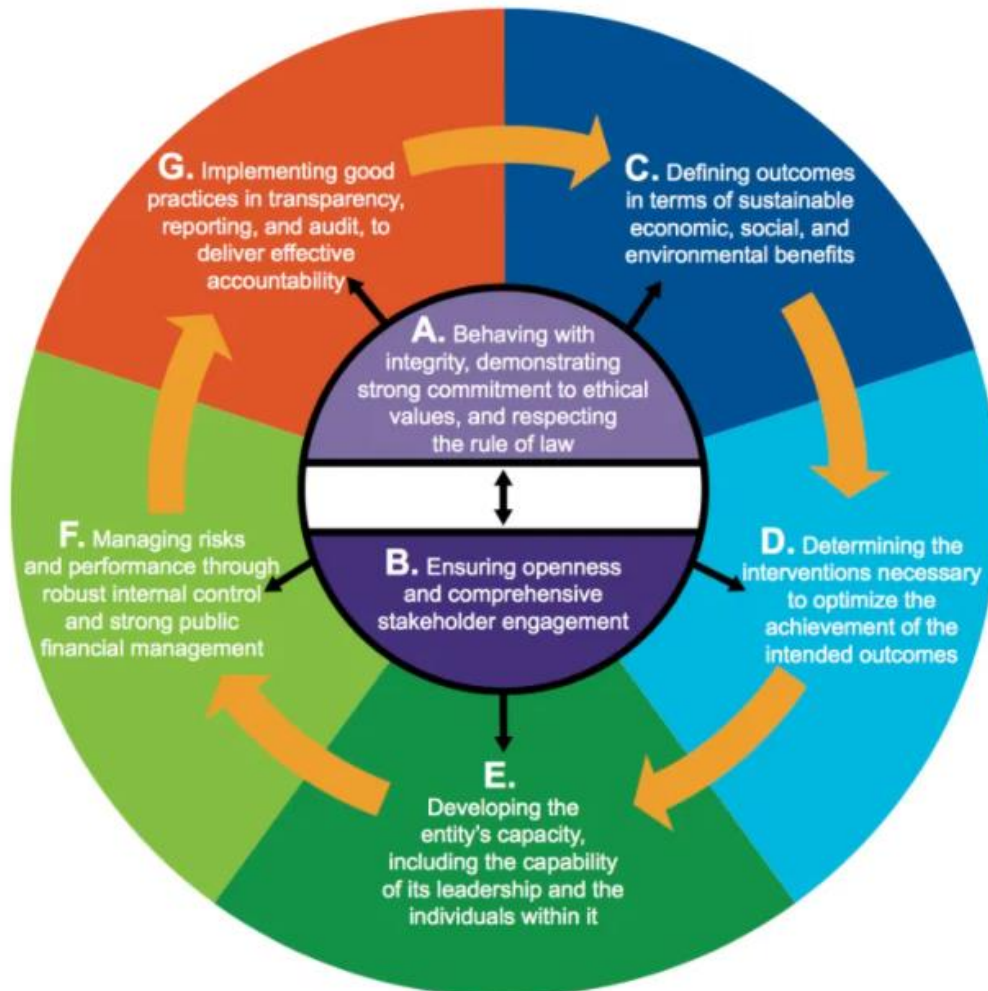
The governance framework provides the structure for strategic decision making and oversight of internal control. A critical component of the framework is identifying, assessing, and controlling **risk management** to mitigate risk to a reasonable and foreseeable level. The Constabulary cannot eliminate all risk of failure to achieve its objectives; it can only provide reasonable but not absolute assurance of effectiveness.

4.6

The Constabulary has continued to mature its **Corporate Risk** and **Organisational Risk** Management processes linking directly to existing governance arrangements. Organisational Risks with mitigated risk values between 9 and 12 (on the 5 x 5 risk matrix) are aligned to Committees for regular Committee Risk Reporting whereby the PMO select risks for review, discussion, update, and action.

4.7

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.






CIPFA Principles for Good Governance

5 The CIPFA Principles

5.1 Principle A: Behaving with integrity, demonstrating a 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 & Somerset, underpinned by our values. These are

 Mission	Serve. Protect. Respect
 Vision	Outstanding policing for everyone
 Value	Caring. Courageous. Inclusive. Learning

The Chief Constable, and the 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.

A new **Code of Ethics** was launched by the College of Policing in January 2024 comprising three separate complementary products: Ethical Policing Principles, Guidance on Ethical and Professional Behaviour and a Code of Practice for Ethical Policing. The Code has been developed to help Forces create the environment and culture where people can follow the Code of Ethics and succeed. A number of activities are now being progressed to embed the new code into the Constabulary. These include internal and external messaging, reviewing of all policy and procedure documents, inclusion within recruitment, promotion and vetting processes, inclusion within internal First Line Managers CPD, mandatory College Learn training modules, inclusion within the annual Individual Performance Review (IPR) process and inclusion within our planned 2024/25 People Survey. Assurance of embedding is governed through the People Committee.

The Code of Ethics is now also reflected through robust **Procedure Management** with appropriate narrative included in all Procedures and management information available to track completions. The reference in Constabulary procedures reads as follows: "Ethical policing requires courage, respect and empathy, and public service. These principles help us make and reflect on our professional decisions, guiding us in our day-to-day duties. They form the basis of the Code of Ethics helping people in policing to do the right things, in the right way, for the right reasons. In an organisation where decisions are often made in high pressure situations, adherence to a strong ethical framework is paramount. The Code of Ethics is more than just a set of regulations, it reflects our commitment to increasing trust within our communities. By upholding these ethical standards, we ensure that the public can rely on us to act justly, transparently, and with integrity. The procedures, direction and processes set out in this document support these principles and aid decision making".

The Constabulary IPR software (to be replaced from 2025/26) has a mandatory Integrity Health Check configured which helps Line Managers structure integrity conversations with staff plus links to useful resources. The Health Check is comprehensive and covers areas such as professional boundaries, GDPR awareness, Business Interests, Notifiable Associations, Standards of Professional Behaviours, Annual Security Questionnaire and Changes in Personal Circumstances. The Health Check must be completed before IPR finalisation.

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.

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 & Somerset Constabulary, each complaint is assessed and managed in accordance with the Police Complaints and Misconduct Regulations 2020 and IOPC Statutory Guidance.

As part of the Force Management Statement 2023/24 submission for Professional Standards several strengths in service delivery were identified including the delivery of Operation HOLDEN (organisation wide vetting review), increased vetting aftercare and vetting reviews, use of HMICFRS reports and recommendations to drive improvements, local continuous improvement activity and the development of system interfaces to make the process of vetting more efficient and effective. Professional Standards are developing a new performance framework, which link strongly to the

Constabulary's corporate change programme "Building Trust and Confidence". Further efficiency gains through robotics process automation are expected which will complement the unit investment secured in 2023 which has seen the introduction of new roles such as a PSD Researcher and Sexual Misconduct Liaison Officer.

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

5.2 Principle B: Ensuring openness and comprehensive stakeholder engagement

Engaged Communities

The Constabulary has a comprehensive Independent Advisory Group (IAGs) Framework built around a range of IAG's reflecting strategic areas, geography, and young persons and these continue to evolve proactively. We have commissioned a review of our Delegated Safeguarding Partnerships support and will look to design a revised delivery model through consensus with Chief Executives.

A significant amount of activity has been delivered as part of our Constabulary Portfolio of Change and the **Race Action Plan** Project. During the last twelve months we have developed a Deferred Prosecution Model Business Case and undertaken a commissioning process. We have supported the "I want to be seen poem and accompanying film" by local city poet Miles Chambers. We have developed an anti-racism strategy developed following collaborative workshops both internally and externally. We have established a Community Engagement Network. We have completed a deep dive analysis of disproportionality within police staff and police officer recruitment processes and promotion process. We have delivered Race Matters CPD for front line officers. We have revised and developed our Stop & Search policy. We have supported a Stop & Search social media piece in collaboration with creative power town - created by young people for young people on understanding their rights. We have introduced lived experience tactical advisors introduced within PSD. We have built new partnerships with local community media outlets - UJIMA and BCFM. We have reviewed the seven point promise to better support staff who have been victim of racial abuse or assault.

We are continually planning our next steps. We are developing our Annual Report marking the one year anniversary since institutional racism was declared. We are launching a Deferred Prosecution Model and a decision making app for officers. We are extending our Race Matters training across the organisation. We plan to introduce an Influencers Network and also an Independent Scrutiny and Advisory Board. We are introducing platforms to better understand our data and to identify further areas of disproportionality. Furthermore, we are introducing a QR code and feedback process following Stop & Search encounters. We are introducing a process to initiate early community engagement following any critical incident involving use of powers. Finally, we are using the findings of the deep dive analysis into recruitment/promotion processes to develop action plans to improve representation.

We continue to support and participate in the PCC scrutiny panels, through which local people from a diverse range of backgrounds monitor the use of policing powers such as the use of force, or the use of stop and search.

The Joint Audit Committee continues to operate on a quarterly basis providing the opportunity for independent external scrutiny of Constabulary delivery focussing on audit assessments and risk management.

An Engaged Workforce

The annual Constabulary People Survey was undertaken in the autumn on 2023 with just under 4,000 responses received. This level of employee engagement continues to provide a range of answers that has helped shape and influence our future plans.

Overall, our results show a stable and even improving picture, but we do not underestimate the challenges we have faced. Our continued aim is to create an environment where everyone feels able to put their hand up and suggest improvements, or challenge where they think we can do better and where everyone feels cared for.

The People Survey provides a snapshot for the organisation, but we understand the need to keep conversations going throughout the year. Covering the summer and autumn period in 2023 were the Chief Officer Talk Time sessions. These informal events were extremely popular – 43 sessions were held across 19 locations and 8 bases with over 650 attendees. Feedback was captured and consolidated by the Staff Office to identify themes.

Additionally, a series of off-site ‘Leadership Time’ workshops held between November 2023 and February 2024 enabled Chief Officers to engage with all leaders across the organisation. Through these sessions the role of all leaders in leading for the change we all want to see was explicitly set out and discussed.

Media Collaboration

The Constabulary worked with a 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. These programmes aired from January 2024. We recognise that fundamental to us being able to deliver our vision of outstanding policing for everyone is the public having trust and confidence in the police. One of our values is “Courageous”. We recognised that if we want to demonstrate legitimacy and win back trust and confidence, we must believe in our willingness to be transparent with the people we serve. This wasn’t an easy decision to make but we saw it as an opportunity to practice what we preach and show real openness of how we handle allegations of misconduct.

This media collaboration showed we were not afraid to own up when we had got things wrong, and that this was an important part of the process of how we put them right. By facing into these issues, we showed our communities that we are committed to addressing them, committed to being better and not hiding from the public when they need to trust us. The documentary provided the opportunity to demonstrate how we are changing our organisational culture to help us deliver policing more effectively through rebuilding public trust and confidence.

5.3 Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

The Constabulary has a Sustainability Plan that it approved in 2021. This plan established new and stretching targets for the organisation to achieve by 2026/27. 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.

We report on progress through an Annual Sustainability Report presented to our Constabulary Management Board in Q1 each year. This was presented in May 2023, with the next update expected in Q1 2024/25. In May 2023 we reported how our carbon consumption stood at 36% of what it had been in 2010/11, reflecting the progress made to date and in particular our switch to renewable energy tariffs for electricity supply. The report explained the work we're taking forward to further decarbonise our estate, increase our use of onsite renewables such as PV cells on our police stations and buildings, and progress work towards greater use of electric vehicles throughout our fleet.

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 the Senior Officer Team to build a Force capable of successfully delivering outstanding policing for everyone.

The latest published MTFP shows a balanced budget in both 2024/25 and in 2025/26 based on current plans, with a growing deficit thereafter requiring further savings to be realised. The Constabulary Portfolio of Change provides the delivery mechanism for achieving a balanced budget in the years ahead.

5.4 Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

The Constabulary manages its **BAU performance** interventions through the IPQR (Integrated Performance Quality Report) and PQA (Performance & Quality Assessment) process as part of the formal governance framework through the monthly Constabulary Management Board.

Products produced by our Performance & Insight Team provide organisational oversight of a complex performance landscape in a logical way. Central to the IPQR is the Performance Control Strategy which reflects the agreed Force level performance priorities for local improvement focus and delivery for crime and data integrity, investigative standards, rape and serious sexual offences, response timeliness, crime prevention and protecting the vulnerable. Each of these areas have individual Improvement Plans with performance tracked objectively through consistent metrics and reported to monthly Constabulary Management Board meetings.

Additionally, there is a clear focus on the outcomes linked to HMICFRS recommendations, with progress ratings provided by assigned business leads. The Performance & Quality Assurance process supports a sequenced deep dive into each of the HMICFRS PEEL Inspection Questions.

The organisation has made a conscious decision to not set additional recommendations through the Constabulary Management Board. Other elements of the formal governance framework (largely at Committee level), where more tactical / local interventions are discussed, are subject to PMO disciplines of Meeting Capture and Action Log management.

Complementing Business As Usual performance interventions processes is the delivery of transformative change through the **Constabulary Portfolio**. The objectives of portfolio delivery are twofold – for the Constabulary to achieve outstanding policing outcomes and realise requisite budgetary savings. The Portfolio construct is 8 x Programmes of work as below

Programme #1 – Right Service, Right People, Right Time

- ✚ **Programme #2** – Protecting the Vulnerable and Putting Victims First
- ✚ **Programme #3** – Investigative Standards and Tackling Perpetrators
- ✚ **Programme #4** – Building the Foundations for a Skilled Workforce
- ✚ **Programme #5** – Digital, Data, and I.T. Futures
- ✚ **Programme #6** – Developing a Cost Conscious Organisation
- ✚ **Programme #7** – Building Trust and Confidence
- ✚ **Programme #8** – Estate & Fleet Fit for the Future

Across the Portfolio are over 50 live Projects (as of May 2024) covering a breadth of activity. This includes developing our response to the national Right Care Right Person approach, developing our holistic to vulnerability, embedding the national SOTERIA / BLUESTONE approach across investigations, investing in our leadership model, balancing and delivering a complex national, regional and local information technology landscape, balancing our revenue position, understanding how we can provide public confidence and reassurance and finally developing our physical assets so that we have a modern and efficient estate. This list is not exhaustive. The cumulative improvements will be significant.

5.5 Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Uplift Growth

As of the end of March 2023, we have achieved our officer target headcount on 3,291 after delivering, a net increase of 456 officers as our share of the national police officer uplift. In addition, we achieved recruitment of a further 40 officers to assist with national targets. Through the settlement announcement, £8.7M of grant funding has been ringfenced for uplift and will only be payable to us in arrears upon maintaining officer numbers. A further one-off grant will also be paid in 2024/25 to maintain the surplus 40 officers through until at least March 2025. Delivering and maintaining this growth in police officer headcount has been and will remain a focus for the Constabulary.

Workforce Planning

We understand the need to maintain and develop our police officers effectively and to achieve this we have invested in our Workforce Planning (WFP) capability. The Workforce Planning Unit growth brought about the introduction of roles including that of insight specialists. The primary responsibility of this role is to improve our analytical offering to the organisation in providing recommendations, with insight, to support decision-making on key people matters.

Since new roles have started, we have

- ✚ Improved the presentation and accuracy of existing trajectories of staffing establishment numbers relating to key organisational roles including the Communications Department, allowing for better business decision making using insight
- ✚ Analysed organisational vacancies, considering the level of vacancy, time vacant amongst other metrics, to support better understanding of business need
- ✚ Reviewed disproportionality in our processes, such as recruitment of Officers and Promotion, making recommendations for areas to consider further investigation or improvement activity
- ✚ Interrogated our attrition statistics in some key business areas to support business modelling, understanding where we have attrition to e.g. internal or external, its volume and frequency and at what point within a career it occurs

Further work in this area is planned to continue to help strengthen our capacity and capability planning.

Leadership

We are always thinking about ways we can improve our training offer and supporting staff through targeted continued professional development. For 2024, we have a focus on two new courses being delivered as part of the First Line Leaders Programme. This Programme will be transformational and do more to define leaders and managers individual roles, responsibilities, and accountability, at every level of the organisation. The Programme was a year in the planning, taking initial College of Policing materials but expanding for our local context.

January saw the launch of the First Line Leaders Launchpad course for Officers and Staff who have been newly promoted to substantive First Line Manager roles. The five-day course covers the key areas of Leading Self; Leading Others; Leading Teams; Leading Situations; and leading Culture and gives a comprehensive and practical approach to understand, develop, and implement good leadership practices. The First Line Leaders Accelerator course went live in February for Officers and Staff in existing substantive First Line Manager roles. This is a three-day course learning to lead teams, lead situations, and lead culture. These courses sit alongside the Future First Line Leadership course launched in October 2023.

We recognise the expectation to have leadership training – after all everyone is a leader. Leadership is a skill we all must learn – simply having the potential to lead is not enough. Learning is one of our four values and goes hand in hand with leadership. We understand that good leaders never stop learning and developing, taking their development into their own hands, constantly on a journey of improvement.

As part of the new Training Programme, we have launched the Target Leadership Model, which clearly defines the competencies all Team Leaders should be aiming for in their own leadership practice. It's relevant to everyone as it sets out our clear expectations.

Additionally, the Avon & Somerset Leadership Days cumulatively bring together more than 1,000 leaders from across the organisation to focus on the Avon & Somerset strategy, specifically the Strategic Imperatives and how they relate to each individual leaders' team. These leadership days will be repeated in January 2025 to further embed the strategy, progress through the five-year strategic plan, and have a focus on the tangible outcomes.

5.6 Principle F: Managing risks and performance through robust internal control and strong public financial management

The Constabulary Governance Framework has further evolved during 2023/24 and demonstrates robust approaches to the management of performance indicators, organisational and corporate risk, and financial management.

Performance indicators (KPIs)

Through our strategic planning workshops in 2022/23 Senior Leaders identified eighteen strategic outcomes and for each several KPIs were aligned. Their management (i.e. tracking progress against target) has been aligned to specific meetings within the formal governance framework to ensure regular scrutiny and accountability. Committee Insight Reports are developed and presented by our Performance & Insight Team.

Risk Management

Constabulary risk management processes and framework were subject to a favourable internal audit review in 2022 and continue to evolve 2-3 years after implementation. Risk is managed at two levels – Organisational Risk (mapped by Directorates and Departments) and Corporate Risk (seven static risks subject to quarterly review). Risks are assessed using a subjective 5 x 5 risk matrix with mitigated risk values determine how / where risks are managed within the governance framework. Risk escalations are used to provide options for resolution of risks as required. The Joint Audit Committee provides external and independent scrutiny of the corporate risks which adds transparency and legitimacy to the process. The PMO is a member of the National Risk Management Group to capture any national learning to further develop the approach with a focus in 2024 on risk appetite and risk training.

Financial Management

Financial Management within the Constabulary is intrinsic within all levels of the governance framework. The strategic financial goals and challenges are reviewed at our quarterly Strategic Planning Meetings which also receives regular updates on the development and headlines of the Medium-Term Financial plan (MTFP). Our Medium-Term Financial Plan (MTFP) provides the financial outlook, context, and resourcing principles for the annual budget setting process. It outlines, in broad terms, the specific service and funding issues over the 5-year period and how the PCC will, within these financial constraints, fund priorities and ensure financial sustainability and resilience. Our MTFP needs to be responsive to changing national and local conditions and is therefore a living document subject to annual review, with our current plan covering 2024/25 – 2028/29.

This MTFP reflects the tightened financial constraints within which everyone is now managing. The plan builds on the announcements made in the Governments police funding settlement in December 2023, reflecting the growth in grant funding and the policing precept increase for 2024/25. The plan then builds on these assumptions in subsequent years, forecasting that funding will increase by £49.6M/13.4% by the 2028/29 financial year. These forecasts are made within the context that policing in Avon & Somerset continues to be under-funded compared to our need and to comparable forces around the country. Our funding per head of population is below national average, and below the funding levels seen in those force areas with one of the other core cities in England and Wales. The Government continues to confirm its intention to consult on the formula for the distribution of police funding, however this has not yet commenced. We remain hopeful that the Governments review of the police funding formula will address some of this imbalance. The MTFP has annual formal sign-off via the Constabulary Management Board and OPCC Governance & Scrutiny Board. These arrangements are well-established.

At a more tactical level the Finance & Assets Committee meets six times a year working to a set agenda with sequenced substantive agenda items. These include the annual Efficiency Savings Report, Year End Accounts and Annual Governance Statement Plan, Quarterly Revenue and Capital Outturn Report, Reserves Reporting and Financial Planning Assumptions. Constabulary investment decisions are framed through Outline and Final Business Cases that are subject to scrutiny and sign-off via the Portfolio Steering Board, Constabulary Management Board and Governance & Scrutiny Board.

5.7 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 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, a number of areas for audit were covered in 2023/24. Some of these audits included tutoring (Reasonable grading), POCA (Reasonable), Estates (Limited), Key Financial Controls (Reasonable), Cash Handling (Reasonable), Corporate Performance Management (Reasonable), Wellbeing (Reasonable).

Transparency is also displayed through the development, submission (to HMICFRS) and publication (via the external website) of the annual Force Management Statement (FMS). This comprehensive annual organisational self-assessment is central to our strategic planning cycle and has been used to support an organisational SWOT analysis to inform our Q4 Strategic Planning Meeting and influence our portfolio design. The FMS includes a number of subjective assessments looking at demand, resources and capabilities built around 4 HMICFRS questions pertaining to Demand, Assets, Business Plans and Risks. These assessments are repeated for over 40 Directorate, Department, and thematic areas of service delivery and provide an extremely candid view of performance, planning and challenges.

6 Review of Effectiveness

6.1

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.

The central oversight and management of the Constabulary Governance Framework provides consistency and identifies opportunities for further efficiencies. For 2023/24, this position has been further strengthened by a new Chief Officer Group ACC role with responsibility for Strategic Performance, Planning and Change.

The iterative development of the governance framework has continued since the independent support with a focus on efficiency and within the last twelve months the following changes have been made

- ✚ Alignment of the Investigative Standards Forum to the governance framework.
- ✚ The introduction of the Operational Improvement Committee
- ✚ The commitment to publish timed agendas to help manage business in a timely manner
- ✚ The pre-briefing of the Chair for specific meetings (e.g. Constabulary Management Board and Portfolio Steering Board) to highlight key discussion points
- ✚ The annual revision of all Terms of Reference documents for all Governance Framework Meetings (next scheduled by the PMO for June 2024)
- ✚ A commitment to forward diary management working in September to map all meetings for the subsequent financial year (i.e. an 18-month window)
- ✚ A focus on meeting behaviours moving away from presentations where possible
- ✚ A focus to ensure fewer more meaningful actions are set / captured

The PMO produces Meeting Capture Summaries (not minutes) which capture decisions for audit trail but not unnecessary detail.

A formal Post Implementation Review of the Governance Framework has been scheduled but has been delayed recognising the need to allow for an establishment way of working to establish over a 12 month period noting there have been substantive changes as late as early 2024.

6.2 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 HMICFRS 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	

The next PEEL Inspection of Avon & Somerset is in 2024, Initial fieldwork has begun with more formal inspection activity scheduled for the autumn ahead final reporting to follow in January 2025. The updated HMICFRS inspection outcomes will be reported in the 2025 Annual Governance Statement.

6.3 Significant Risks

The latest assessment of the Corporate Risk Register was completed in March 2024. The RAG assessments of the 7 x corporate risks are highlighted in the table below.

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

The latest assessment illustrates that 4 of the 7 corporate risks currently have a mitigated risk value of over 16 and therefore could be classified as “significant” risks at this time. However, for each there are defined mitigations in place. For **Finance**, our proactive savings identification work means we are reporting a balanced budget for 2024/25 and 2025/26. For People, we recognise the relative levels of inexperience with our workforce but are investing heavily in Leadership Models and Training. For Information, Governance, Data & Digital we are implementing a new Information Governance Framework and developing our Artificial Intelligence Strategy. For Confidence & Legitimacy, we understand the impact but also benefits of the Story Films documentary but also the

influence of the national context on public perceptions of legitimacy. The corporate risks are scheduled for their next review in June 2024.

7 Governance Issues

7.1

Throughout 2023/24, we have continued to evolve our governance arrangements and looked to identify and implement efficiencies. There is now a greater understanding of our governance mechanisms and how they drive our day to day business. We have used elements of governance such as the Portfolio Steering Board to land and support our new 7 stages of project management. We have ensured other organisational processes such as risk management, benefits management and organisational learning are hard-wired into our governance arrangements. The new Constabulary Portfolio of Change makes use of the governance framework not only for stage gate reviews but also Programme Highlight reporting at Committee level.

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. There is now increased visibility of highlight reporting of regional governance forums via the Constabulary Management Board, and we have recently agreed investment to support work with delegated safeguarding partners.

8 Conclusion and Certification

8.1

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
May 2024

Nick Adams LLB (Hons), FCA
Chief Finance Officer to the OCC
May 2024

Office of the Chief Constable for Avon & Somerset

Comprehensive Income and Expenditure Statement for Year Ended 31 March 2024

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 2022/2023 £'000	Comprehensive Income and Expenditure Statement - OCC	OCC Expenditure £'000	OCC Income £'000	Total 2023/2024 £'000
539,901	-53,969	485,932	Police Services	487,582	-67,874	419,708
-539,901	53,969	-485,932	Intragroup funding adjustment	-487,582	67,874	-419,708
0	0	0	Net cost of police services	0	0	0
		110,987	Net interest on pensions			121,500
		-110,987	Intragroup adjustment (pension interest cost)			-121,500
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
		1,879,534	Intragroup adjustment (Re-measurement of pension assets and liabilities)			117,909
		-1,879,534	Re-measurement of pension assets and liabilities (note 13)			-117,909
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 2023/2024 and 2022/2023

All reserves are held by the PCC.

Movement in reserves statement 2023/2024					
	Revenue General Fund £'000	Capital Receipts Reserves £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total £'000
Balance as at 31 March 2023	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 2023/2024	0	0	0	0	0
Balance as at 31 March 2024	0	0	0	0	0

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	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 2024

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

2023 £'000	Balance Sheet	2024 £'000
	Long term assets	
2,644,892	Long term intragroup debtor	2,634,843
2,644,892	Total non-current assets	2,634,843
17,075	Intragroup debtor	19,104
17,075	Total current assets	19,104
-12,975	Creditors (note 17)	-14,570
-4,100	Short term provisions (note 18)	-4,534
-17,075	Total current liabilities	-19,104
	Long term liabilities	
-25	Provisions (note 18)	0
-2,644,867	Net defined pension liability (note 13 to 15)	-2,634,843
-2,644,892	Total long term liabilities	-2,634,843
0	Net assets	0
0	Total usable reserves	0
0	Total unusable reserves	0
0	Total reserves	0

Signature

Nick Adams LLB (Hons), FCA

Chief Finance Officer to OCC

Date

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 2024 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		
2022/2023		2023/2024
£'000		£'000
0	Net surplus(-)/deficit on the provision of services	0
328	Increase(-)/decrease in provision charged back to service	-410
1,367	Increase in long and short term debtors	2,005
-1,695	Increase(-) in long and short term creditors	-1,595
	Adjust net surplus or deficit on the provision of	
0	services for non-cash movements	0
0	Net increase(-)/decrease in cash and cash equivalents	0

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 2023/2024 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 2022/2023 and 2023/2024.

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 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

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 Comprehensive Income and Expenditure Statement (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 end 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 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.

1.6 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 operational 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 by CIPFA and are unlikely to have a material impact on the financial statements.

- ✚ Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020
- ✚ Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022
- ✚ Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022
- ✚ International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- ✚ Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023

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 Liability

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 13 to 15 regarding the assumptions that have been used by the actuaries to provide an estimate of the liability.

Pension fund assets (relevant in the case of the Local Government Pension Scheme) are measured at fair value which requires reference to the market conditions held at the measurement date. The market has been subject to volatility, however markets have continued trading and information was available to measure the fund assets at the measurement date.

A remedy process to resolve the age discrimination of the pension changes resulting from the reform of public service pension schemes has been published by HM Treasury. The Treasury has confirmed that: legacy schemes are closed from 31 March 2022; a remedy has been introduced for the period 2015-2022 based on a deferred choice underpin basis; and eligibility criteria for members to access the remedy. From 1 April 2022, members accrue benefits in the career average revalued earnings (CARE) scheme. The estimated impact of McCloud/Sargeant has been factored into the IAS19 pension valuations estimates since 2018/19. These estimates have evolved as assumptions underpinning them have evolved.

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	2,580,129	2,621,719	2,664,431
Projected service cost	37,944	39,507	41,125
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	2,626,496	2,621,719	2,616,970
Projected service cost	39,534	39,507	39,479
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	2,660,453	2,621,719	2,584,040
Projected service cost	41,148	39,507	37,923
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	2,711,015	2,621,719	2,535,512
Projected service cost	40,930	39,507	38,118

Police Staff Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	521,323	531,786	542,567
Projected service cost	16,176	16,843	17,535
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	532,752	531,786	530,830
Projected service cost	16,854	16,843	16,832
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	541,809	531,786	522,064
Projected service cost	17,545	16,843	16,166
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	548,924	531,786	515,228
Projected service cost	17,470	16,843	16,232

4.2 Short and Long Term Provisions

In determining the provisions set aside at 31 March 2024 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.

2022/2023						2023/2024				
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		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
348,285	53,320	401,605	84,327	485,932	Police Services	364,871	65,969	430,840	-11,132	419,708
-348,285	-53,320	-401,605	-84,327	-485,932	Intragroup adjustment	-364,871	-65,969	-430,840	11,132	-419,708
0	0	0	0	0	Net cost of police services	0	0	0	0	0
0	0	0	110,987	110,987	Net interest on pensions	0	0	0	121,500	121,500
0	0	0	-110,987	-110,987	Intragroup adjustment (Pension interest cost)	0	0	0	-121,500	-121,500
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

Adjustments to arrive at the chargeable to general reserves column consists of the transfers to & from reserves and intercompany charges.

2022/2023	OCC Expenditure and Funding Analysis				2023/2024				
Capital Purposes £'000	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000		Capital Purposes £'000	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000	
-1,131	87,945	-2,487	84,327	Police Services	2,194	-13,615	289	-11,132	
1,131	-87,945	2,487	-84,327	Intragroup adjustment	-2,194	13,615	-289	11,132	
0	0	0	0	Net cost of police services	0	0	0	0	
0	110,987	0	110,987	Net interest on pensions	0	121,500	0	121,500	
0	-110,987	0	-110,987	Intragroup adjustment (Pension interest cost)	0	-121,500	0	-121,500	
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

2022/2023 £'000	Income and Expenditure analysed by nature	2023/2024 £'000
294,084	Employee costs	318,874
13,138	Premises costs	17,355
6,068	Transport costs	5,501
41,356	Supplies & services	44,457
16,206	Partnership costs	18,744
15,600	Misc, central, & grants	20,782
11,179	Depreciation, amortisation, & impairment	15,235
89,361	Employee benefit expenses	-11,974
110,987	Net interest on pensions	121,500
52,909	Police pension top up grant	58,607
-650,888	Intragroup adjustment	-609,081
0	Total expenditure	0
-18,313	Sales, rent, fees, & charges	-18,532
-1,395	Seconded officers	-1,362
-12,294	Counter terrorism policing grant	-17,930
-718	Serious violence grant	-801
-4,688	Uplift grant	-8,090
-13,466	Officer pensions grant	-18,331
-2,828	Other specific grants	-2,828
53,702	Intragroup adjustment	67,874
0	Total income	0
0	Surplus/deficit on provision of services	0

The employee benefit expense line includes the holiday pay charge, pension costs and employers' contribution. This year it is a credit value due to the pension costs being lower than the employer's contribution.

8 Paying Staff

Disclosure of Remuneration for Senior Employees 2023/2024					
Post Holder Information (post title and name)	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2023/2024	Pension Contributions	Total Remuneration Including Pension Contributions 2023/2024
	£	£	£	£	£
Chief Constable - S Crew	175,706	8,570	184,276	54,469	238,745
	175,706	8,570	184,276	54,469	238,745

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
		£	£	£	£	£
Chief Constable - S Crew		168,020	11,466	179,486	52,086	231,572
		168,020	11,466	179,486	52,086	231,572

Disclosure of Remuneration for Senior Employees 2023/2024

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2023/2024	Pension Contributions	Total Remuneration Including Pension Contributions 2023/2024
		£	£	£	£	£
Deputy Chief Constable - N Watson	1	97,843	0	97,843	0	97,843
Deputy Chief Constable - J Reilly	2	65,365	0	65,365	19,294	84,659
ACC - Strategic Improvement		131,845	0	131,845	38,547	170,392
ACC - Investigations & Operational Support		120,061	0	120,061	34,894	154,955
ACC - Neighbourhoods, Partnerships & Response	2	76,443	0	76,443	22,341	98,784
T/ACC - Neighbourhoods, Partnerships & Response	3	40,438	0	40,438	12,282	52,720
Chief Officer - Finance, Resources and Innovation		126,068	12,677	138,745	23,449	162,194
Chief Officer - People and Organisational Development	4	120,500	0	120,500	21,018	141,518
Force Medical Officer - D Bulpitt	5	130,992	0	130,992	24,364	155,356
		909,555	12,677	922,232	196,189	1,118,421

Note 1 The Deputy Chief Constable retired on 31/10/2023

Note 2 ACC - Neighbourhoods, Partnerships & Response left this role on 31/10/2023 and was promoted to Deputy Chief Constable on 01/11/2023

Note 3 Temporary ACC - Neighbourhoods, Partnerships & Response appointed on 27/11/2023

Note 4 Chief Officer - People and Organisational Development permanently appointed on 08/05/2023

Note 5 Force Medical Advisor reduced their working hours to 16 hours per week from 01/11/2023

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.

2022/2023 Number	Pay Range	2023/2024 Number
406	£50,000 - £54,999	543
252	£55,000 - £59,999	301
117	£60,000 - £64,999	209
26	£65,000 - £69,999	77
10	£70,000 - £74,999	17
13	£75,000 - £79,999	14
5	£80,000 - £84,999	10
5	£85,000 - £89,999	10
7	£90,000 - £94,999	1
2	£95,000 - £99,999	9
0	£100,000 - £104,999	1
1	£105,000 - £109,999	2
844		1,194

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 10 staff redundancies were recognised during the 2023/2024 year, the details of which are presented in the table below.

Compulsory & Voluntary 2022/2023		Exit Packages	Compulsory & Voluntary 2023/2024	
Number	£'000	Banding	Number	£'000
19	201	£0 - £19,999	6	43
5	134	£20,000 - £39,999	4	107
0	0	£40,000 - £59,999	0	0
0	0	£60,000 - £79,999	0	0
24	335		10	150

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.

2022/2023 £'000	External Audit Costs	2023/2024 £'000
	Chief Constable:	
26	Fees for external audit services paid to Grant Thornton	58
<u>26</u>		<u>58</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 £22,251 split by PCC £14,685 and CC £7,565 (2022/23 £21,886 split by PCC £14,105 and CC £7,780) 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 2023/2024 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. Sarah Crew is the Chief Constable. During 2023/2024 we have rendered £3,255 of services relating to the installation of an alarm at her home, following risk assessment of her role (no services were provided in 2022/2023).

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 £228,997 in 2023/2024 (£21,065 in 2022/2023). Payments were also made to the Avon and Somerset Constabulary Force Club in 2023/2024 of £6,705 (£14,641 in 2022/2023).

12 Joint Arrangements

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

2022/2023 Expenditure £'000	Joint Operations	2023/2024 Expenditure £'000
4,099	South West Regional Organised Crime Unit	5,073
1,619	Firearms Training	1,820
744	Counter Terrorism Specialist Firearms Officers	781
5,548	Major Crime Investigation (Brunel)	5,915
8,126	South West Forensic Services	8,743
103	Regional ACC	164
23	Disaster Victim Identification / Casualty Bureau	34
368	Other Regional Programmes	381
20,630	Total	22,911

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 £16,535,394 in 2023/2024 (£13,358,978 in 2022/2023).

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 2023/2024 was 39.9% for Avon and Somerset, 33.7% for Gloucestershire, and 26.3% for Wiltshire. The total cost of the operation was £4,131,185 in 2023/2024 (£3,679,798 in 2022/2023).

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 £1,457,290 in 2023/2024 (£1,386,930 in 2022/2023).

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 £9,242,729 in 2023/2024 (£8,668,710 in 2022/2023).

12.5 South West Forensic Services

South West Forensic Services is a collaboration between Avon and Somerset (34.9%), Devon and Cornwall (36.1%), Dorset (15.2%) and Wiltshire (13.8%) to provide forensic services. The total cost of the operation was £25,102,653 in 2023/2024 (£22,812,481 in 2022/2023).

12.6 Regional ACC

This post was put in place from May 2016 to oversee the regional collaborations for Forensics, Special Branch, SW ROCU, and Counter Terrorism Policing South West. 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 £529,422 in 2023/2024 (£324,764 in 2022/2023).

12.7 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 £111,479 in 2023/2024 (£75,200 in 2022/2023).

12.8 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 £1,190,601 in 2023/2024 (£1,182,565 in 2022/2023).

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, this transaction is then netted off by a intragroup adjustment in the MIRS to move the charge to the PCC accounts, this is evident through note 6 Expenditure and Funding Analysis table.

	Police Staff		Police Officers		Total	
	2022/2023 £'000	2023/2024 £'000	2022/2023 £'000	2023/2024 £'000	2022/2023 £'000	2023/2024 £'000
Comprehensive income and expenditure statement						
Cost of services:						
Current service cost	47,203	14,864	101,916	40,665	149,119	55,529
Administration expenses	267	254	0	0	267	254
Past service cost including curtailments	97	143	0	0	97	143
Financing and investment income and expenditure:						
Net interest cost	10,007	-1,349	100,980	122,849	110,987	121,500
Total post employment benefits charged to the comprehensive income and expenditure statement	57,574	13,912	202,896	163,514	260,470	177,426
Other post employment benefits charged to the comprehensive income and expenditure statement						
Return on plan assets	22,279	-39,123	0	0	22,279	-39,123
Changes in demographic assumptions	-63,726	-6,758	0	-10,022	-63,726	-16,780
Changes in financial assumptions	-419,207	-13,007	-1,651,214	-43,730	-2,070,421	-56,737
Experience gain/loss(-) on defined benefit obligations	59,708	1,585	224,308	6,067	284,016	7,652
Changes in effect of asset Ceiling	0	45,861	0	0	0	45,861
Other actuarial gain/loss(-)	1,131	0	-52,813	-58,782	-51,682	-58,782
Total other comprehensive income	-399,815	-11,442	-1,479,719	-106,467	-1,879,534	-117,909
Movement in reserves statement						
Reversal of net charges made for retirement benefits in accordance with the code	-57,574	-13,912	-202,896	-163,514	-260,470	-177,426
Actual amount charged against the general fund balance for pensions in the year						
Employer's contribution to scheme	18,292	22,562	36,422	39,477	54,714	62,039
Retirement benefits payable to pensioners	104	123	6,720	7,379	6,824	7,502

2023 £'000	IAS 19 Pension Liabilities	2024 £'000
-2,611,528	Police officers	-2,621,719
-33,339	Police staff	-13,124
-2,644,867		-2,634,843

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 have paid 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 £45,880,000 in financial year 2024/2025.

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.

2022/2023 £'000	Cost of Injury and Ill-Health Benefits - Police Officers	2023/2024 £'000
6,720	Payments to pensioners	7,379

2022/2023 £'000	Pensions Account	2023/2024 £'000
105,793	Benefits paid to officers	116,273
-52,884	Less contributions received	-57,666
52,909	Balance met from PCC Group	58,607

A full valuation of the pension scheme liabilities was undertaken for 31 January 2021. 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		2023/2024	2022/2023
Current pensioners			
	Males	21.3	21.2
	Females	23.4	23.5
Retiring in 20 years			
	Males	22.5	22.5
	Females	24.7	25.0

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

2022/2023 %		2023/2024 %
4.80	Discount rate	4.90
3.90	Rate of increase in salaries	3.90
2.90	Rate of increase in pensions in payment	2.90
3.20	Change in Retail Price Index (RPI)	3.25
2.90	Change in Consumer Price Index (CPI)	2.90

The movement in the present value of scheme liabilities for the year to 31 March 2024 is as follows

2022/2023 £'000	Present Value of Police Pension Scheme Liabilities	2023/2024 £'000
-3,931,493	Present value of schemes liability as at 1 April	-2,611,528
	Movements in the year	
-101,916	Current service cost	-40,665
111,341	Estimated benefits paid (net of transfers in)	122,655
-15,386	Contributions by scheme participants	-17,017
-100,980	Interest costs	-122,849
1,651,214	Change in financial assumptions	43,730
0	Change in demographic assumptions	10,022
-224,308	Experience gain/loss on defined benefit obligations	-6,067
-2,611,528	Present value of schemes liability as at 31 March	-2,621,719

The movement in the fair value of scheme assets for the year to 31 March 2024 is as follows

2022/2023 £'000	Fair Value of Police Pensions Scheme Assets	2023/2024 £'000
0	Present value of schemes assets as at 1 April	0
	Movements in the year	
52,813	Other actuarial gain	58,782
43,142	Contributions by employer	46,856
15,386	Contributions by scheme participants	17,017
-111,341	Estimated benefits paid (net of transfers in)	-122,655
0	Present value of schemes assets as at 31 March	0

15 Pensions for Police Staff

Police staff can choose to join the Somerset 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.

2022/2023		Pension Costs - Police Staff	2023/2024	
Payments £'000	Percentage of Employees' Contributions		Payments £'000	Percentage of Employees' Contributions
18,286	130-296	PCC's contribution	20,827	130-296

During 2023/2024 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 £22,376,000 in financial year 2024/2025.

Since April 2023 the Constabulary has paid 18.6% of the employee salary in pension contribution (previously 16.3%) for current active members and an annual fixed sum to pay for past service deficit recovery. The fixed sum paid in 2022/2023 was £2,420,000, the amount due in 2023/2024 is £868,000.

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 January 2021. This work has been updated for the 2023/2024 financial year by independent actuaries to the Somerset 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		2023/2024	2022/2023
Current pensioners			
	Males	21.1	21.4
	Females	23.0	23.2
Retiring in 20 years			
	Males	22.4	22.7
	Females	24.4	24.7

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

2022/2023		2023/2024
%		%
4.80	Discount rate	4.95
3.90	Rate of increase in salaries	3.90
2.90	Rate of increase in pensions in payment	2.90
3.20	Change in Retail Price Index (RPI)	3.15
2.90	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 2024 is estimated to be 2.83%. The estimated value of the PCC's share of the fund's assets is £564,523,000 on a bid value basis (2022/2023 £487,693,000). The assets are made up of the following

It should be noted that as interest rates have increased over recent periods, there have been improvements in funding levels on the accounting basis which has resulted in some LGPS employers with an accounting surplus at the balance sheet date. This is the case for the Police and Crime Commissioner Group. When a surplus is calculated, the standard requires the net defined benefit asset to be measured at the lower of the surplus in the defined benefit plan, and the asset ceiling. We have instructed Barnett Waddingham LLP, an independent firm of actuaries to carry out this calculation. They have established that the impact of the asset ceiling is £45.86m. The calculation assumes that:

- ✚ There is no prospect of the Employer having an unconditional right to a refund of surplus on the basis that such a payment would be at the discretion of the Fund
- ✚ The Employer is a scheduled body and assumed to participate indefinitely

- ✚ Primary contributions are considered to be a minimum funding requirement
- ✚ The minimum funding requirement exceeds the current cost of accrual and so the potential economic benefit from future contribution reductions is nil
- ✚ An additional liability of £12,111k is recognisable in respect of the Employer's obligation to pay future deficit contributions, thereby increasing or generating an irrecoverable surplus
- ✚ The value of the asset ceiling is therefore (£12,111k).

The Group has elected not to restate the fair value of scheme assets for previous periods as permitted by IAS19.

2022/2023		Assets	2023/2024	
£'000	%		£'000	%
		Equities		
52,671	10.8	UK - Unquoted	56,484	10.0
292,031	59.9	Overseas - Unquoted	338,905	60.0
19,057	3.9	Private equity	19,205	3.4
363,758	74.6		414,594	73.4
		Gilts - Public Sector		
8,719	1.8	UK fixed interest	12,071	2.1
8,719	1.8	UK index linked	12,127	2.2
17,437	3.6		24,198	4.3
		Other Bonds		
34,825	7.14	UK	45,735	8.0
15,850	3.3	Overseas	22,868	4.0
50,675	10.4		68,603	12.0
39,130	8.0	Property	40,572	7.2
16,693	3.4	Cash (invested internally)	16,556	2.9
487,693	100	Total assets	564,523	100

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

2022/2023 £'000	Police Staff Pensions	2023/2024 £'000
487,693	Share of assets in pension fund	564,523
0	Changes in Asset Ceiling	-45,861
-519,921	Estimated liabilities in pension fund	-530,773
-1,111	Estimated unfunded liabilities	-1,013
-33,339	Deficiency in fund	-13,124

The movement in the present value of schemes obligations for the year 31 March 2024 is as follows

2022/2023 £'000	Present Value of Police Staff Liabilities	2023/2024 £'000
-882,896	Present value of defined obligations as at 1 April	-521,032
	Movements in the year	
-47,203	Current service cost	-14,864
15,084	Estimated benefits paid (net of transfers in)	17,771
-6,406	Contributions by scheme participants	-7,557
-22,843	Interest costs	-24,264
104	Unfunded pension payments	123
419,207	Change in financial assumptions	13,007
63,726	Change in demographic assumptions	6,758
-59,708	Experience loss(-)/gain on defined benefit obligations	-1,585
-97	Past service cost, including curtailments	-143
-521,032	Present value of defined obligations as at 31 March	-531,786

The movement in the fair value of scheme assets for the year to 31 March 2024 is as follows

2022/2023 £'000	Fair Value of Police Staff Scheme Assets	2023/2024 £'000
488,920	Fair value of scheme assets as at 1 April	487,693
	Movements in the year	
12,836	Interest on assets	25,613
-22,279	Return on assets less interest	39,123
-1,131	Other actuarial gain/loss(-)	0
-267	Administration expenses	-254
18,396	Contributions by employer	22,685
6,406	Contributions by scheme participants	7,557
-15,188	Estimated benefits paid (net of transfers in)	-17,894
487,693	Fair value of scheme assets as at 31 March	564,523

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 2023/2024 or 2022/2023.

17 Creditors

All creditors are accounted for by the PCC. Those which are accounted for within the OCC 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 2023/2024 is £14,570,000 (2022/2023 £12,975,000).

18 Short and Long Term Provisions

Short and Long Term Provisions	Balance 1 April 2023 £'000	Reversed Unused £'000	Used in Year £'000	New in Year £'000	Balance 31 March 2024 £'000
Ill-health & termination benefits	126	0	-126	616	616
Overtime liability	3,999	0	-1,813	1,732	3,918
	4,125	0	-1,939	2,348	4,534

The ill health and termination benefits provision of £616,000 is in respect of ill health retirement payments where approval was agreed at 31 March 2024.

The overtime liability provision at 31 March 2024 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 2024.

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 Compensation claims

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is bought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2024, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

19.2 Other Pension Cases

There is one further case which has been 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 2024 due to there being insufficient information upon which to make an accurate estimation

19.3 Airwave Solutions

On 22nd December 2023, it was announced that Airwave Solutions Ltd (Motorola) lost their appeal against the Competitions and Markets Authority (CMA) ruling that they had been in effect over charging for Airwave services. As a result, Avon and Somerset Constabulary were issued a credit note and discounts of current invoices which to the end of 31 March 2024 total £167,204. The value

and detail of the credit and discounts remains a subject of ongoing work between the Home Office, who are the central contract managers of the Airwave contract, and Motorola/Airwave.

There is a risk that Motorola/Airwave have further right to appeal against this finding which, if the appeal is upheld, would reverse the credit notes and discounts already received.

Office of the Chief Constable for Avon & Somerset

Police Officer's 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

2022/2023 £'000	Police Officers Pension Fund Account	2023/2024 £'000
	Contributions receivable	
	Employers contributions:	
-35,930	Normal 31% contributions	-39,477
-925	Ill health/early retirements	-175
-36,855		-39,652
	Employee contributions	
-11	1987 Police Pension Scheme	-10
-1	2006 Police Pension Scheme	-1
-15,374	CARE Police Pension Scheme	-17,006
-15,386		-17,017
-643	Transfers in from other schemes	-997
	Benefits payable	
89,100	Pensions	98,193
15,893	Commutations and lump sum retirement benefits	17,249
104,993		115,442
	Payments to and on account of leavers	
170	Refund of contributions	148
101	Transfers out to other schemes	159
529	Other	523
800		830
52,909	Net amount payable for the year	58,606
0	Additional contribution from the local policing body	0
-52,909	Transfer from Police Fund to meet deficit	-58,606
0	Net amount payable/receivable for the year	0

This note shows the pension fund account assets and liabilities as at 31 March 2024

31 March 2023 £'000	Pension Fund Net Assets	31 March 2024 £'000
	Current assets	
0	Amounts due from Central Government	0
	Current liabilities	
0	Amounts owing to pensioners	0
<hr/> 0	Net assets	<hr/> 0

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
ASPIRE	Internal Avon and Somerset development programme
Balance Sheet	This represents our overall financial position as at 31 March
BAU	Business As Usual
BCFM	BBC Local Radio – BCFM 93.2 FM
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
CCLA Property Fund	Churches, Charities and Local Authorities property fund. Manages investments for charities, religious authorities and the public sector
CFO	Chief Financial 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 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
CoPaCC	Compares Police and Crime Commissioners
CPD	Continuous Personal Development
Creditors	Amounts which are owed to others
CSB	Constabulary Strategy Board
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
DARA	Domestic Abuse Risk Assessment
DASH	Domestic Abuse Stalking & Harassment
Debtors	Amounts which are due from others

Term	Definition
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
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
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
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
FMS	Force Management Statement
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
GDPR	General Data Protection Regulations
GSB	Governance and Scrutiny Board
GSC	Government Security Classification
Historical Costs	These are the amounts paid at the time we bought the assets
HMICFRS	His Majesty's Inspectorate of Constabulary and Fire & Rescue Services
HMICFRS PEEL	The HMICFRS PEEL assessment stands for Police Effectiveness, Efficiency and Legitimacy
IAG	Independent Advisory Group
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)
I&E	Income and Expenditure Account
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

Term	Definition
ILM	Institute of Leadership and Management
Intangible fixed assets	Assets that are not physical such as software licences
IOPC	Independent Office for Police Conduct
IPM	Independent Panel Member
IPR	Individual Performance Review
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
IVC	Independent Custody Visitor
JAC	Joint Audit Committee
KPI	Key Performance Indicator
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
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
LQC	Legally Qualified Chair
LRF reserve	Local Resilience Forum reserve
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 OCC during the financial year
MTFP	Medium Term Financial Plan
OCC	Office of the Chief Constable
OPCC	Office of Police and Crime Commissioner Staff employed by the Police and Crime Commissioner
Operation Holden	Organisation wide vetting review
PACCTS	Police and Crime Commissioners Treasurer's Society
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)
PCP	Police and Crime Plan
PCSO	Police community support officer
PFI	Private Finance Initiative
PMO	Portfolio Management Office
POCA	Proceeds of Crime Act
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

Term	Definition
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
PSD	Professional Standards Department
PV cell	A photovoltaic cell, commonly called a solar cell, is a nonmechanical device that converts sunlight directly into electricity
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
QR code	A machine-readable code consisting of an array of black and white squares, typically used for storing URLs or other information for reading by the camera on a smartphone
RAG	Responsible Authorities Group
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
Soteria/Bluestone	The national operating model for the investigation of rape and serious sexual offences (RASSO) arose from the work of Operation Soteria Bluestone
SPR	Strategic Policing Requirement
SWAP	South West Audit Partnership
SWOT	A framework for analysing the strengths, weaknesses, opportunities and threats related to the problem being considered
SWPPS	South West Police Procurement Service
SW ROCU	South West Regional Organised Crime Unit
TOR	Terms of Reference
UJIMA	Ujima Radio 98.0 FM
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 Constabulary to 8 May 2024
Clare Moody	Police & Crime Commissioner for Avon & Somerset Constabulary from 9 May 2024 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



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Police & Crime Commissioner for Avon & Somerset

Chief Finance Officer's 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 2023/24. 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 strategic oversight and internal control processes.
- ✚ **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 2024** - 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 2023 the PCC approved a 2023/2024 net revenue budget of £369.5m, an increase of £15.8m (4.5%) on the previous year. This budget was funded through a combination of Government grants (£212.3m/57.5%) and local council tax (£157.2m/42.5%). In total £364.9m was provided to the Chief Constable in order to support the provision of policing services to the communities of Avon & Somerset, an increase of £16.6m (4.8%).

In order to manage ongoing inflationary and other cost pressures the Constabulary needed to identify and deliver additional savings of £3.7m, which when combined with the increase in funding enabled us to deliver a balanced budget. This took cumulative savings since 2010/2011 to £96.7m.

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 2023/24. The underlying performance showed a £2.8 million/0.8% underspend against Constabulary managed budgets, prior to adjustments to provisions and transfers to earmarked reserves.

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 £4.9m/2.8% against budget reflecting the 7% pay award which had a greater cost than the 3.0% 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/50.9% against budget was driven in large part by the impact and requirements of resourcing the increase in officer numbers through uplift, supporting students and their abstractions for training. Overtime is also necessary to support local and national events, for which there is frequently offsetting income. During the year events included the king's coronation, as well as more usual occurrences such as football matches. Underlying pressures that drive overtime are an ongoing area of focus.
- ✚ **Staff pay and allowances** – As with officer pay, the 7% pay award again drove an overspend on this budget - £1.6m, or 1.6%. The 3% provided for in the pay budget was exceeded by approximately £2.6m. The ongoing vacancy position therefore provided an offset to this of around £1m.
- ✚ **Staff overtime** – Cover for vacancies in areas that have been challenged by recruitment and retention largely generated the £1.2m/94.8% overspend against the overtime budget.
- ✚ **Pensions** – An underspend of £0.6m/3% 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 £0.5m/3% reflects underspends on energy, rents and rates.
- ✚ **Transport** – we overspent by £0.5m/9.4% 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 £0.5m/1.2%, reflecting a number of over and underspends: We saw an underspend on computing costs due to lower cloud consumption costs, an underspend against the funding to reduce the backlog in digital forensic submissions reflecting the status of this outsourced work, and overspends in relation to legal services costs where we had to outsource our data protection officer role for a large period of the year while we recruited into this role, as well as overspend on the roll out of new jackets to operational officers and staff, increased kennelling costs associated with the seizure of dangerous dogs and increased fees for training, including additional Degree Holder Entry Programme fees.
- ✚ **Partnerships** – we have underspent by £0.9m/4.5%, which is largely reflective of vacancies within the South West Regional Organised Crime Unit, our Major Crime Investigation Team, and our shared specialist training function, offset by overspends on Scientific Investigations.
- ✚ **Income** – we received £15.0m/45.5% more in income than was budgeted for. This includes additional specific purpose grant funding in support of the officer and staff pay awards (£7.5m), grant funding for temporary over-achievement of officer uplift (£1.8m), grant funding in support of IT cost pressures (£0.5m), additional income for policing at Hinkley Point, and income relating to the use of our custody facilities by the Ministry of Justice as part of their Operation Safeguard (£0.6m). We also over-achieved our income budget for operational mutual aid and special services income (£1.2m) offsetting overtime pressures as above, the over-achieved against our investment income by £1.9m reflecting the strong returns seen throughout the year.

A full account of the financial performance for 2023/2024 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 2024, covers the five-year period from 2024/2025 through until 2028/2029. The below provides the headlines from this forecast, however, we recognise the current economic climate will continue to present challenges and we will continue to proactively monitor and adjust our forecasts as necessary.

4.1 Revenue Budget

Our current revenue forecasts show our costs continue to increase 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.

	2024/2025 £'000	2025/2026 £'000	2026/2027 £'000	2027/2028 £'000	2028/2029 £'000
Budget requirement	397,481	415,176	427,520	439,886	451,063
Less total funding	-391,103	-397,843	-405,405	-413,164	-421,131
Surplus(-)/deficit before savings	6,378	17,333	22,115	26,722	29,932
Savings	-6,378	-17,333	-17,794	-17,875	-17,927
Planned use of reserves	0	0	0	0	0
Surplus(-)/deficit after savings	0	0	4,321	8,847	12,005

The key assumptions that underpin this forecast position are

- ✚ Our funding is forecast to grow by £51.9m/14% p.a. by 2028/2029, driven by increases to both core grant funding (+£20.3m/9.5% by 2028/2029) and increases to council tax funding (+£31.6m/20.1% by 2028/2029).
- ✚ Our budget requirement is forecast to increase by £60m/16% p.a. by 2028/2029, driven by many factors, including:
 - inflationary adjustments to officer and staff pay incorporating the full year of the 7% pay award, and then +3% in 2024/25, +2.5% in 2025/26 and +2.0% in each year thereafter, increasing costs by £53.3m p.a. by 2028/2029.
 - 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 £7.1m p.a. by 2028/2029.
 - inflationary increases to general and specific (e.g. fuel, utilities, etc) non-pay costs are assumed to add £9.0m p.a. by 2028/2029.
 - growth and commitments across the Constabulary of £8.8m p.a. by 2028/2029, including support for further permanent growth in police officer numbers, as well as targeted growth in police staff posts in areas such as victim services and vetting, and growth in non-pay costs reflecting investment into our estate and the costs of our IT provision to enable ongoing transformation.
 - 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, and investment into our South West Forensic function to support service improvements and the costs of achieving new accreditation standards – an increase of £6.8m p.a. by 2028/2029.
 - increases to the ring-fenced uplift grant funding by £11.8m effective from 2024/2025, reducing to £9.3m p.a. by 2028/2029, which reflects the continued funding in support of maintaining and over-recruiting our officer numbers against target, as well as the increase funding in support of the additional police officer pensions costs which increased in April 2024.
 - increases to income budgets, reflecting inflationary increases and forecast increases in return on investments – an increase of £2.5m in 2024/2025, reducing to an increase of £0.7m p.a. by 2028/2029.
 - adjustments to budgets recognising a reduction of £2.5m p.a. from 2024/2025, reflecting the changes against our previous plans – including elements of inflationary provision set aside in 2023/2024 which when compared to the actual cost incurred could be released from budget on a recurring basis.
 - realisation of new planned and targeted revenue savings of £8.2m p.a. from 2024/2025, rising to £17.9m by 2028/2029.
- ✚ The budget and Medium Term Financial Plan are live documents and are actively monitored and adjusted as appropriate to maintain a sound and balanced financial position.

4.2 Policing Precept

In December 2023, the policing minister confirmed that PCCs would have the flexibility to raise the policing precept by up to £13 p.a. for an average band D property in setting the 2024/2025 budget. This represented an increase on the original expectation for the final year of the government's 3 year spending plan, which would have seen an increase of £10. This additional flexibility reflected the continued significant inflationary pressures faced by forces, alongside the Government's expectation that forces would maintain police officer uplift numbers. In accordance with this announcement and after public consultation, the PCC chose to recommend an increase of the maximum amount,

equivalent to 4.9%. Following review, the Police and Crime Panel endorsed this proposal, enabling the PCC to confirm approval of this increase and the underlying budget.

4.3 Capital and Projects

The MTFP includes a capital and projects programme of £114m over the next five years, with identified funding at the time this programme was presented of £105.2m, resulting in a funding deficit of £8.8m.

This 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 prior to any approval to progress.

ICT forecast spend includes £17.5m of forecast costs of replacing existing personal issue equipment (e.g. laptops, mobile phones and body worn video cameras) and infrastructure (e.g. video conferencing and digital interview recording equipment). Our plans also include £26.1m for ICT projects, including the provision of a new Enterprise Resource Planning (ERP) system, a new Digital Evidence Management System, the roll out of new digital communications devices to replace our legacy airwave radio systems, and several smaller projects.

Forecast spend on estates of £40.0m includes some ongoing capital replacement and repairs work, as well as a number of projects including plans in Yeovil, Chard, Minehead, Frome, Bath, South Bristol (Broadbury Road) and Central Bristol (Trinity Road) as well as force wide projects to introduce electric vehicle charging capabilities across our estate, and a project to upgrade our achieving best evidence (ABE) interview suites.

Our programme includes £19.0m to support the ongoing replacement of our vehicle fleet, while enabling further gradual transition to electric powered vehicles.

We will continue to review options for how we can close the capital funding deficit in the latter years of the MTFP, including making contributions to our capital reserves when this is appropriate – particularly where we might have a revenue underspend for the year. We are working with other forces for recognition and funding in support of the costs we forecast we will incur in transitioning to a fleet of electric vehicles.

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 and 2024/25 funding settlements and precept flexibility. We recognise that the proportion of our funding that comes from the council tax precept has increased and are mindful of the cumulative impact that this trend has on our population.

Forecasting beyond 2024/25 is a challenge and will only be confirmed after the new government has had time to review its spending strategy and priorities and their impact on policing. Our forecasts therefore reflect our prudent assessment as best we can make it at this stage.

Our MTFP reflects our response to the challenges of balancing the 2023/24 and 2025/26 budgets and the work that is in progress to address the remaining funding gap from 2026/27. This will require more to be delivered from our savings work on current assumptions.

The challenge of balancing our budgets does not undermine our ambitions for continuous improvement and to deliver outstanding policing for the communities of Avon and Somerset. Avon and Somerset are an innovative and ambitious police force, which 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 more than a decade demonstrates our ability to effectively balance budgets alongside achieving capacity to support targeted investments that further our ambitions.

5 Commissioning

Over £9.3 million has been spent by the PCC in 2023-24, with additional contributions from partners, 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 and publication of an updated Commissioning Strategy, which can be found on the PCC website. 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 23/24

-  **Victim Services** - In 2023/24 the PCC received a total of £4m Ministry of Justice funding for victims services. Services commissioned include advocacy, support related to abuse and exploitation, restorative justice and sexual assault support services.
-  **Serious Violence** – The OPCC received £1.7m from the Home Office to support the work of the Violence Reduction Unit and Serious Violence Duty in 23/24. The Avon and Somerset model is devolved seeing the OPCC work in collaboration with the five Community Safety Partnership areas with these local Violence Reduction Partnerships as overseen through a Strategic Governance Group chaired by the DPCC. During 2023/24 the OPCC led a strategic review of the model resulting in significant change to the governance structures and creation of a stand alone team – including the appointment of a VRP Director – to drive forward this area of business
-  **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 Police and Crime grant to Community Safety Partnerships. The two Community Foundations across Avon and Somerset continued to run the Commissioner's Crime Prevention Fund, awarding grants of up to £5,000 to charities and community groups to support prevention activity in line with the Police and Crime Plan priorities. During 23/24 the OPCC was successful in bidding for Home Office Domestic Abuse Perpetrator funding – Home Office funding of £355,866.32 plus match funding from three local authorities funded the DRIVE Project. The OPCC was also successful in bidding for Ministry of Justice funding of £141,157 in 23/24 to fund local integration of women's services.
-  **Safer Streets Funding** – the OPCC was successful in bidding for £465,000 of Safer Streets funding from the Home Office in 23/24.

6 Procurement

Our strategic procurement service is provided by the South West Police Procurement Service (SWPPS). 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 2023/2024 we have identified and delivered £1.5m 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 £3.2bn, shown on the balance sheet. This is reduced when the pension scheme assets of £0.6bn are considered. The net liability of £2.6bn is offset by an intragroup debtor with the PCC. More details are disclosed in notes 16-18. 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 at the same time as developing and maturing a sustainable and effective operating model. This will need to be delivered in an environment of ongoing economic and financial challenge and of increasing public scrutiny and challenge.

The PCC is committed to delivering a safe and secure region in Avon and Somerset, protecting the most vulnerable and ensuring the policing service is efficient, effective, and reflects the wishes and needs of its communities. In a region as diverse as Avon and Somerset the task of representing all the residents is a considerable challenge, especially at a time of changing demand and continued pressure on all public sector funding. The PCC is committed to listening to the widest possible spectrum of our residents and local businesses and to ensuring their voices are heard when setting policing and funding plans and when strategic changes to the service are considered.

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 17 to 30 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 2024 and its income and expenditure for the year ended 31 March 2024.

Clare Moody
Police and Crime Commissioner

Paul Butler
Chief Finance Officer to PCC

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.

This last year has continued to be challenging for policing with ongoing negative media attention and decreasing public confidence. This is possibly most evident with the publication of the [Angiolini Inquiry Part 1 Report](#) on 29 February 2024. This is an extremely important report which looks into how the police failed to stop serving officer, Wayne Couzens, before he abducted, raped and murdered Sarah Everard.

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 former Avon and Somerset PCC discharged their duties in holding the Chief Constable to account.

A new PCC took office on 9 May 2024 and while the governance structures described in this statement will continue to operate they will be reviewed by the new PCC and changes may result from this.

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 2023/24 financial year covers the period from 1 April 2023 to 31 March 2024 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.

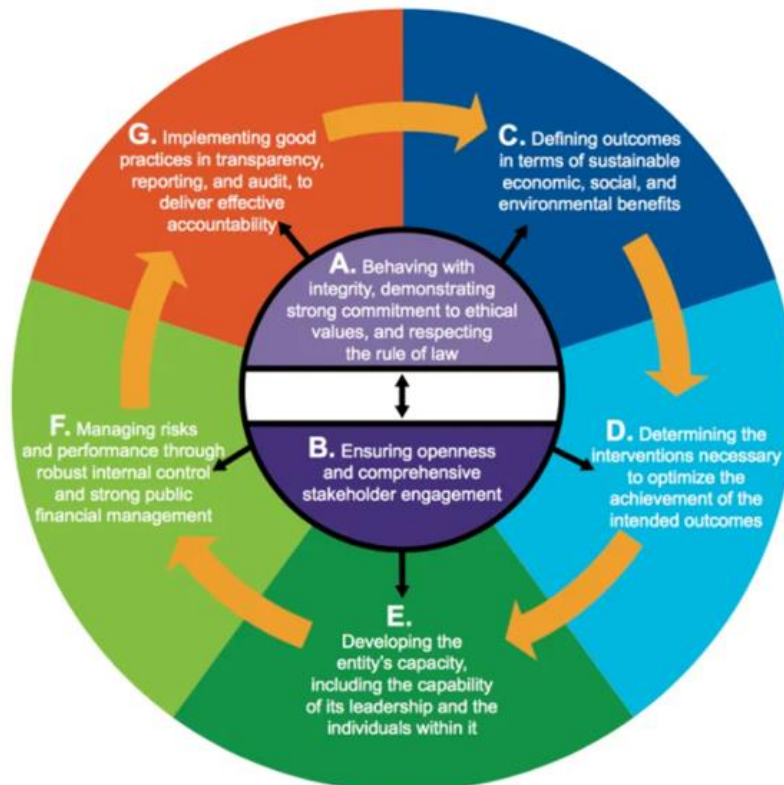


Figure 1 CIPFA principles of good governance

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 2023/24 the OPCC dealt with 171 complaint reviews of which 18% 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.

In August 2023 the Government announced changes to the way police misconduct hearings are to be run. These changes will take effect from May 2024. The OPCC has helped lead a national group of OPCCs to implement these changes. The OPCC are responsible for recruiting and appointing independent people to sit on these panels. The OPCC successfully recruited 16 new Independent Panel Members and are in the process of arranging training for them and other IPMs across the South West region.

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 2023/24 there were no 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 £13. 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. The survey was open for 12 weeks and had over 6,500 responses; this is the largest consultation the OPCC has ever done. The survey results supported the maximum precept increase (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 2023/24 the panel met three times in September and December 2023 and March 2024. The first meeting of the year would usually take place in June, but this was cancelled as at the start of the year there was not enough capacity within the OPCC to support it.
- ✚ **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 2023/24 the panel met three times in September and December 2023 and March 2024. The first meeting of the year would usually take place in June, but this was cancelled as at the start of the year there was not enough capacity within the OPCC to support it.
- ✚ **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 2023/24 the panel met quarterly as planned in June, September, December 2023 and March 2024.

During this last year the OPCC have supported the development and launch of a new [Independent Scrutiny Board](#). This is a group of community members brought together to oversee how the police and criminal justice agencies are tackling racial disproportionality.

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 with the Local Authority leaders and CEOs from across Avon and Somerset.

In addition to this, in the last year the PCC held the second round of Councillor Forums as a follow-up to the previous year. Eight forums were held from September to November 2023. The forums 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 PCC Chairs the Local Criminal Justice Board in order to engage with partners such as CPS, courts and probation. The PCC also supports partnership working through the Avon & Somerset Reducing Reoffending Board and the five Combatting Drugs Partnerships.

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 Partnerships 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 Service.

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.

In order to support PCC oversight of existing and potential collaborations the PCCs have employed a Regional Collaboration Advisor who started in February 2024.

2.2.5 National Representation

The former PCC was 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 former PCC was 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 shares 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 remained the same in the last year as they are set out in the Avon & Somerset 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.
- ✚ 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

The OPCC has a strategic plan 2022-25 which sets out five aims to support delivery of the Police and Crime Plan, underpinned by more detailed annual objectives. The five strategic aims for the OPCC are

- 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.

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

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. Over the last year a new commissioning plan was developed and a victim needs assessment was commissioned and reported. This led to the agreement to consolidate the victims support into three services: a children's service, an adults' service and an Independent Sexual Violence Advisor (ISVA) Service. The tendering process went live on 15 March 2024. The final appointments will be made in the new PCC term and the services will commence from 1 April 2025.

As mentioned above, the PCC also provides Police and Crime Grants to the five CSPs across Avon and Somerset; the total overall 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); known locally as Violence Reduction Partnerships (VRP). Additional funding has also been provided from the Home Office as part of the Serious Violence Duty.

Avon and Somerset operate a hub and spoke approach to their VRP. Funding is provided to each of the five CSP areas (the spokes) that are the operational delivery of this work. The spokes are supported by a central 'hub' team who are employed within the OPCC. The Serious Violence Reduction Partnership Board provides the strategic direction and governance of this work. This board includes senior representatives from relevant partnership organisations and, in the last year, was chaired by the Deputy PCC. A separate VRU Annual Report is published which can be accessed on the website at www.avonandsomerset-pcc.gov.uk³.

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 scrutiny board has been established to oversee this work.

³ www.avonandsomerset-pcc.gov.uk/working-for-you/partnerships/violence-reduction-units/

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

2.5 Principle E - developing the entity's capacity, including the capability of its leadership and the individuals within it

During the last year, the focus on support for staff performance and development has continued: following the first stage of support focussed on new starters (new induction process and induction pack) and line managers (including line manager guide), an OPCC Learning and Development Plan was launched in Autumn 2023. As well as identifying core, team- and role-specific skills, and signposting staff to relevant L&D resources, a number of in-house training sessions have been delivered which seek to address some of the gaps highlighted through a training needs analysis. Most of these developments have been new for the OPCC, and have been informed by the 2022 review and ongoing capture of staff feedback from a range of sources.

The current OPCC structure was designed to be flexible to meet changing demand, and fixed-term roles have been recruited to manage time-limited government-funded projects. The most significant change has been the result of an independent review of VRP hosting and support arrangements commissioned by the OPCC. Implementation of the recommendations has included the appointment of a new Director and Senior Partnerships and Engagement Manager to provide better support and focus for the VRPs through a standalone team hosted within the OPCC. This also released capacity back into the Policy, Partnerships and Commissioning Directorate that had previously been required to give increasing support the VRP.

Success in filling new or vacant posts has increased over the year, supported by moving applications online. However the OPCC has had to manage vacancies in the short term for a range of reasons, and has sought to bring in temporary cover wherever possible to mitigate the impact.

2.6 Principle F - managing risks and performance through robust internal control and strong public financial management

The Governance and Scrutiny Board is the most senior decision-making body in the joint PCC-Chief Constable governance structure. This is where high-level decisions are signed off in line with the joint governance framework, as well as a key element in the PCC's formal arrangements for holding to account of the Chief Constable. This had standing agenda items for finance, projects, 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 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.

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

⁶ www.avonandsomerset-pcc.gov.uk/reports-publications/police-crime-board-reports/

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.

In May 2023 the OPCC launched an internal performance dashboard based on the Constabulary performance against the plan. This uses quantifiable data and applies 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.

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, opening up access to 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 2023/24. The underlying performance showed a £2.8 million/0.8% underspend. £0.5 million of this underspend will be carried forward for planned expenditure, £1.1 million is for provisions, £0.9 million will go into capital reserves and £0.3 million will be put into general reserves.

The current MTFP shows an improved position when compared to this time last year. Years 1 and 2 are balanced but the deficits in years 3-5 are £4.3 million, £8.8 million and £12 million respectively.

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.

Police & Crime Plan Key Performance Indicators

Measure	2022/23	2023/24	Change
Priority 1 – Preventing and fighting crime			
All recorded crime	141,122	150,284	9,162
All positive outcome rate	11.9%	11.2%	-0.7%
DA recorded crime	21,992	23,119	1,127
DA positive outcome rate	10.0%	9.2%	-0.8%
Sexual offences recorded crime	5,234	6,235	1,001

Sexual offences positive outcome rate	11.2%	10.4%	-0.8%
Stalking & harassment recorded crime	8,919	12,723	3,804
Stalking & harassment positive outcome rate	8.6%	6.2%	-2.4%
Drug trafficking recorded crime	436	428	-8
Drug trafficking positive outcome rate	71.2%	71.4%	0.2%
Serious violence recorded crime	607	635	28
Serious violence positive outcome rate	24.3%	26.3%	2.0%
Burglary - residential recorded crime	4,153	4,171	18
Burglary - residential positive outcome rate	6.0%	5.3%	-0.7%
Vehicle offences recorded crime	9,586	9,757	171
Vehicle offences positive outcome rate	2.2%	2.5%	0.2%
Robbery - personal recorded crime	1,205	1,461	256
Robbery - personal positive outcome rate	8.1%	7.0%	-1.1%
Theft from the person recorded crime	903	923	20
Theft from the person positive outcome rate	0.7%	1.9%	1.2%
Hate crime recorded crime	4,510	4,971	461
Hate crime positive outcome rate	14.3%	13.9%	-0.3%
Rural crime recorded crime	524	548	24
Rural crime positive outcome rate	2.8%	4.7%	1.9%
Anti-social behaviour (ASB) incidents	69,748	73,040	3,292
Action Fraud offences disseminated to ASP	7,915	7,917	2
Priority 2 – Engaging, supporting and working with communities, victims and partner organisations			
% of the public who feel safe - during the day	96.2%	96.1%	-0.1%
% of the public who feel safe - after dark	70.3%	71.4%	1.1%
% of the public that feel informed on local policing	31.1%	29.2%	-1.9%
% of public who are aware of opportunities to have their say on local policing	26.1%	22.5%	-3.6%
% of the public involved in active citizenship	6.6%	5.9%	-0.7%
% victims satisfied - overall	69.0%	68.2%	-0.8%
% victims satisfied - ASB	71.0%	74.4%	3.4%
% victims satisfied - burglary	65.6%	58.6%	-7.0%
% victims satisfied - hate crime	66.4%	68.7%	2.3%
% victims satisfied - violent crime	70.0%	68.2%	-1.8%
Priority 3 – Leading the police to be efficient and effective			
% of public who have seen a police officer / PCSO in the last month	55.1%	51.0%	-4.1%
999 abandonment rate	0.14%	0.45%	0.31%
101 abandonment rate	11.4%	11.7%	0.3%
Immediate response timeliness (% within SLA)	74.2%	77.3%	3.1%
Priority response timeliness (% within SLA)	54.1%	56.1%	2.1%

Routine response timeliness (% within SLA)	43.2%	61.7%	18.4%
Employee engagement	61.0%	58.2%	-2.8%
Overall, I am happy at work	64.4%	65.5%	1.1%
My Manager theme score	66.9%	67.4%	0.6%
I have the tools I need to do my job effectively	60.1%	59.6%	-0.5%
I have the skills I need to do my job effectively	76.2%	75.5%	-0.7%
I think the force respects individual differences	74.0%	68.8%	-5.2%
I have confidence in understanding and using data	68.0%	72.0%	3.9%
Priority 4 – Increasing the legitimacy of, and public confidence in, the police and criminal justice system			
Public confidence	64.8%	63.0%	-1.8%
% of workforce that are Asian	0.88%	0.90%	0.02%
% of workforce that are Black	0.64%	0.64%	0.00%
% of workforce that are Mixed	1.85%	1.96%	0.11%
% of workforce that are Other	0.26%	0.25%	-0.01%
% of workforce that are BAME	3.63%	3.75%	0.11%
% of Senior Officers that are BAME	5.19%	5.19%	0.00%
Disproportionality of S&S - Asian	1.1	1.4	0.3
Disproportionality of S&S - Black	6.1	6.8	0.7
Disproportionality of S&S - Mixed	2.4	3.1	0.8
Disproportionality of S&S - Other	2.3	2.7	0.4
Disproportionality of S&S - BAME	2.8	3.3	0.5
Disproportionality of use of force - Asian	0.5	0.6	0.1
Disproportionality of use of force - Black	3.9	4.3	0.3
Disproportionality of use of force - Mixed	1.1	1.2	0
Disproportionality of use of force - Other	0.8	0.9	0.1
Disproportionality of use of force - BAME	1.5	1.7	0.1
S&S positive outcome	30.7%	35.3%	4.6%
Complaint reviews upheld	20.2%	18.2%	-2.0%
FOI compliance	92.7%	88.2%	-4.6%
SAR compliance	89.6%	83.1%	-6.6%

Police & Crime Plan Key Performance Indicators Definitions

Priority 1 – Preventing and fighting crime
Positive outcomes – are counted as Home Office defined outcomes 1-8 and 22 which are: charge/summons, cautions/conditional cautions for youths or adults, offences taken into consideration, the offender has died, penalty notice for disorder (PND), cannabis/khat warning, community resolution or diversionary, educational or intervention activity. The rate is the percentage of all outcomes which are positive.
Domestic abuse – is where a person is abusive towards another, they are personally connected and are 16 years of age or older.
Drug trafficking – these are drug offences, other than simple possession offences, such as drug supply.

Serious violence – defined nationally these are offences that result in the death of a person, “endanger life” or “wounding offences”.
Vehicle offences – involve theft of or from vehicles
Hate crime – is a crime where the offender has either demonstrated or been motivated by hostility based on a person’s race, religion, disability, sexual orientation or transgender identity.
Rural crime – any crime occurring in a rural area which directly or indirectly affects a farming or rural business or the rural communities. Rural means a close association with or dependence upon the land within that location.
Action Fraud – is the UK’s national reporting centre for fraud and cybercrime where victims should report fraud if they have been scammed, defrauded or experienced cyber crime in England, Wales and Northern Ireland. They take reports and record crimes of this nature and then disseminate crimes to local forces to resolve.
Priority 2 – Engaging, supporting and working with communities, victims and partner organisations
Safety, feeling informed and opportunities to have their say – are measured through a quarterly local telephone survey of 750 residents (3000 a year).
Active citizenship – is measured through a quarterly local telephone survey of 750 residents (3000 a year). Active citizenship includes <ul style="list-style-type: none"> • ‘Watch’ meetings such as Neighbourhood Watch, Farm Watch or Business Watch • Other police or council Neighbourhood Meetings or forums • Volunteering as a Special Constable • Volunteering in another policing or community safety related way • Community SpeedWatch • Police webchats
Victim satisfaction – is measured by a local telephone survey of a sample of victims of ASB, burglary, hate crime and violent crime. In 2023/24 there were 1,163 total respondents.
Priority 3 – Leading the police to be efficient and effective
Officer/PCSO visibility – is measured through a quarterly local telephone survey of 750 residents (3000 a year).
Abandonment rate – this is the proportion of calls that were not answered by Avon and Somerset Police. However, in the case of 999 calls, this does not mean the call was genuinely abandoned as in most cases the call will have been diverted to another police service to answer.
Response timeliness – calls to the police are graded based on threat harm and risk. There is a service level agreement (SLA) for each grade which states how long attendance should take (below). It is important to note that the SLAs are defined by Avon and Somerset Police, not mandatory. Timeliness is reported as the percentage of those incidents that were attended within the particular SLA. <ul style="list-style-type: none"> • Immediate – 15 minutes for urban areas and 20 minutes for rural areas • Priority – 1 hour • Routine – 12 hours
Employee engagement and the six measures below this – are measured through the annual Avon & Somerset Police workforce survey. This shows the percentage of the workforce who agree with each statement.
Priority 4 – Increasing the legitimacy of, and public confidence in, the police and criminal justice system








Public confidence – is measured through a quarterly local telephone survey of 750 residents (3000 a year). This shows the percentage of people who said they “tend to agree” or “strongly agree” when asked if they “have confidence in the police in this area”.
BAME – this is the total of the four ethnic minority groups: Asian, Black, Mixed and Other
Senior officers – are those officers of Chief Inspector rank or above.
Disproportionality – shows the rate at which a police power is used, when comparing people of the specified ethnicity to people who are White. A disproportionality of 2 would mean people of that ethnicity had the power used against them at twice the rate of White people.
Stop and search positive outcomes – in addition to crime positive outcomes (charge/summons or out of court disposal), this also includes arrest, voluntary attendance, drugs warnings and seizure of items.
Complaint Review – most police complaints are handled by the force being complained about, however the more serious cases are referred to the Independent Office for Police Conduct (IOPC). At the resolution of the complaint, if the complainant is dissatisfied they can request a review. The more serious cases will be reviewed by the IOPC whereas the less serious cases will be reviewed by the PCC’s office. The review looks at whether the complaint was handled in a “reasonable and proportionate” way rather than re-investigating the grounds of the complaint. If a complaint review is upheld this means the way in which the complaint was handled did not meet the standard expected. More information is available on the IOPC website.
Freedom of Information Request – an official request to see recorded information held by public authorities. Compliance is based on responding within the set time-frame.
Subject Access Request – an official request to access a person's own information held by an organisation. Compliance is based on responding within the set time-frame.

2.7 Principle G - implementing good practices in transparency, reporting, and audit to deliver effective accountability

The Performance and Accountability Board (PAB) is a meeting where the PCC held the Chief Constable to account in a transparent way. PAB has been held once a month, every month over the last year for approximately 30 minutes each time. The meetings are broadcast live, through Facebook, and the recordings are also kept on the PCC's website www.avonandsomerset-pcc.gov.uk⁷.

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

⁷ www.avonandsomerset-pcc.gov.uk/reports-publications/oversight-boards/

Quarterly Performance Reports

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. At the time of writing SWAP have completed the revised audit schedule: two audits were deferred to 2024/25.

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 June, September and December 2023 as well as March 2024.

The current Chair's term ended after the June meeting and another member left after the December meeting. A successful recruitment process has resulted in three new members accepting positions.

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 2023/24 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 2023/24 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 control which facilitate the effective exercise of their functions and which include arrangements for good governance and risk management.

A review of the Joint Governance Framework is ongoing, and is now being informed by guidance and best practice from a national level.

3.1 Internal Audit

Throughout 2023/24 the Internal Audit function completed 10 substantive audits, six advisory audits as well as contributing towards regional advisory work and conducted follow-up work on previous audits. The 10 substantive audits were:

- ✚ Accounts Payable
- ✚ Accounts Receivable
- ✚ Cash Handling
- ✚ Corporate Performance Management
- ✚ Estates – Compliance with Statutory Obligations
- ✚ Personal Development Unit – Tutoring
- ✚ Proceeds of Crime (POCA) and Crypto Currency Seizure
- ✚ Strategic Approach to ICT
- ✚ Victim Support Services
- ✚ Wellbeing

Each internal audit conducted throughout the year receives a graded assurance opinion from the auditors. The assurance levels are; none, limited, reasonable and substantial.

Nine of the audits resulted in a reasonable assurance opinion and one 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 34 recommendations during 2023/24, of which

- ✚ 19 were identified as findings that require attention, the lowest grading (priority 3)
- ✚ 13 were identified as findings that are important and require the attention of management, the middle grading (priority 2)
- ✚ 2 were identified as findings that were fundamental requiring immediate attention (priority 1).

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 2022 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.

The Assessment identified Areas for Improvement in the areas set out above and also included other commentary on the Constabulary's performance. The Constabulary have created an action plan to address the findings of the report and the PCC is 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 in Avon and Somerset as across England and Wales – is a lack of public confidence in the police. This was a risk articulated last year and levels of confidence have declined further since. This undermines the British model of policing by consent and priority four of the Police and Crime Plan. The underlying causes are complex and include dissatisfaction with service levels in a context of increasing and changing demand on the police, as well as concern over police misconduct, male violence against women and girls and 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 has grown in recent years. 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</p>

Risk	Progress
	<p>detectives continues to be a challenge and the target numbers will not be reached until 2025.</p> <p>The savings required over the medium term have meant that the Constabulary have had to deviate from their original Uplift plan and will also mean there will be significantly fewer Police Staff Investigators. This will detract from the Constabulary's ability to be able to deliver against the Plan.</p> <p>It is also worth noting that a new PCC term started in May 2024 and a new Police and Crime Plan will be published.</p>
Financial incapability or ineffectiveness (SR3)	<p>The current MTFP shows an improved position when compared to this time last year. Years 1 and 2 are balanced but the deficits in years 3-5 are £4.3 million, £8.8 million and £12 million respectively.</p> <p>Additional uncertainty is added to the MTFP as there will be a General Election in the coming year and it is unknown how this will affect police funding.</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 our internal governance processes will identify any improvements that are needed and that appropriate steps will be taken to enhance our governance and improve our assurance.

Signature

Clare Moody
Police and Crime Commissioner

Date

Signature

Paul Butler
Chief Finance Officer to PCC

Date

Signature

Alice Ripley
Chief of Staff to the PCC

Date

Police & Crime Commissioner for Avon & Somerset

Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2024

Gross Expenditure £'000	Gross Income £'000	Total 2022/2023 £'000	Comprehensive Income and Expenditure Statement - Group	Gross Expenditure £'000	Gross Income £'000	Total 2023/2024 £'000
Expenditure						
539,901	-53,969	485,932	Police Services - OCC	487,582	-67,874	419,708
2,254	0	2,254	OPCC	2,513	-27	2,486
8,678	-4,742	3,936	Commissioning costs	8,832	-6,148	2,684
550,833	-58,711	492,122	Net cost of police services	498,927	-74,049	424,878
		-52,909	Police pension top-up grant			-58,607
		-1,974	Gain on disposal of non-current assets			-4,119
		-54,883	Other operating expenditure			-62,726
		5,713	Interest payable and similar charges			5,765
		-1,632	Interest and investment income			-3,860
		-178	Income and expenditure in relation to investment properties			-152
		-791	Changes in the market value of investment properties			-13
		110,987	Net interest on pensions			121,500
			Financial and investment income and expenditure			123,240
		-129,059	Police - revenue grant			-129,508
		-67,642	Ex-DCLG formula funding			-67,877
		-84	Capital grant and contributions			-48
		-3,331	Council tax top-up grant			-3,331
		-11,378	Council tax support and transition grant			-11,378
		-146,169	Council tax - local authorities (Note 12)			-157,233
		-357,663	Taxation and non-specific grant income			-369,375
		193,675	Deficit on provision of services			116,017
		-1,879,534	Re-measurement of pension assets (Note 16) and liabilities			-117,909
		-5,128	Gain on revaluation			-8,851
		-1,884,662	Other comprehensive income and expenditure			-126,760
		-1,690,987	Total comprehensive income and expenditure			-10,743

Police & Crime Commissioner for Avon & Somerset

PCC Comprehensive Income and Expenditure Statement for the year ended 31 March 2024

PCC Expenditure £'000	PCC Income £'000	Total 2022/2023 £'000	Comprehensive Income and Expenditure Statement - PCC	PCC Expenditure £'000	PCC Income £'000	Total 2023/2024 £'000
Expenditure						
2,254	0	2,254	OPCC	2,513	-27	2,486
8,678	-4,742	3,936	Commissioning costs	8,832	-6,148	2,684
10,932	-4,742	6,190	Net cost of police services before funding	11,345	-6,175	5,170
539,901	-53,969	485,932	Intragroup funding adjustment	487,582	-67,874	419,708
550,833	-58,711	492,122	Net cost of police services	498,927	-74,049	424,878
	-52,909		Police pension top-up grant			-58,607
	-1,974		Gain on disposal of non-current assets			-4,119
	-54,883		Other operating expenditure			-62,726
	5,713		Interest payable and similar charges			5,765
	-1,632		Interest and investment income			-3,860
	-178		Income and expenditure in relation to investment properties			-152
	-791		Changes in the market value of investment properties			-13
	110,987		Intragroup adjustment (pension interest cost)			121,500
			Financial and investment income and expenditure			123,240
	-129,059		Police - revenue grant			-129,508
	-67,642		Ex-DCLG formula funding			-67,877
	-84		Capital grant and contributions			-48
	-3,331		Council tax freeze grant			-3,331
	-11,378		Council tax support and transition grant			-11,378
	-146,169		Council tax - local authorities (Note 12)			-157,233
	-357,663		Taxation and non-specific grant income			-369,375
	193,675		Deficit on provision of services			116,017
	-1,879,534		Intragroup adjustment (Re-measurement of pension assets and liabilities)			-117,909
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	-1,884,662		Other comprehensive income and expenditure			-126,760
	-1,690,987		Total comprehensive income and expenditure			-10,743

Police & Crime Commissioner for Avon & Somerset

Group Movement in Reserves Statements 2022/2023 and 2023/2024

Movement in reserves statement 2023/2024					
	Revenue General Fund £'000	Capital Receipts £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total £'000
Balance as at 31 March 2023	55,286	8,546	63,832	-2,525,537	-2,461,705
Total comprehensive income and expenditure	-116,017	0	-116,017	126,760	10,743
Adjustments between accounting & funding basis under regulations	107,878	4,151	112,029	-112,029	0
Increase/decrease(-) in 2023/2024	-8,139	4,151	-3,988	14,731	10,743
Balance as at 31 March 2024	47,147	12,697	59,844	-2,510,806	-2,450,962

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 2023/2024 and 2022/2023

Movement in reserves statement 2023/2024					
	Revenue General Fund	Capital Receipts Reserves	Total Usable Reserves	Total Unusable Reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2023	55,286	8,546	63,832	-2,525,537	-2,461,705
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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	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 2024

Note that the intragroup liability has been removed on consolidation at the group level

OCC £'000	PCC £'000	Group 2023 £'000	Balance Sheet	OCC £'000	PCC £'000	Group 2024 £'000	Notes
			Property, plant and equipment				19
0	199,681	199,681	Land and buildings	0	202,731	202,731	
0	17,391	17,391	Vehicles, plant and equipment	0	18,593	18,593	
0	320	320	Assets under construction	0	1,503	1,503	
0	2,277	2,277	Surplus Assets	0	4,038	4,038	
0	2,776	2,776	Investment Properties	0	2,789	2,789	20
0	465	465	Intangible fixed assets	0	440	440	
			Long term assets				
0	799	799	Prepayments	0	857	857	
2,644,892	0	0	Long Term Liability - intragroup adjustment	2,634,843	0	0	
2,644,892	223,709	223,709	Total non-current assets	2,634,843	230,951	230,951	
0	1,175	1,175	Inventories (stock)	0	1,562	1,562	
0	22,000	22,000	Short term investments	0	27,600	27,600	30
0	58,515	58,515	Debtors and payments in advance	0	72,905	72,905	22
0	32,891	32,891	Cash and cash equivalents	0	9,437	9,437	23
0	114	114	Assets held for sale	0	0	0	
17,075	0	0	Intragroup debtor	19,104	0	0	
17,075	114,695	114,695	Total current assets	19,104	111,504	111,504	
0	-4,391	-4,391	Bank overdraft	0	-3,470	-3,470	23
0	-1,147	-1,147	Short term borrowing	0	-8,922	-8,922	24
-12,975	-32,512	-45,487	Creditors and receipts in advance	-14,570	-31,371	-45,941	25
0	-17,075	0	Intragroup creditor	0	-19,104	0	
-4,100	-325	-4,425	Short term provisions	-4,534	-548	-5,082	26
0	-1,281	-1,281	Short term PFI Lease liability	0	-1,938	-1,938	21
-17,075	-56,731	-56,731	Total current liabilities	-19,104	-65,353	-65,353	
0	-42,015	-42,015	Long term borrowing	0	-38,094	-38,094	24
-25	-8,059	-8,084	Provisions	0	-8,653	-8,653	26
0	-48,412	-48,412	PFI liability	0	-46,474	-46,474	21
0	-2,644,892	0	Pensions - intragroup adjustment	0	-2,634,843	0	
-2,644,867	0	-2,644,867	Net Defined Pension Liability	-2,634,843	0	-2,634,843	
-2,644,892	-2,743,378	-2,743,378	Total long term liabilities	-2,634,843	-2,728,064	-2,728,064	
0	-2,461,705	-2,461,705	Net assets	0	-2,450,962	-2,450,962	
0	63,832	63,832	Total usable reserves	0	59,844	59,844	7
0	-2,525,537	-2,525,537	Total unusable reserves	0	-2,510,806	-2,510,806	7
0	-2,461,705	-2,461,705	Total reserves	0	-2,450,962	-2,450,962	

Signature

Paul Butler

Chief Finance Officer to PCC

Date

Police & Crime Commissioner for Avon & Somerset

Group Cash Flow Statement

OCC £'000	PCC £'000	Group 2022/2023 £'000	Cash Flow Statement	OCC £'000	PCC £'000	Group 2023/2024 £'000
0	193,675	193,675	Net surplus(-)/deficit on the provision of services	0	116,017	116,017
0	-11,154	-11,154	Depreciation and impairment of property, plant and equipment	0	-15,210	-15,210
0	-25	-25	Amortisation of intangible assets	0	-25	-25
0	791	791	Movement in Fair Value Investment properties	0	13	13
0	0	0	Movement in Fair Value Financial Instruments	0	-400	-400
328	-682	-354	Increase(-)/decrease in provision charged back to service	-410	-694	-1,104
0	-198,932	-198,932	Charges for retirement benefits in accordance with IAS 19	0	-107,885	-107,885
0	-414	-414	Carrying amounts of non-current assets sold	0	-178	-178
0	0	0	Other	0	0	0
1,367	17,073	18,440	Increase/decrease(-) in long and short term debtors	2,005	12,322	14,327
-1,695	-3,023	-4,718	Increase(-)/decrease in long and short term creditors	-1,595	641	-954
0	48	48	Increase/decrease(-) in stock/WIP	0	387	387
0	-196,318	-196,318	Adjust net surplus(-)/deficit on the provision of services for non-cash movements	0	-111,029	-111,029
0	2,388	2,388	Proceeds from the sale of property, plant and equipment	0	4,297	4,297
0	84	84	Capital grants credited to the surplus or deficit on the provision of service	0	48	48
0	1,258	1,258	Interest received	0	3,466	3,466
0	-5,539	-5,539	Interest paid	0	-5,280	-5,280
0	-1,809	-1,809	Adjust net surplus(-)/ deficit on the provision of services that are investing or financing activities	0	2,531	2,531
0	-4,452	-4,452	Net cash flows from operating activities	0	7,519	7,519
0	7,678	7,678	Purchase of property, plant and equipment	0	14,117	14,117
0	-2,388	-2,388	Capital receipts	0	-4,297	-4,297
0	-84	-84	Capital grant/contribution income due for the year	0	-48	-48
0	-1,000	-1,000	Purchase of short & long term investments	0	6,000	6,000
0	-1,258	-1,258	Interest received	0	-3,466	-3,466
0	2,948	2,948	Net cash flow from investing activities	0	12,306	12,306
0	0	0	New loans raised	0	-5,000	-5,000
0	1,147	1,147	Repayment of long term loans	0	1,147	1,147
0	1,877	1,877	Repayment of PFI liability	0	1,281	1,281
0	5,539	5,539	Interest paid	0	5,280	5,280
0	8,563	8,563	Net cash flow from financing activities	0	2,708	2,708
0	7,059	7,059	Net increase(-)/decrease in cash and cash equivalents	0	22,533	22,533
0	-35,559	-35,559	Cash and cash equivalents at the beginning of the reporting period	0	-28,500	-28,500
0	-28,500	-28,500	Cash and cash equivalents at the end of the reporting period	0	-5,967	-5,967

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 2023/2024 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 2022/2023 and 2023/2024.

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 (e.g 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 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

1.7.3.3 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 2024 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. Cash & Cash equivalents also include the bank overdraft as it is a key part of the cash management process for cashflow

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 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 surplus or deficits on the local authorities' collection funds that have been charged to the comprehensive income and expenditure statement as it falls due from council tax payers compared to the statutory arrangements for paying across amounts to the general fund from the collection 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.

3 Accounting Standards Issued but not Adopted

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

- ✚ Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020
- ✚ Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022
- ✚ Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022
- ✚ International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- ✚ Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023
- ✚ IFRS 16 is a new international accounting standard which sets out the principles for the recognition, measurement, presentation and disclosure of leases and its implementation is mandatory for public sector bodies from 1 April 2024. It replaces IAS 17 Leases, which required lessees and lessors to classify their leases as either finance leases or operating leases and account for these two types of lease differently. IAS 17 did not require lessees to recognise assets and liabilities arising from operating leases.
- ✚ IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The constabulary has set the threshold for low value assets at £12,000. For all other leases, the lessee recognises a right of use representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.
- ✚ On transition, the lease liability for existing operating leases (excluding low value or short-term exemptions) will be recognised as equal to the value of remaining lease payments discounted at an incremental borrowing rate. For the constabulary, the incremental borrowing rate will be defined by the Public Works Loan Board rate for the period of the remaining lease terms, which is currently 4.9%-5.6%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. The right of use

asset will be depreciated over the earlier of the end of the useful life or the end of the lease term.

- For leases where payments are at 'peppercorn rate' (at nominal amount or where there is nil consideration), a right of use asset will be measured at fair value. The difference between the asset value and the calculated lease liability will be recognised in the comprehensive income and expenditure statement on transition.
- The constabulary has estimated the impact of applying IFRS 16 in 2024/25 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows

	A&S PFI excluding Glos & Wilt Black Rock £'000	Non PFI £'000
Estimated impact on 1 April 2024 statement of financial position		
Additional right of use assets recognised	480	5,630
Additional lease obligations recognised	-480	-5,630
Net impact on net assets on 1 April 2024	0	0
Estimated in-year impact in 2024/25		
Additional depreciation on right of use assets	-32	-1,031
Change in finance costs on lease liabilities	-149	-258
Contingent rent no longer charged to operating expend	234	
Lease rentals no longer charged to operating expenditure		1,047
Estimated impact on surplus / (deficit) in 2024/25	53	-241

- The estimated impact on surplus / deficit, is an accounting adjustment and the impact on the general fund will be reversed out through the capital adjustment account.

IFRS 16: PFI Arrangements

- From 1 April 2024, the principles of IFRS 16 will also be applied to PFI arrangements. Under IAS 17, finance lease liabilities are not remeasured when payments are increased in line with an inflation index. The increase in payments arising from indexation is treated in the same way as finance costs and simply expensed in the period to which the payment relates. This additional payment is known as 'contingent rent'.
- Under IFRS 16 a different treatment is applied: where indexation or changes in a rate affect future payments, the lease liability is remeasured. Instead of expensing the additional payment, the net present value of future payments that comprise the liability is recalculated based on the revised level of payments. Increases in expenditure are realised as increases in the amortisation charge taken against the remeasured liability.
- On transition, the PFI lease liability will be remeasured when a change in an index causes a change in future lease payments. As the constabulary's PFI arrangements are increased in line with an inflation index on an annual basis, the remeasurement of the PFI liability will take place during 2024/25. The estimated impact of applying IFRS 16 in 2024/25 to the PFI arrangements are shown in the table above.

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 Liability

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 18 regarding the assumptions that have been used by the actuaries to provide an estimate of the liability.

Pension fund assets (relevant in the case of the Local Government Pension Scheme) are measured at fair value which requires reference to the market conditions held at the measurement date. The market has been subject to volatility, however markets have continued trading and information was available to measure the fund assets at the measurement date.

A remedy process to resolve the age discrimination of the pension changes resulting from the reform of public service pension schemes has been published by HM Treasury. The Treasury has confirmed that: legacy schemes are closed from 31 March 2022; a remedy has been introduced for the period 2015-2022 based on a deferred choice underpin basis; and eligibility criteria for members to access the remedy. From 1 April 2022, members accrue benefits in the career average revalued earnings (CARE) scheme. The estimated impact of McCloud/Sargeant has been factored into the IAS19 pension valuations estimates since 2018/19. These estimates have evolved as assumptions underpinning them have evolved.

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	2,580,129	2,621,719	2,664,431
Projected service cost	37,944	39,507	41,125
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	2,626,496	2,621,719	2,616,970
Projected service cost	39,534	39,507	39,479
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	2,660,453	2,621,719	2,584,040
Projected service cost	41,148	39,507	37,923
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	2,711,015	2,621,719	2,535,512
Projected service cost	40,930	39,507	38,118

Police Staff Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	521,323	531,786	542,567
Projected service cost	16,176	16,843	17,535
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	532,752	531,786	530,830
Projected service cost	16,854	16,843	16,832
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	541,809	531,786	522,064
Projected service cost	17,545	16,843	16,166
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	548,924	531,786	515,228
Projected service cost	17,470	16,843	16,232

4.2 Short and Long Term Provisions

In determining the provisions set aside at 31 March 2024 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 26 Short and Long Term Provisions.

4.3 Valuation of Assets

A valuation was undertaken of the land and buildings as at 31 March 2024 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	2022/2023			Group Expenditure and Funding Analysis	As reported to Management	Adjustments to arrive at the chargeable to general reserves	2023/2024		
		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
348,285	53,320	401,605	84,327	485,932	Police Services - OCC	364,871	65,969	430,840	-11,132	419,708
1,914	340	2,254	0	2,254	OPCC	2,210	276	2,486	0	2,486
3,507	429	3,936	0	3,936	Commissioning costs	2,392	292	2,684	0	2,684
353,706	54,089	407,795	84,327	492,122	Net cost of police services	369,473	66,537	436,010	-11,132	424,878
		0	-1,974	-1,974	Gain on disposal of non-current assets			0	-4,119	-4,119
		-52,909	0	-52,909	Pension Top up Grant			-58,607	0	-58,607
		-52,909	-1,974	-54,883	Other operating expenditure			-58,607	-4,119	-62,726
		0	5,713	5,713	External interest payable			0	5,765	5,765
		0	-1,632	-1,632	Interest and investment income			0	-3,860	-3,860
		-178	-178	-178	Income from Investment properties			-152	-152	-152
			-791	-791	Movement in fair value of investment property				-13	-13
		0	110,987	110,987	Net interest on pensions			0	121,500	121,500
		0	114,099	114,099	Financial and investment income and expenditure			0	123,240	123,240
		-129,059	0	-129,059	Police - revenue grant			-129,508	0	-129,508
		-67,642	0	-67,642	Ex-DCLG formula funding			-67,877	0	-67,877
		0	-84	-84	Capital grant and contributions			0	-48	-48
		-3,331	0	-3,331	Council tax freeze grant			-3,331	0	-3,331
		-11,378	0	-11,378	Council tax support and transition grant			-11,378	0	-11,378
		-144,894	-1,275	-146,169	Council tax - local authorities			-157,170	-63	-157,233
		-356,304	-1,359	-357,663	Taxation and non-specific grant income			-369,264	-111	-369,375
353,706	54,089	-409,213	110,766	-298,447		369,473	66,537	-427,871	119,010	-308,861
		-1,418	195,093	193,675	Surplus(-)/deficit on provision of services			8,139	107,878	116,017
		53,868			Opening balance of general fund			55,286		
		1,418			Transfers to reserves made in year			-8,139		
		55,286			Closing balance of general fund			47,147		

Adjustments to arrive at the chargeable to general reserves column consists of the transfers to & from reserves and intercompany charges.

Pension Top Up Grant has been moved from Taxation and non-specific grant income to Other operating expenditure to be consistent with CIES

2022/2023				Group Expenditure and Funding Analysis Adjustment between accounting & funding basis	2023/2024			
Capital Purposes	Pension Adjustment	Other Adjustment	Total Adjustment		Capital Purposes	Pension Adjustment	Other Adjustment	Total Adjustment
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
-1,131	87,945	-2,487	84,327	Police Services - OCC	2,194	-13,615	289	-11,132
-1,131	87,945	-2,487	84,327	Net cost of police services	2,194	-13,615	289	-11,132
-1,974	0	0	-1,974	Gain on disposal of non-current assets	-4,119	0	0	-4,119
-1,974	0	0	-1,974	Other operating expenditure	-4,119	0	0	-4,119
0	0	5,713	5,713	External interest payable	0	0	5,765	5,765
0	0	-1,633	-1,633	Interest and investment income	0	0	-3,860	-3,860
	0	-178	-178	Income from Investment properties		0	-152	-152
	0	-791	-791	Movement in fair value of investment property		0	-13	-13
0	110,987	0	110,987	Net interest on pensions	0	121,500	0	121,500
0	110,987	3,111	114,098	Financial and investment income and expenditure	0	121,500	1,740	123,240
-84	0	0	-84	Capital grant and contributions	-48	0	0	-48
0	0	-1,275	-1,275	Council tax - local authorities	0	0	-63	-63
-84	0	-1,275	-1,359	Taxation and non-specific grant income	-48	0	-63	-111
-2,058	110,987	1,836	110,765		-4,167	121,500	1,677	119,010
-3,189	198,932	-651	195,092	Total adjustment between accounting and funding basis	-1,973	107,885	1,966	107,878

7 Notes to the Movement in Reserves Statement

These notes support the movement in reserves statement shown on page 29

Group Movement in Reserves Statement 2023/2024	Revenue General Fund	Capital Receipts Reserve	Total Usable Reserves	Collect Fund Adjustment Account	Revaluation Reserve	Pooled Investment Fund Adjustment Account	Pensions Reserve Account	Short Term Absences Account	Capital Adjustment Account	Total Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2023	55,286	8,546	63,832	1,478	91,193	0	-2,644,867	-11,813	38,472	-2,525,537
Total comprehensive income and expenditure	-116,017	0	-116,017	0	8,851	0	117,909	0	0	126,760
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	0	-25	-25
Depreciation of non-current assets (note 19)	15,824	0	15,824	0	0	0	0	0	-15,824	-15,824
Revaluation Gain	-614	0	-614	0	0	0	0	0	614	614
Movement in market value of investment properties	-13	0	-13	0	0	0	0	0	13	13
Capital grants and contributions	-48	0	-48	0	0	0	0	0	48	48
Council tax collection fund adjustment	-63	0	-63	63	0	0	0	0	0	63
Gain(-)/loss on disposal of non-current assets	-4,119	4,297	178	0	0	0	0	0	-178	-178
Holiday pay accrual adjustment	1,642	0	1,642	0	0	0	0	-1,642	0	-1,642
Fair value adjustment in respect of financial instruments	400	0	400	0	0	-400	0	0	0	-400
Net IAS 19 charge for retirement benefits	177,426	0	177,426	0	0	0	-177,426	0	0	-177,426
Insert amounts excluded in I&E										
Minimum revenue provision	-3,139	0	-3,139	0	0	0	0	0	3,139	3,139
Revenue contribution to finance capital	-2,700	0	-2,700	0	0	0	0	0	2,700	2,700
IAS 19 employers contributions payable	-69,541	0	-69,541	0	0	0	69,541	0	0	69,541
Other adjustments include:										
Use of capital receipts reserve to finance capital	0	-146	-146	0	0	0	0	0	146	146
Reserves used to finance capital	-7,202	0	-7,202	0	0	0	0	0	7,202	7,202
Increase/decrease(-) in 2023/2024	-8,139	4,151	-3,988	63	8,851	-400	10,024	-1,642	-2,165	14,731
Balance as at 31 March 2024	47,147	12,697	59,844	1,541	100,044	-400	-2,634,843	-13,455	36,307	-2,510,806

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 2023/2024	Revenue General Fund	Capital Receipts Reserve	Total Usable Reserves	Collect Fund Adjustment Account	Revaluation Reserve	Pooled Investment Fund Adjustment Account	Pensions Reserve Account	Short Term Absences Account	Capital Adjustment Account	Total Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2023	55,286	8,546	63,832	1,478	91,193	0	-2,644,867	-11,813	38,472	-2,525,537
Total comprehensive income and expenditure	-116,017	0	-116,017	0	8,851	0	117,909	0	0	126,760
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	0	-25	-25
Depreciation of non-current assets (note 19)	15,824	0	15,824	0	0	0	0	0	-15,824	-15,824
Revaluation Gain	-614	0	-614	0	0	0	0	0	614	614
Movement in market value of investment properties	-13	0	-13	0	0	0	0	0	13	13
Capital grants and contributions	-48	0	-48	0	0	0	0	0	48	48
Council tax collection fund adjustment	-63	0	-63	63	0	0	0	0	0	63
Gain(-)/loss on disposal of non-current assets	-4,119	4,297	178	0	0	0	0	0	-178	-178
Holiday pay accrual Inter group adjustment	1,642	0	1,642	0	0	0	0	-1,642	0	-1,642
Fair value adjustment in respect of financial	400	0	400	0	0	-400	0	0	0	-400
Net IAS 19 charge for retirement benefits	177,426	0	177,426	0	0	0	-177,426	0	0	-177,426
Insert amounts excluded in I&E										
Minimum revenue provision	-3,139	0	-3,139	0	0	0	0	0	3,139	3,139
Revenue contribution to finance capital	-2,700	0	-2,700	0	0	0	0	0	2,700	2,700
IAS 19 employers contributions payable	-69,541	0	-69,541	0	0	0	69,541	0	0	69,541
Other adjustments include:										
Use of capital receipts reserve to finance capital	0	-146	-146	0	0	0	0	0	146	146
Reserves used to finance capital	-7,202	0	-7,202	0	0	0	0	0	7,202	7,202
Increase/decrease(-) in 2023/2024	-8,139	4,151	-3,988	63	8,851	-400	10,024	-1,642	-2,165	14,731
Balance as at 31 March 2024	47,147	12,697	59,844	1,541	100,044	-400	-2,634,843	-13,455	36,307	-2,510,806

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

2022/2023			Income and Expenditure analysed by nature	2023/2024		
OCC £'000	PCC £'000	Group £'000		OCC £'000	PCC £'000	Group £'000
294,084	1,782	295,866	Employee costs	318,874	1,965	320,839
13,138	0	13,138	Premises costs	17,355	0	17,355
6,068	8	6,076	Transport costs	5,501	13	5,514
41,356	322	41,678	Supplies & services	44,457	398	44,855
16,206	142	16,348	Partnership costs	18,744	138	18,882
15,600	0	15,600	Misc, central, & grants	20,782	0	20,782
0	8,678	8,678	Commissioning	0	8,832	8,832
11,179	0	11,179	Depreciation, amortisation, & impairment	15,235	0	15,235
89,361	0	89,361	Employee benefit expenses	-11,974	0	-11,974
110,987	0	110,987	Net interest on pensions	121,500	0	121,500
52,909	0	52,909	Net deficit on pension fund	58,607	0	58,607
0	5,713	5,713	Interest payments	0	5,365	5,365
0	-1,974	-1,974	Gain on disposal of fixed assets	0	-4,119	-4,119
0	0	0	Fair value adjustment for Financial Instruments	0	400	400
-650,888	650,888	0	Intragroup adjustment	-609,081	609,081	0
0	665,559	665,559	Total expenditure	0	622,073	622,073
-18,313	-930	-19,243	Sales, rent, fees, & charges	-18,532	-429	-18,961
-1,395	0	-1,395	Seconded officers	-1,362	0	-1,362
0	-1,999	-1,999	Commissioning of victim support services	0	-3,082	-3,082
-12,294	0	-12,294	Counter terrorism policing grant	-17,930	0	-17,930
-718	-2,080	-2,798	Serious Violence grant	-801	-1,686	-2,487
-4,688	0	-4,688	Uplift grant	-8,090	0	-8,090
-2,828	0	-2,828	Officer pensions grant	-2,828	0	-2,828
-13,466	0	-13,466	Other specific grants	-18,331	-978	-19,309
0	-1,810	-1,810	Interest and investment income	0	-4,012	-4,012
0	-791	-791	Changes in the MV of investment properties	0	-13	-13
0	-129,059	-129,059	Police - revenue grant	0	-129,508	-129,508
0	-67,642	-67,642	Ex-DCLG formula funding	0	-67,877	-67,877
0	-84	-84	Capital grant and contributions	0	-48	-48
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	-146,169	-146,169	CT- local authorities	0	-157,233	-157,233
0	-52,909	-52,909	Police pension Top up grant	0	-58,607	-58,607
53,702	-53,702	0	Intragroup adjustment	67,874	-67,874	0
0	-471,884	-471,884	Total income	0	-506,056	-506,056
0	193,675	193,675	Surplus/deficit on provision of services	0	116,017	116,017

The employee benefit expense line includes the holiday pay charge, pension costs and employers' contribution. This year it is a credit value due to the pension costs being lower than the employer's contribution.

9 Paying Staff

Disclosure of Remuneration for Senior Employees 2023/2024					
Post Holder Information (post title and name)	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2023/2024	Pension Contributions	Total Remuneration Including Pension Contributions 2023/2024
	£	£	£	£	£
PCC - M Shelford	88,600	0	88,600	16,479	105,079
Chief Constable - S Crew	175,706	8,570	184,276	54,469	238,745
	<u>264,306</u>	<u>8,570</u>	<u>272,876</u>	<u>70,948</u>	<u>343,824</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
	£	£	£	£	£
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
	<u>256,462</u>	<u>11,466</u>	<u>267,927</u>	<u>66,502</u>	<u>334,429</u>

Disclosure of Remuneration for Senior Employees 2023/2024

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2023/2024	Pension Contributions	Total Remuneration Including Pension Contributions 2023/2024
		£	£	£	£	£
PCC Employees						
Chief Finance Officer to the PCC		104,238	0	104,238	19,388	123,626
Chief of Staff and Monitoring Officer to the PCC		106,269	0	106,269	19,766	126,035
OCC Employees						
Deputy Chief Constable - N Watson	1	97,843	0	97,843	0	97,843
Deputy Chief Constable - J Reilly	2	65,365	0	65,365	19,294	84,659
ACC - Strategic Improvement		131,845	0	131,845	38,547	170,392
ACC - Investigations & Operational Support		120,061	0	120,061	34,894	154,955
ACC - Neighbourhoods, Partnerships & Response	2	76,443	0	76,443	22,341	98,784
T/ACC - Neighbourhoods, Partnerships & Response	3	40,438	0	40,438	12,282	52,720
Chief Officer - Finance, Resources and Innovation		126,068	12,677	138,745	23,449	162,194
Chief Officer - People and Organisational Development	4	120,500	0	120,500	21,018	141,518
Force Medical Officer - D Bulpitt	5	130,992	0	130,992	24,364	155,356
		1,120,062	12,677	1,132,739	235,343	1,368,082

Notes to Remuneration for 2023/2024

- Note 1** The Deputy Chief Constable retired on 31/10/2023
- Note 2** ACC - Neighbourhoods, Partnerships & Response left this role on 31/10/2023 and was promoted to Deputy Chief Constable on 01/11/2023
- Note 3** Temporary ACC - Neighbourhoods, Partnerships & Response appointed on 27/11/2023, prior role will be included in the £50k banding table, due to not being a senior position.
- Note 4** Chief Officer - People and Organisational Development permanently appointed on 08/05/2023
- Note 5** Force Medical Advisor reduced their working hours to 16 hours per week from 01/11/2023

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 - Investigations & 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 2022/2023 Number	Pay Range	OCC Number	PCC Number	Total 2023/2024 Number
406	2	408	£50,000 - £54,999	543	3	546
252	0	252	£55,000 - £59,999	301	2	303
117	1	118	£60,000 - £64,999	209	0	209
26	0	26	£65,000 - £69,999	77	0	77
10	1	11	£70,000 - £74,999	17	1	18
13	0	13	£75,000 - £79,999	14	1	15
5	1	6	£80,000 - £84,999	10	0	10
5	0	5	£85,000 - £89,999	10	0	10
7	0	7	£90,000 - £94,999	1	0	1
2	0	2	£95,000 - £99,999	9	0	9
0	0	0	£100,000 - £104,999	1	0	1
1	0	1	£105,000 - £109,999	2	0	2
844	5	849		1,194	7	1,201

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 10 staff redundancies were recognised during the year, the details of which are presented in the table below.

Compulsory & Voluntary 2022/2023		Exit Packages	Compulsory & Voluntary 2023/2024	
Number	£'000	Banding	Number	£'000
19	201	£0 - £19,999	6	43
5	134	£20,000 - £39,999	4	107
0	0	£40,000 - £59,999	0	0
0	0	£60,000 - £79,999	0	0
24	335		10	150

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

2022/2023 £'000	External Audit Costs	2023/2024 £'000
	Police and Crime Commissioner:	
32	Fees for external audit services paid to Grant Thornton	137
	Chief Constable:	
26	Fees for external audit services paid to Grant Thornton	58
58		195

As part of the Government's response to the Redmond Review, the Department for Levelling Up, Housing, and Communities (DLUHC) provided grant of £22,251 split by PCC £14,685 and CC £7,565 (2022/23 £21,886 split by PCC £14,105 and CC £7,780) 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 2023/2024 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. The following council have been amalgamated into one Somerset council; Mendip, Sedgemoor, Somerset West and Taunton and South Somerset.

2022/2023 £'000	Council Tax	2023/2024 £'000
17,102	Bath and North East Somerset Council	18,336
32,305	Bristol City Council	34,994
20,155	North Somerset Council	21,551
10,616	Mendip District Council	0
10,788	Sedgemoor District Council	0
14,571	Somerset West and Taunton Council	0
15,627	South Somerset District Council	0
0	Somerset Council	55,712
25,005	South Gloucestershire Council	26,640
146,169		157,233

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. Sarah Crew is the Chief Constable, during 2023/2024 we have rendered £3,255 of services relating to the emergency installation of an alarm following risk assessment of her role (no services were provided in 2022/2023).

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 £228,997 in 2023/2024 (£21,065 in 2022/2023). Payments were also made to the Avon and Somerset Constabulary Force Club in 2023/2024 of £6,705 (£14,641 in 2022/2023).

14 Joint Arrangements

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

2022/2023 Expenditure £'000	Joint Operations	2023/2024 Expenditure £'000
4,099	South West Regional Organised Crime Unit	5,073
1,619	Firearms Training	1,820
744	Counter Terrorism Specialist Firearms Officers	781
5,548	Major Crime Investigation (Brunel)	5,915
8,126	South West Forensic Services	8,743
103	Regional ACC	164
23	Disaster Victim Identification / Casualty Bureau	34
368	Other Regional Programmes	381
20,630	Total	22,911

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 £16,535,394 in 2023/2024 (£13,358,978 in 2022/2023).

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 2023/2024 was 39.9% for Avon and Somerset, 33.7% for Gloucestershire, and 26.3% for Wiltshire. The total cost of the operation was £4,131,185 in 2023/2024 (£3,679,798 in 2022/2023).

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 £1,457,290 in 2023/2024 (£1,386,930 in 2022/2023).

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 £9,242,729 in 2023/2024 (£8,668,710 in 2022/2023).

14.5 South West Forensic Services

South West Forensic Services is a collaboration between Avon and Somerset (34.8%), Devon and Cornwall (36.1%), Dorset (15.2%) and Wiltshire (13.7%) to provide forensic services. The total cost of the operation was £25,102,653 in 2023/2024 (£22,812,481 in 2022/2023).

14.6 Regional ACC

This post was put in place from May 2016 to oversee the regional collaborations for Forensics, Special Branch, SW ROCU, and Counter Terrorism Policing South West. 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 £529,422 in 2023/2024 (£324,764 in 2022/2023).

14.7 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 £111,479 in 2023/2024 (£75,200 in 2022/2023).

14.8 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 £1,190,601 in 2023/2024 (£1,182,565 in 2022/2023).

15 Rent for Operational Leases

The PCC has entered into operating leases in respect of land and buildings

2022/2023 £'000	Leased Land and Buildings	2023/2024 £'000
	The future minimum lease payments due under non-cancellable leases in future years are:	
971	Not later than one year	1,093
3,579	Later than one year and not later than five years	3,059
2,882	Later than five years	2,395
7,432		6,547

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, this transaction is then netted off by a intragroup adjustment in the MIRS to move the charge to the PCC accounts, this is evident through note 6 Expenditure and Funding Analysis table.

2023 £'000	IAS 19 Pension Liabilities	2024 £'000
-2,611,528	Police officers	-2,621,719
-33,339	Police staff	-13,124
-2,644,867		-2,634,843

	Police Staff		Police Officers		Total	
	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
	£'000	£'000	£'000	£'000	£'000	£'000
Comprehensive income and expenditure statement						
Cost of services:						
Current service cost	47,203	14,864	101,916	40,665	149,119	55,529
Administration expenses	267	254	0	0	267	254
Past service cost including curtailments	97	143	0	0	97	143
Financing and investment income and expenditure:						
Net interest cost	10,007	-1,349	100,980	122,849	110,987	121,500
Total post employment benefits charged to the comprehensive income and expenditure statement	57,574	13,912	202,896	163,514	260,470	177,426
Other post employment benefits charged to the comprehensive income and expenditure statement						
Return on plan assets	22,279	-39,123	0	0	22,279	-39,123
Changes in demographic assumptions	-63,726	-6,758	0	-10,022	-63,726	-16,780
Changes in financial assumptions	-419,207	-13,007	-1,651,214	-43,730	-2,070,421	-56,737
Experience gain/loss(-) on defined benefit obligations	59,708	1,585	224,308	6,067	284,016	7,652
Changes in effect of asset Ceiling	0	45,861	0	0	0	45,861
Other actuarial gain/loss(-)	1,131	0	-52,813	-58,782	-51,682	-58,782
Total other comprehensive income	-399,815	-11,442	-1,479,719	-106,467	-1,879,534	-117,909
Movement in reserves statement						
Reversal of net charges made for retirement benefits in accordance with the code	-57,574	-13,912	-202,896	-163,514	-260,470	-177,426
Actual amount charged against the general fund balance for pensions in the year						
Employer's contribution to scheme	18,292	22,562	36,422	39,477	54,714	62,039
Retirement benefits payable to pensioners	104	123	6,720	7,379	6,824	7,502

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 £45,880,000 in financial year 2024/2025.

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.

2022/2023 £'000	Cost of Injury and Ill-Health Benefits - Police Officers	2023/2024 £'000
6,720	Payments to pensioners	7,379

2022/2023 £'000	Pensions Account	2023/2024 £'000
105,793	Benefits paid to officers	116,273
-52,884	Less contributions received	-57,666
52,909	Balance met from PCC Group	58,607

A full valuation of the pension scheme liabilities was undertaken for 31 January 2021. 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		2023/2024	2022/2023
Current pensioners			
	Males	21.3	21.2
	Females	23.4	23.5
Retiring in 20 years			
	Males	22.5	22.5
	Females	24.7	25.0

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

2022/2023 %		2023/2024 %
4.80	Discount rate	4.90
3.90	Rate of increase in salaries	3.90
2.90	Rate of increase in pensions in payment	2.90
3.20	Change in Retail Price Index (RPI)	3.25
2.90	Change in Consumer Price Index (CPI)	2.90

The movement in the present value of scheme liabilities for the year to 31 March 2024 is as follows

2022/2023 £'000	Present Value of Police Pension Scheme Liabilities	2023/2024 £'000
-3,931,493	Present value of schemes liability as at 1 April	-2,611,528
	Movements in the year	
-101,916	Current service cost	-40,665
111,341	Estimated benefits paid (net of transfers in)	122,655
-15,386	Contributions by scheme participants	-17,017
-100,980	Interest costs	-122,849
1,651,214	Change in financial assumptions	43,730
0	Change in demographic assumptions	10,022
-224,308	Experience gain/loss on defined benefit obligations	-6,067
-2,611,528	Present value of schemes liability as at 31 March	-2,621,719

The movement in the fair value of scheme assets for the year to 31 March 2024 is as follows

2022/2023 £'000	Fair Value of Police Pensions Scheme Assets	2023/2024 £'000
0	Present value of schemes assets as at 1 April	0
	Movements in the year	
52,813	Other actuarial gain	58,782
43,142	Contributions by employer	46,856
15,386	Contributions by scheme participants	17,017
-111,341	Estimated benefits paid (net of transfers in)	-122,655
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 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

2022/2023		Pension Costs - Police Staff	2023/2024	
Payments	Percentage of		Payments	Percentage of
£'000	Employees' Contributions		£'000	Employees' Contributions
18,286	130-296	PCC's contribution	20,827	130-296

During 2023/2024 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 £22,376,000 in financial year 2024/2025.

Since April 2023 the Constabulary has paid 18.6% of the employee salary in pension contribution (previously 16.3%) for current active members and an annual fixed sum to pay for past service deficit recovery. The fixed sum paid in 2022/2023 was £2,420,000 and the amount paid in 2023/2024 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 January 2021. This work has been updated for the 2023/2024 financial year by independent actuaries to the Somerset 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		2023/2024	2022/2023
Current pensioners			
	Males	21.1	21.4
	Females	23.0	23.2
Retiring in 20 years			
	Males	22.4	22.7
	Females	24.4	24.7

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

2022/2023		2023/2024
%		%
4.80	Discount rate	4.95
3.90	Rate of increase in salaries	3.90
2.90	Rate of increase in pensions in payment	2.90
3.20	Change in Retail Price Index (RPI)	3.15
2.90	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 2024 is estimated to be 2.83%. The estimated value of the PCC's share of the fund's assets is £564,523,000 on a bid value basis (2022/2023 £487,693,000).

It should be noted that as interest rates have increased over recent periods, there have been improvements in funding levels on the accounting basis which has resulted in some LGPS employers

with an accounting surplus at the balance sheet date. This is the case for the Police and Crime Commissioner Group. When a surplus is calculated, the standard requires the net defined benefit asset to be measured at the lower of the surplus in the defined benefit plan, and the asset ceiling. We have instructed Barnett Waddingham LLP, an independent firm of actuaries to carry out this calculation. They have established that the impact of the asset ceiling is £45.86m. The calculation assumes that:

- ✚ There is no prospect of the Employer having an unconditional right to a refund of surplus on the basis that such a payment would be at the discretion of the Fund
- ✚ The Employer is a scheduled body and assumed to participate indefinitely
- ✚ Primary contributions are considered to be a minimum funding requirement
- ✚ The minimum funding requirement exceeds the current cost of accrual and so the potential economic benefit from future contribution reductions is nil
- ✚ An additional liability of £12,111k is recognisable in respect of the Employer's obligation to pay future deficit contributions, thereby increasing or generating an irrecoverable surplus
- ✚ The value of the asset ceiling is therefore (£12,111k).

The Group has elected not to restate the fair value of scheme assets for previous periods as permitted by IAS19.

The assets are made up of the following

2022/2023		Assets	2023/2024	
£'000	%		£'000	%
		Equities		
52,671	10.8	UK - Unquoted	56,484	10.0
292,031	59.9	Overseas - Unquoted	338,905	60.0
19,057	3.9	Private equity	19,205	3.4
363,758	74.6		414,594	73.4
		Gilts - Public Sector		
8,719	1.8	UK fixed interest	12,071	2.1
8,719	1.8	UK index linked	12,127	2.2
17,437	3.6		24,198	4.3
		Other Bonds		
34,825	7.14	UK	45,735	8.0
15,850	3.3	Overseas	22,868	4.0
50,675	10.4		68,603	12.0
39,130	8.0	Property	40,572	7.2
16,693	3.4	Cash (invested internally)	16,556	2.9
487,693	100	Total assets	564,523	100

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

2022/2023 £'000	Police Staff Pensions	2023/2024 £'000
487,693	Share of assets in pension fund	564,523
0	Changes in Asset Ceiling	-45,861
-519,921	Estimated liabilities in pension fund	-530,773
-1,111	Estimated unfunded liabilities	-1,013
-33,339	Deficiency in fund	-13,124

The movement in the present value of schemes obligations for the year to 31 March 2024 is as follows

2022/2023 £'000	Present Value of Police Staff Liabilities	2023/2024 £'000
-882,896	Present value of defined obligations as at 1 April	-521,032
	Movements in the year	
-47,203	Current service cost	-14,864
15,084	Estimated benefits paid (net of transfers in)	17,771
-6,406	Contributions by scheme participants	-7,557
-22,843	Interest costs	-24,264
104	Unfunded pension payments	123
419,207	Change in financial assumptions	13,007
63,726	Change in demographic assumptions	6,758
-59,708	Experience loss(-)/gain on defined benefit obligations	-1,585
-97	Past service cost, including curtailments	-143
-521,032	Present value of defined obligations as at 31 March	-531,786

The movement in the fair value of scheme assets for the year to 31 March 2024 is as follows

2022/2023 £'000	Fair Value of Police Staff Scheme Assets	2023/2024 £'000
488,920	Fair value of scheme assets as at 1 April	487,693
	Movements in the year	
12,836	Interest on assets	25,613
-22,279	Return on assets less interest	39,123
-1,131	Other actuarial gain/loss(-)	0
-267	Administration expenses	-254
18,396	Contributions by employer	22,685
6,406	Contributions by scheme participants	7,557
-15,188	Estimated benefits paid (net of transfers in)	-17,894
487,693	Fair value of scheme assets as at 31 March	564,523

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 2023/2024	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 2023	201,349	97,160	320	2,277	301,106
Additions during year	225	9,823	1,307	2,262	13,617
Disposals	0	-54,526	0	0	-54,526
Reclassification	124	0	-124	2	2
Revaluation gain/loss (-)					
Recognised in revaluation reserve	3,462	0	0	-477	2,985
Recognised in surplus & deficit I&E	-287	0	0	-135	-422
As at 31 March 2024	204,873	52,457	1,503	3,929	262,762
Depreciation and impairment					
As at 1 April 2023	-1,668	-79,769	0	0	-81,437
Depreciation charge	-6,710	-8,556	0	-558	-15,824
Disposals	0	54,461	0	0	54,461
Reclassification	0	0	0	0	0
Revaluation gain/loss (-)					
Recognised in revaluation reserve	5,199	0	0	667	5,866
Recognised in surplus & deficit I&E	1,037	0	0	0	1,037
As at 31 March 2024	-2,142	-33,864	0	109	-35,897
Net book value					
As at 31 March 2024	202,731	18,593	1,503	4,038	226,865
As at 31 March 2023	199,681	17,391	320	2,277	219,669

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

Nature of assets held as at 31 March 2024	Land and Buildings	Vehicles, Plant, Machinery and Equipment	Assets Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000
Owned	120,391	18,593	1,503	4,038	144,525
PFI (Note 21)	82,340	0	0	0	82,340
	202,731	18,593	1,503	4,038	226,865

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

Capital Commitments

At 31st March 2024, the constabulary has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2024/2025 and future years budgeted to £7.5m. Similar commitments at 31st March 2023 were £4.5m. The major commitments are:

- ✚ Fleet - £3.2m
- ✚ Estates - £2.5m
- ✚ Equipment - £1.3m

20 Investment Properties

2022/2023 Investment Property £'000	2023/2024 Investment Property £'000
0 Balance at start of the year	2,776
Additions:	
0 Purchases	0
0 Construction	0
0 Subsequent expenditure	0
Disposals	0
791 Net gains from fair value adjustments	13
Transfers:	
0 to/from inventories	0
1,985 from property plant and equipment	0
2,776 As at 31 March	2,789

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

PFI Buildings £'000	2022/2023		PFI Assets		PFI Buildings £'000	2023/2024		Total £'000
	PFI IT Equipment £'000	Total £'000				PFI IT Equipment £'000	Total £'000	
Cost or valuation								
80,991	5,385	86,376	As at 1 April		79,928	5,385	85,313	
46	0	46	Additions during year		0	0	0	
0	0	0	Disposals		0	-5,385	-5,385	
Revaluation gain/loss (-)								
-1,106	0	-1,106	Recognised in revaluation reserve		2,317	0	2,317	
-3	0	-3	Recognised in surplus & deficit I&E		120	0	120	
79,928	5,385	85,313	As at 31 March		82,365	0	82,365	
Depreciation and impairment								
-26	-5,385	-5,411	As at 1 April		-11	-5,385	-5,396	
-2,814	0	-2,814	Depreciation charge		-2,973	0	-2,973	
0	0	0	on Disposals		0	5,385	5,385	
Revaluation gain/loss (-)								
2,663	0	2,663	Recognised in revaluation reserve		2,934	0	2,934	
166	0	166	Recognised in surplus & deficit I&E		25	0	25	
-11	-5,385	-5,396	As at 31 March		-25	0	-25	
Net book value								
79,917	0	79,917	As at 31 March		82,340	0	82,340	

2022/2023 £'000	PFI Liabilities	2023/2024 £'000
51,570	Finance Liability as at 1 April	49,693
-1,877	Liability Paid in Year	-1,281
49,693	Finance Liability at 31 March	48,412

The fair value of the PFI liability has been assessed as £61,139,869 compared to the book value of £48,412,000 as shown in the table above.

Payments made in 2023/2024 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 2023/2024	2,424	1,596	3,824	1,281
Rentals payable in future years				
Within 1 year	2,508	853	3,972	1,938
Within 2-5 years	10,023	4,459	13,918	8,674
Within 6-10 years	12,508	5,945	12,931	14,953
Within 11-15 years	12,552	4,749	6,202	22,847
Within 16-20 years	0	0	0	0
Total	37,591	16,006	37,023	48,412

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 2023 £'000	Debtors and Payments in Advance	PCC £'000	Total 2024 £'000
44,231	44,231	Trade debtors	59,256	59,256
14,248	14,248	Prepayments	13,619	13,619
36	36	Other	30	30
58,515	58,515	Balance as at 31 March	72,905	72,905

23 Cash and Cash Equivalents

2023 £'000	Cash and Cash Equivalents	2024 £'000
106	Cash in hand	77
-4,391	Bank Overdraft	-3,470
32,785	Short term deposits	9,360
28,500	Balance as at 31 March	5,967

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 2024 £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.

2023 £'000	Loans to be Repaid	2024 £'000
1,147	Within one year	8,922
3,922	Between one and two years	1,137
6,547	Between two and five years	6,120
3,549	Between five and 10 years	3,549
27,997	More than 10 years	27,288
43,162	Total	47,016
	Less:	
-1,147	Transferred to short term borrowings (repayable in 2023/2024)	-8,922
42,015		38,094

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 2023 £'000	Creditors and Receipts in Advance	OCC £'000	PCC £'000	Total 2024 £'000
0	15,707	15,707	Trade creditors	0	13,730	13,730
0	369	369	Receipts in advance	0	872	872
12,975	14,320	27,295	Accruals	14,570	14,169	28,739
0	2,116	2,116	Other	0	2,600	2,600
12,975	32,512	45,487	Balance as at 31 March	14,570	31,371	45,941

26 Short and Long Term Provisions

Short and Long Term Provisions	Balance 1 April 2023 £'000	Reversed Unused £'000	Used in Year £'000	New in Year £'000	Balance 31 March 2024 £'000
Insurance	8,059	0	-916	1,510	8,653
Legal services	325	-194	-193	610	548
Ill-health & termination benefits - OCC	126	0	-126	616	616
Overtime liability - OCC	3,999	0	-1,813	1,732	3,918
	12,509	-194	-3,048	4,468	13,735

As at 31 March 2024, the insurance provision has increased to £8,653,000, 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 2024 and the paid and outstanding claims position as at this date.

The legal services provision of £548,000 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 £616,000 is in respect of ill health retirement payments where approval to start the process was agreed at 31 March 2024
- ✚ The overtime liability provision at 31 March 2024 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 2024.

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 Compensation claims

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is bought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2024, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

27.2 Other Pension cases

There is one further case which has been 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 2024 due to there being insufficient information upon which to make an accurate estimation.

27.3 Airwave Solutions

On 22nd December 2023, it was announced that Airwave Solution Limited (Motorola) lost their appeal against the Competitions and Markets Authority (CMA) ruling that they had been in effect over charging for Airwave services. As a result, Avon and Somerset Constabulary were issued a credit note and discounts of current invoices which to the end of 31 March 2024 total £167,204. The value and detail of the credit and discounts remains a subject of ongoing work between the Home Office, who are the central contract managers of the Airwave contract, and Motorola/Airwave.

There is a risk that Motorola/Airwave have further right to appeal against this finding which, if the appeal is upheld, would reverse the credit notes and discounts already received.

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 2023/2024	Balance 1 April 2023	Reserves Used in Year	Transfers to Reserves in Year	Balance 31 March 2024
	£'000	£'000	£'000	£'000
Carry forwards Reserve	160	-70	0	90
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
General Revenue Smoothing Reserve	2,806	-1,028	0	1,778
New PCC Reserve	930	-191	0	739
Total discretionary reserves	6,686	-1,289	0	5,397
SW ROCU Reserve	132	0	267	399
Proceeds of crime Reserve	818	-165	0	653
Police Property Act Reserve	275	0	221	496
Grants carried forward Reserve	1,982	0	271	2,253
Hinkley Point Reserve	890	-207	0	683
Road safety Reserve	1,323	-668	0	655
LRF Reserve	336	-54	0	282
Victim support services Reserve	2,762	-188	0	2,574
Miscellaneous Reserve	110	-9	0	101
Regional programme Reserve	221	-49	0	172
Pension Fund McCloud Reserve	88	0	0	88
Total non-discretionary reserves	8,937	-1,340	759	8,356
Capital financing Reserve	21,002	-7,385	993	14,610
Earmarked capital Reserve	131	-203	472	400
PFI change Reserve	457	0	0	457
Sinking fund Reserve	5,099	-63	155	5,191
ESMCP Reserve	765	-31	0	734
Total capital and PFI reserves	27,454	-7,682	1,620	21,392
Council tax income guarantee Reserve	209	-209	0	0
Total earmarked reserves	43,286	-10,520	2,379	35,145
General Fund	12,000	0	0	12,000
Total General Fund Balance	55,286	-10,520	2,379	47,145

Revenue Reserves 2022/2023	Balance 1 April 2022	Reserves Used in Year	Transfers to Reserves in Year	Balance 31 March 2023
	£'000	£'000	£'000	£'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 **General Revenue Smoothing reserve** was established as part of the 23/24 MTFP to reflect the inflationary challenges in future financial years.

The **New PCC reserve** has been established to provide funds to help support the new PCC's programme during their first year in office.

The **SW ROCU reserve** 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 **POCA reserve** 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

2022/2023 £'000	Capital Expenditure and Financing	2023/2024 £'000
97,072	Opening capital financing requirement	93,511
	Capital investment	
9,163	Property, plant and equipment	13,618
	Sources of finance	
-216	Capital receipts	-146
-84	Government grants and contributions	-48
-5,057	Revenue contributions	-2,701
-3,529	Earmarked reserves	-7,202
-3,724	Minimum revenue provision	-3,139
-114	Capital creditors	0
-12,724		-13,236
93,511	Closing capital finance requirements	93,893
	Explanation of movements in year	
-3,561	Increase/decrease(-) in underlying need to borrow	382
-3,561	Increase/decrease(-) in capital financing requirement	382

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 2023/2024	Current			Non-current	Total 31st March
	Bank overdraft £'000	Borrowings £'000	Creditors £'000	Borrowings £'000	£'000
Fair value through profit or loss	0	0	0	0	0
Amortised cost	3,470	8,922	24,894	38,094	75,380
Amortised cost - PFI liabilities	0	1,938	0	46,474	48,412
Total financial liabilities	3,470	10,860	24,894	84,568	123,792
Other liabilities not defined as financial instruments:					
Tax	0	0	6,477	0	6,477
OCC payroll accruals	0	0	14,570	0	14,570
Total	3,470	10,860	45,941	84,568	144,839

Financial liabilities 2022/2023	Current			Non-current	Total 31st March
	Bank overdraft £'000	Borrowings £'000	Creditors £'000	Borrowings £'000	£'000
Fair value through profit or loss	0	0	0	0	0
Amortised cost	4,391	1,147	25,258	42,016	72,812
Amortised cost -PFI liabilities	0	1,281	0	48,412	49,693
Total financial liabilities	4,391	2,428	25,258	90,428	122,505
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	90,428	142,734

Financial assets 2023/2024	Current Cash and cash equivalents £'000	Investment s £'000	Debtors £'000	Total 31st March 2024 £'000
Fair value through profit or loss	1,360	0	0	1,360
Amortised cost	8,077	27,600	54,363	90,040
Total financial assets	9,437	27,600	54,363	91,400
Other assets not defined as financial instruments:				
VAT	0	0	4,065	4,065
Payments in advance	0	0	14,476	14,476
Total	9,437	27,600	72,905	109,942

Financial assets 2022/2023	Current Cash and cash equivalents £'000	Investment s £'000	Debtors £'000	Total 31st March 2023 £'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

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 £25,873,680 (31 March 2023 £28,366,673) compared with a book value of £30,176,091 (31 March 2023 £31,285,912). The fair value of LOBO loans has been assessed at £5,897,417 (31 March 2023 £5,776,931) 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 2024		31 March 2023	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial liabilities held at amortised cost				
Borrowings - PWLB loans	30,176	25,874	31,286	28,367
Borrowings - LOBO loans	5,275	5,897	5,275	5,777
Borrowings - other	11,564	11,360	6,601	6,371
Bank Overdraft	3,470	3,470	4,391	4,391
Creditors	24,894	24,894	25,258	25,258
PFI liabilities	48,412	61,140	49,693	62,630
Total	123,791	132,635	122,504	132,794

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)						
2023 £'000	Drawdown Date	2024 £'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 2024		31 March 2023	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial assets held at amortised cost				
Cash and cash equivalents	5,077	8,414	18,106	21,218
Investments - Short term	27,600	25,969	22,000	19,074
Debtors	54,363	54,363	42,270	42,270
Total	87,040	88,746	82,376	82,562
Financial assets held at Fair Value				
Cash and cash equivalents	3,960	3,960	14,785	14,541
Total	3,960	3,960	14,785	14,541

At 31 March 2024 the fair value is assessed as level 1 for cash and cash equivalents held at amortised cost and fair value at £12,374,042, and short term investments at £25,969,026. This compares with a book value of £9,437,000 for cash and equivalents and a book value of £27,600,000 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 2024 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000
Interest payable and similar charges (excluding PFI)	1,542	1,547	0	0
Interest and investment income	0	0	3,724	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 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 2024 investments can be analysed as follows

Credit Rating	31 March 2023 £'000	Default %		Credit Rating	31 March 2024 £'000	Default %
AAA	11,785	0.11	Deposits with Money Market Funds	AAA	1,360	0.11
AA-	31,000	0.08	Deposits with local authorities	AA-	33,000	0.07
A	5,000	0.05	Deposits with UK banks	A+	0	0.00
AA-	4,000	0.03	Deposits with Overseas banks	AA-	0	0.00
N/A	3,000	N/A	CCLA property fund	N/A	3,000	0.00
	54,785		Total		37,360	

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 £26,519,494 pension fund account debtor with the Home Office (2022/2023 £14,950,294).

The PCC does not generally allow credit for customers. With the exception of those debts where recovery is certain the PCC will put through trade receivable expected losses for all debtors greater than 6 months old and 10% of those debtors between three and 6 months. At 31 March 2024 the total value of these provisions was £34,959 (31 March 2023 £156,811). The remaining value of debtors less these provisions can be analysed as follows

31 March 2023 £'000	Unimpaired Debtors	31 March 2024 £'000
1,467	Less than three months	1,937
51	Over three months	67
<u>1,518</u>		<u>2,004</u>

30.7 Liquidity Risk

The PCC has a comprehensive cash flow management process managed on our behalf by Somerset Council that seeks to ensure that cash is available as needed. At 31 March 2024 the PCC had £4,360,000 (31 March 2023 £14,785,000) in call accounts and money market funds available to manage short term liquidity requirements. The PCC had a further £33,000,000 invested for a period of up to one year from the balance sheet date (31 March 2023 £40,000,000).

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 £17,180 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 18). 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

Police Officer's Pension Fund Account Statements

This fund includes the income and expenditure in respect of police officer's 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

2022/2023 £'000	Police Officers Pension Fund Account	2023/2024 £'000
	Contributions receivable	
	Employers contributions:	
-35,930	Normal 31% contributions	-39,477
-925	Ill health/early retirements	-175
-36,855		-39,652
	Employee contributions	
-11	1987 Police Pension Scheme	-10
-1	2006 Police Pension Scheme	-1
-15,374	CARE Police Pension Scheme	-17,006
-15,386		-17,017
-643	Transfers in from other schemes	-997
	Benefits payable	
89,100	Pensions	98,193
15,893	Commutations and lump sum retirement benefits	17,249
104,993		115,442
	Payments to and on account of leavers	
170	Refund of contributions	148
101	Transfers out to other schemes	159
529	Other	523
800		830
52,909	Net amount payable for the year	58,606
0	Additional contribution from the local policing body	0
-52,909	Transfer from Police Fund to meet deficit	-58,606
0	Net amount payable/receivable for the year	0

This note shows the pension fund account assets and liabilities as at 31 March 2024

31 March 2023 £'000	Pension Fund Net Assets	31 March 2024 £'000
	Current assets	
0	Amounts due from Central Government	0
	Current liabilities	
0	Amounts owing to pensioners	0
<hr/> 0	Net assets	<hr/> 0

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
ASPIRE	Internal Avon and Somerset development programme
Balance Sheet	This represents our overall financial position as at 31 March
BAU	Business As Usual
BCFM	BBC Local Radio – BCFM 93.2 FM
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
CCLA Property Fund	Churches, Charities and Local Authorities property fund. Manages investments for charities, religious authorities and the public sector
CFO	Chief Financial 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 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
CoPaCC	Compares Police and Crime Commissioners
CPD	Continuous Personal Development
Creditors	Amounts which are owed to others
CSB	Constabulary Strategy Board
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
DARA	Domestic Abuse Risk Assessment
DASH	Domestic Abuse Stalking & Harrassment
Debtors	Amounts which are due from others

Term	Definition
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
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
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
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
FMS	Force Management Statement
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
GDPR	General Data Protection Regulations
GSB	Governance and Scrutiny Board
GSC	Government Security Classification
Historical Costs	These are the amounts paid at the time we bought the assets
HMICFRS	His Majesty's Inspectorate of Constabulary and Fire & Rescue Services
HMICFRS PEEL	The HMICFRS PEEL assessment stands for Police Effectiveness, Efficiency and Legitimacy
IAG	Independent Advisory Group
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)
I&E	Income and Expenditure Account
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

Term	Definition
ILM	Institute of Leadership and Management
Intangible fixed assets	Assets that are not physical such as software licences
IOPC	Independent Office for Police Conduct
IPM	Independent Panel Member
IPR	Individual Performance Review
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
IVC	Independent Custody Visitor
JAC	Joint Audit Committee
KPI	Key Performance Indicator
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
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
LQC	Legally Qualified Chair
LRF reserve	Local Resilience Forum reserve
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 OCC during the financial year
MTFP	Medium Term Financial Plan
OCC	Office of the Chief Constable
OPCC	Office of Police and Crime Commissioner Staff employed by the Police and Crime Commissioner
Operation Holden	Organisation wide vetting review
PACCTS	Police and Crime Commissioners Treasurer's Society
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)
PCP	Police and Crime Plan
PCSO	Police community support officer
PFI	Private Finance Initiative
PMO	Portfolio Management Office
POCA	Proceeds of Crime Act
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

Term	Definition
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
PSD	Professional Standards Department
PV cell	A photovoltaic cell, commonly called a solar cell, is a nonmechanical device that converts sunlight directly into electricity
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
QR code	A machine-readable code consisting of an array of black and white squares, typically used for storing URLs or other information for reading by the camera on a smartphone
RAG	Responsible Authorities Group
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
Soteria/Bluestone	The national operating model for the investigation of rape and serious sexual offences (RASSO) arose from the work of Operation Soteria Bluestone
SPR	Strategic Policing Requirement
SWAP	South West Audit Partnership
SWOT	A framework for analysing the strengths, weaknesses, opportunities and threats related to the problem being considered
SWPPS	South West Police Procurement Service
SW ROCU	South West Regional Organised Crime Unit
TOR	Terms of Reference
UJIMA	Ujima Radio 98.0 FM
VRU	Violence Reduction Units

JAC Questions on Statement of Accounts 2023/24

Received from	Group or CC Accounts	Page Ref	Question	Answer
NM	Group	General Point	The financial statements are reviewed and signed off by external audit, however I understand that 100% of entries cannot be verified as part of this process. What internal controls are in place to mitigate the risk of errors in relation to the accuracy and preciseness of individual entries contained within the accounts? This could include risks of human error if source data is entered manually and inadvertent errors.	<p>There are many internal financial controls throughout the Force to mitigate against the risk of errors.</p> <p>Financial controls are subject to an annual review by SWAP (South West Audit Partnership) and presented to the Joint Audit Committee.</p> <p>Some typical financial controls to mitigate the risk of inaccuracies include: -</p> <ul style="list-style-type: none"> • A thorough monthly budget monitoring review where budget variances are reviewed in detail by qualified chartered accountants within the finance department. • Regular balance sheet reconciliations including bank and cash reconciliations. • Review and approval of journals and month end accruals • Segregation of duties amongst the finance team
NM	Group	General Point	Could consideration be given to having a one page snapshot at the top of the accounts (possibly below the contents page) highlighting the top 5 or 10 salient points which can otherwise seem hidden within the financial statements? This could make it easier for the reader to understand the key points and purpose of the accounts.	The Statement of accounts follow the layout and content set out in the CIPFA regulations; the summary accounts produced will cover this point and are easier for readers to understand.

Received from	Group or CC Accounts	Page Ref	Question	Answer
NM	Group	General Point	What further steps and actions can be taken to get to a position where the financial statements are published by 30 th September each year? I understand this is challenging but is this something that could be worked towards over the next few years?	The financial statements have been published in draft form on the website by mid-June every year. Grant Thornton this year aim to have completed the external audit by 30 September so we should be able to publish the final financial statements by 30 September unless there are some external issues which affect this e.g. LGPS audit report is late. In recent years the deadline for publishing was 30 November and we have either achieved this deadline or signed off close to it. We are within the top 5% of Forces who are up to date with the publishing of their financial statements. Many UK Forces have 1 or 2 years' worth of financial statements outstanding.
NM	Group	9	In line with International Accounting Standard 19 the net pensions liability for financial year 2023/24 stands at £2.6 billion and is the ultimate responsibility of government. This distorts the accounts. Are there any steps that could be taken to change this?	We are required to follow CIPFA (Chartered Institute of Public Finance Accountants) guidelines in producing the financial statements. They determine the presentation of the pension liability in the financial statements, and we are required to follow their guidance. If we did not follow accounting procedures, then our auditors would highlight an inconsistency and we would receive a qualified audit opinion.
NM	Group	51	I understand that there are a number of methods that can be used to depreciate assets. Which method is used in the accounts? For instance straight line or declining balance?	Please see note 1.10 Depreciation in the Group Accounts where the depreciation method is mentioned. Straight line method is used for all asset categories.
JJYM	Covering note	2	When will the next iteration of the MTFP be planned to be produced? Will this be earlier with a new PCC / new government?	The next MTFP (25/26) will start to be prepared in September 2024 and the process will run through to sign off by the Police and Crime Panel in February 2025. The timetable does not change for a new PCC or a new government.

Received from	Group or CC Accounts	Page Ref	Question	Answer
JJYM	Covering note	3 & 5	Capital Project spend is increasing, do we have / what is projected spend for 2024/25 and forward? Put this in the context of the decrease of £8.1m in capital reserves.	<p>Our projections in last year's MTFP for capital spend are as follows: - 24/25 £29.8m, 25/26 £31.0m, 26/27 £23.2m, 27/28 £15.5m, 28/29 £14.4m.</p> <p>Total reserves have decreased by £8.1m over the year to 31 March 2024, from this total, capital reserves have decreased by £6.1m. This decrease is due to using the capital financing reserve to fund some of the capital spend in the year.</p> <p>There are various other funding streams to assist with this spend as well as capital reserves, which include revenue contributions, capital receipts, partner contributions and borrowings.</p> <p>A plan of how future capital spend is expected to be funded is included in our MTFP each year.</p>
JJYM	Covering note	5	How long has the historic overtime liability (£3.3m) been in place and when is this forecast to be substantially resolved?	The historic overtime liability has existed for at least the last 6 years, however it is anticipated that several cases may be resolved in the next 2 to 3 years.
JJYM	Covering note	6	What is the forecast annual unitary charge over the next few years and the gap to the Home Office's committed capital funding? Say over the remaining life of the MTFP.	<p>The Home Office grant is a fixed amount that does not increase each year by inflation. The PFI Sinking Fund reserve is used over the life of the PFI contract (25 years) to attempt to equalise the phasing of the government grant income and the expenditure on the unitary charge. The effect of this reserve is that it is added to annually over the first half of the contract (growing until March 2026), after which it begins to reduce as the fund is released to offset the annual shortfall in grant funding that our model forecasts.</p> <p>The Home Office grant approximately covers the Minimum Revenue Provision, PFI lease interest and lifecycle maintenance, but does not cover the service charge for the sites.</p> <p>Table at the end of the document has the charges over the life of the MTFP, the % used has been updated since the MTFP, as at that point the inflationary rate was unknown and assumed.</p>

Received from	Group or CC Accounts	Page Ref	Question	Answer
JJYM	Covering note	6	Is it then possible, over the same period, to give the gap after considering the contributions shown under factors a) & b) ? Presuming c) revenue funding is then whatever the remaining gap is. Presume this goes into the MTFP.	Please see table below
JJYM	Covering note	7	Where do we get the definition of related parties from? Would (should?), for example, any A&S MPs, Mayors, local County Councillors etc come under related parties?	The definition is taken from the CIPFA code which states that related parties are close members of the family of any of the Key management personnel i.e. the Chief Officer group and the OPCC Executive officers. The definition states that this could also include related entities or connected parties if there is control or significant influence over the reporting entity.
JJYM	Covering note	7	Under Contingent liabilities regarding pension schemes, do these impact both the Police Officer and Police Staff pension schemes? If impacting the smaller Police Staff scheme, which the PCC / CC has more direct responsibility for any funding deficit, suggest we should see if there is some way to get a better understanding of potential impact.	McCloud mainly impacts Officer schemes however there could be an impact on the staff liabilities. We will amend the wording to be clearer on the impact for both schemes.

Received from	Group or CC Accounts	Page Ref	Question	Answer
JJYM	Group	4 & 6	What has been the historic yearly trend of the additional savings totalling £96.7m (this year £3.7m, forecast £8.2m next and £17.9m by 2028/29) to produce a balanced budget? Does this give support to this being sustainable as implied in the MTFP?	The historic average savings achievable each year are between £7 to £8m and so the forecast for this and next year appears achievable.

Received from	Group or CC Accounts	Page Ref	Question	Answer
JJYM	Group	4	<p>What has been the historic trend in Officer overtime (and it's overspend) been? Is it possible to show some split between the different drivers of it? A split between "events" and what is hopefully a transitory phase (even if for several years) of supporting the uplift in officers would be helpful in indicating what potentially is the future right size of the force. i.e without excessive overtime for officers. Roughly how much overtime does this mean an average officer is having to do?</p>	<p>We can provide further analysis on this if that would be helpful to JAC members. It isn't possible for us to completely break this down with accuracy, however, it may be possible for us to show some meaningful breakdown of this.</p> <p>Overtime is incurred for both bank holidays and in support of general operations. The bank holiday cost is largely reflective of the number of officers in force, as this has grown through uplift the number working on bank holidays has equally grown.</p> <p>General overtime is incurred for a number of things, which include:</p> <ul style="list-style-type: none"> • Ensuring we can routinely stand-up sufficient officers to meet our optimum staffing levels to meet demand – this is being managed alongside a fluctuating seasonal demand position, and ongoing abstraction, which in recent years has been greater as the new officers are abstracted out to undertake their initial training over the first 2/3 years of their service. • Managing planned local operations and events – including those where we are able to charge for special policing services above those expected of us ordinarily (e.g. policing Glastonbury Festival). • Managing reactive local incidents and events – where we are required to resource an immediate operational need such as a serious road traffic collision. • Supporting planned operations in other force areas through mutual aid – providing resources to other forces to support in their operations, for which we would be reimbursed costs under national mutual aid arrangements. Examples of this could be planned long in advance (e.g. Kings coronation) or more reactive to emerging intelligence (e.g. planned protests as seen over August 2024).

Received from	Group or CC Accounts	Page Ref	Question	Answer
JJYM	Group	4	Have we increased the budget for Police Staff overtime in the MTFP?	Yes adjustments have been made to the overtime budget over time. This reflects annual pay awards, as well as increases to the bank holiday budgets and some small increases elsewhere. Our finance and workforce planning teams are working closely on forecast abstraction levels to understand the extent to which this position will change as our workforce profile matures, and we will be using this information to inform the thinking for future years overtime budgets and the extent to which further growth may be needed to sustain a position that cannot easily be brought back within existing budgets.
JJYM	Group	6	What reasoning lies behind the assumptions that core grant funding will increase by 9.5% and local tax funding by 20.1% by 2028/29?	<p>Core grant - The core grant increases by £11.8m/6.0% from 23/24 to 24/25 (pg 11 MTFP) this incorporates the 7% pay settlement that was initially provided as a separate grant in 2023/24. Beyond 2024/25 our MTFP plan assumes an increase to grant funding of +1/0% p.a.. This results in the assumption of the 9.5% increase by 2028/29.</p> <p>Council Tax Funding - The value of council tax income received in any one year is determined by three key factors: -</p> <ul style="list-style-type: none"> • Effectiveness of collection in previous year generating surplus or deficit on the collection fund. • The tax base (no. and profile of properties) from which council tax will be collected; and • The value of the precept set by the Police and Crime Commissioner. <p>The collection fund is impossible to forecast and can vary from large surplus to large deficit year on year. It was agreed therefore to assume nothing wither way in MTFP. The tax base is based on info from the Local Authorities for 25/26 and then reverts to a slightly lower percentage increase to be prudent. The precept is set by the PCC following public consultation, in consideration of the Governments referendum cap (which sets annually the limit on how much the precept can be increased without needing a local referendum), and after endorsement from the Police and Crime Panel. For planning purposes, we agreed with the previous PCC to estimate at a 2% increase p.a. as this reflected HMTs and the Bank of England's long-term inflationary target.</p>

Received from	Group or CC Accounts	Page Ref	Question	Answer
JJYM	Group	8	What is the current size of the overall procurement budget that £1.5m of savings were made on in 2023/24? What further savings against procurement have been made in the MTFP forecast?	In 23/24 the revenue non-pay budget was approx. £82.5m. Non-pay savings in the 24/25 MTFP through to 28/29 include £1.1m for premises, £3.1m in supplies and serves and £0.6m of partnership savings - £4.8m in total.
JJYM	Group	18	First para, last sentence – correct to ‘be’ rather than ‘me’.	This will be updated.

Received from	Group or CC Accounts	Page Ref	Question	Answer																																																																														
JJYM	Group	19	What is the overall approved headcount and number of vacancies currently? Please also give the same numbers for the end of the previous financial year.	<div><table><tr><td>Police Officers</td><td>FTE – Authorised</td><td>FTE – Budgeted</td><td>FTE – Temporary</td><td>Target Headcount</td></tr><tr><td>Authorised Establishment / Target</td><td>3,218.25</td><td>3,199.65</td><td>18.60</td><td>3,291</td></tr><tr><td>Actuals – incl. Career Breaks</td><td>3,330.30</td><td>3,330.30</td><td></td><td>3,393</td></tr><tr><td>Variance – incl. Career Breaks</td><td>112.05</td><td>130.65</td><td></td><td>102</td></tr><tr><td>Career Breaks</td><td>8.41</td><td>8.41</td><td></td><td>10</td></tr><tr><td>Variance – excl. Career Breaks</td><td>103.64</td><td>122.24</td><td></td><td>92</td></tr></table></div> <div><table><tr><td>PCSOs</td><td>FTE - Authorised</td><td>FTE - Budgeted</td><td>FTE - Temporary</td></tr><tr><td>Authorised Establishment / Target</td><td>345.00</td><td>345.00</td><td>0.00</td></tr><tr><td>Actuals – incl. Career Breaks</td><td>306.45</td><td>306.45</td><td></td></tr><tr><td>Variance – incl. Career Breaks</td><td>-38.55</td><td>-38.55</td><td></td></tr><tr><td>Career Breaks</td><td>2.97</td><td>2.97</td><td></td></tr><tr><td>Variance – excl. Career Breaks</td><td>-41.52</td><td>-41.52</td><td></td></tr></table></div> <div><table><tr><td>Police Staff</td><td>FTE – Authorised</td><td>FTE - Budgeted</td><td>FTE - Temporary</td></tr><tr><td>Authorised Establishment / Target</td><td>2,949.11</td><td>2,814.58</td><td>134.53</td></tr><tr><td>Actuals – incl. Career Breaks</td><td>2,681.47</td><td>2,681.47</td><td></td></tr><tr><td>Variance – incl. Career Breaks</td><td>-267.64</td><td>-133.11</td><td></td></tr><tr><td>Career Breaks</td><td>11.38</td><td>11.38</td><td></td></tr><tr><td>Variance – excl. Career Breaks</td><td>-279.02</td><td>-144.49</td><td></td></tr></table></div> <div>Thats what we have for 2023</div> <div><div>In terms of now</div><div><div>Authorised FTE 6,547.56</div><div><div>Budgeted FTE 6,414.48</div><div>Temporary FTE 133.08</div></div><div>Actual FTE 6,264.74 <small>Difference to Authorised</small></div></div><div>Headcount 6616 (not inc. ext secondments)</div><div><div>Authorised FTE 3,234.87</div><div><div>Budgeted FTE 3,213.27</div><div>Temporary FTE 21.60</div></div><div>Actual FTE 3,261.83 <small>Difference to Authorised</small></div></div><div>Officer Headcount 3307</div></div>	Police Officers	FTE – Authorised	FTE – Budgeted	FTE – Temporary	Target Headcount	Authorised Establishment / Target	3,218.25	3,199.65	18.60	3,291	Actuals – incl. Career Breaks	3,330.30	3,330.30		3,393	Variance – incl. Career Breaks	112.05	130.65		102	Career Breaks	8.41	8.41		10	Variance – excl. Career Breaks	103.64	122.24		92	PCSOs	FTE - Authorised	FTE - Budgeted	FTE - Temporary	Authorised Establishment / Target	345.00	345.00	0.00	Actuals – incl. Career Breaks	306.45	306.45		Variance – incl. Career Breaks	-38.55	-38.55		Career Breaks	2.97	2.97		Variance – excl. Career Breaks	-41.52	-41.52		Police Staff	FTE – Authorised	FTE - Budgeted	FTE - Temporary	Authorised Establishment / Target	2,949.11	2,814.58	134.53	Actuals – incl. Career Breaks	2,681.47	2,681.47		Variance – incl. Career Breaks	-267.64	-133.11		Career Breaks	11.38	11.38		Variance – excl. Career Breaks	-279.02	-144.49	
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JJYM	Group	20	Re the statement the current MTFP shows an improved position compared to last year. Please provide the comparative figures for last and this year.	Please see tables below																																																																														

Received from	Group or CC Accounts	Page Ref	Question	Answer
JJYM	Group	25	Suggest that the position on the current JAC membership is updated.	We will remove the following “who are currently being vetted at the time of writing.”
JJYM	Group	54	Employee benefit expenses for 2022/23 show £89.361m and for 2023/24 minus £18.377m – please explain.	This is made up of the holiday pay adjustment, Pension current year and past service cost net against employers contribution. Previous years the current pension service cost has always been higher than the contributions, this year is not the case and results in a net credit. Auditors have suggested we add narrative to this table to explain which we are doing.
JJYM	Group	59	External Audit costs have increased from £58k to £195k – what is the justification for this?	This is a national issue where audit firms do not have the relevant funding to resource the increasing expectations of audit requirements for a full audit opinion. We have been provided with some funding to support these additional costs. The audit fees are set by PAA and our audit team charge for additional cost for expert time.
JJYM	Group	64 / 65	The last full valuation of the Police Officers pension scheme liabilities was undertaken in January 2021 – when is the next one scheduled? Note that updated valuation work re IAS 19 was done on the Police staff pension scheme in 2023/24.	The full valuation is completed every 4 years, the next one would be January 2025
JJYM	Group	74	Loans to be repaid within one year have increased to £8.9m from £1.1m but the loan repayment schedule shown for 2023 appears not to support this increase. Were a number of short-term loans ie under a year taken on and what were they for?	There was a £5m temporary loan take out over year end by the treasury team. This was included in the balance sheet figures but not in the loan repayment schedule as it was repaid days after. Normally a temporary loan is taken over year end due to the timing of grant payments

Received from	Group or CC Accounts	Page Ref	Question	Answer																				
JJYM	Group	82/83	The 2022/23 Financial Liabilities / Assets are shown in blue and then 2023/24 in black, previously the reverse convention has been used.	We will amend																				
JJYM	Group	84	On this page the first table shows 2024 numbers before 2023 and in the second table they are then shown after 2023. Would it be better to always show in the same order in tables throughout the accounts? My preference would be 2023 then 2024 as it is the way I read!	We will amend																				
ZR	Group	13/14	<p>“During 2023/24 the OPCC dealt with 171 complaint reviews of which 18% were upheld”.</p> <p>How does the number of complaint reviews and % upheld compare to previous years? Are there any patterns/themes in the nature of the complaints that have been upheld?</p>	<p>Between 22/23 and 23/24 there has been a 2% increase in the total number of PCC reviews, but a 2% decrease in the percentage of reviews upheld.</p> <p>The common reasons amongst reviews upheld include:</p> <ul style="list-style-type: none"> • Lack of information being provided to the complainant • Complaints being forgotten (where more than one issue is being complained about at once) • Forgetting to include a finding • Forgetting to apologise • Forgetting to identify learning (where the force is at fault) <table border="1"> <thead> <tr> <th>Year</th><th>20/21</th><th>21/22</th><th>22/23</th><th>23/24</th></tr> </thead> <tbody> <tr> <td>Total Reviews</td><td>190</td><td>221</td><td>167</td><td>171</td></tr> <tr> <td>Reviews Upheld</td><td>37</td><td>48</td><td>33</td><td>31</td></tr> <tr> <td>Reviews Upheld %</td><td>19%</td><td>22%</td><td>20%</td><td>18%</td></tr> </tbody> </table>	Year	20/21	21/22	22/23	23/24	Total Reviews	190	221	167	171	Reviews Upheld	37	48	33	31	Reviews Upheld %	19%	22%	20%	18%
Year	20/21	21/22	22/23	23/24																				
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Received from	Group or CC Accounts	Page Ref	Question	Answer
ZR	Group	58	<p>Table showing numbers of staff who are paid more than £50k a year.</p> <p>This shows an overall increase in staff paid over £50k from 849 (22/23), to 1201 (23/24). To what extent is this driven by inflationary increases? Are there other factors that have also contributed to this, e.g. more senior at senior level?</p>	<p>The main contribution would be the 7% pay award shifting 4 bands into the first banding group. Police Officer bands SG 3 and 4, Police staff bands PO 12 to 15. There are other factors such as promotions or role changes that will contribute to the movement into the £50k pay bracket (114 employees) and 102 into £55k banding.</p>
ZR	CC	4	<p>Table setting out numbers of employees, actual FTE and actual headcount.</p> <p>Could the % of employees who are part time also be included, here or elsewhere? I recognise this can be calculated from the figures provided. Given the importance of this (in terms of inclusivity and being an attractive employer), I suggest it should be more readily available.</p> <p>Has the % of part time staff increased/decreased for 23/24 compared to the previous year?</p>	<p>Last year the % of Part time was 19% overall, this year it is 21%</p> <p>We will add the % part time into the table</p>
ZR	N/A	N/A	<p>Will a shorter, more accessible version of the statement of accounts be produced again this year? And will it be published in order to increase the accessibility of the information?</p>	<p>Yes, the summary accounts will be available in the September JAC meeting</p>

Received from	Group or CC Accounts	Page Ref	Question	Answer
JV	Group	75	Self-insurance provision – I expect GT to opine but what has been our loss experience over the last say two years?	£744k relating to the undercover policing claims. Other general claims paid out over the last two years total £ 1.88m
JV	Group	48	External interest payable - £5.765m – what does this relate to?	£400k fair value adjustment for financial instruments, £3.8m PFI lease interest, £1.5m General interest charges on external borrowing.
JV	Group	50	Financial instrument fair value adjustment £400k – what financial instrument does this relate to and why do we have it? Seems to be mostly cash or near cash so why an adjustment needed?	This is for the CCLA property fund. By regulation it should be recorded as fair value through the profit & loss, something that was picked up in previous audit and we have actioned.
JV	Group	28	PCC Conclusion – states that are improvements are needed but I don't easily recognise what these are from reading the report.	We will amend the following sentence: "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." It will be replaced with: "We are satisfied that our internal governance processes will identify any improvements that are needed and that appropriate steps will be taken to enhance our governance and improve our assurance."
JV	Group	25 and 40	SAP licence depreciated over 25 years – is this normal as seems a long time for software	This was what was deemed appropriate at the time of purchase, it was thought we would continue to upgrade the system through SAP, which is now not the case.
JV	Group	29 and 30	As these are identical is that correct? Are there no adjustments for Group?	The difference is within the net cost of services. Group has a OCC line, PCC has just OPCC and Commissioning then the intragroup adjustment from the OCC below
JV	Group	34	Net cash has fallen significantly – I think I raised this in one of the meetings and was advised that we have treasury management in place but should the accounts confirm that there is sufficient cash (or not)?	The accounts cover all elements as required by regulations, cash flow shows there is still cash and the investment movement, also the financial instruments highlight the decrease in cash but increase in investments and debtors compared to previous years.

Received from	Group or CC Accounts	Page Ref	Question	Answer
JV	Group	63	What is the relationship between pensions and council tax that means a charge is made (see note 16)?	It is the explanation of how group recognises the cost of retirement benefits. I.e the cost of these benefits for police staff is reported in cost of services when they are earned by staff members. Rather than when the benefits are eventually paid as pensions. The charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post – employment/ retirement benefits is reversed out of the general fund through the movement in reserves statement.
JV	Group	86	Credit risk – is there consideration of concentration risk as part of this? In other words do we limit our exposure to a single counterparty? I have not had a chance to read the policy yet but if we do have this control in place should we refer to it here?	The treasury team will use various counterparties to invest with, from banks to other local authorities. They would monitor the credit ratings before investing.
JV	Group	27	Significant Risks – two are mentioned but three risks are “red” rated in the risk register	These documents are written at different points in time and we are satisfied that the two risks highlighted in the AGS are the most significant to flag. We will be further reviewing our strategic risk register this coming month and will consider your observation as part of that.
JV	Group/CC	General	Fraud controls – can’t see any mention on how this risk has been considered and assessed	The internal controls within the finance team are designed to mitigate risk of fraud and the financial controls are reviewed each year by SWAP, South West Audit Partnership. Any improvements that are identified are closely monitored and followed up until implemented. Progress on these are reported back to the Finance & Assets committee meeting on a regular basis.
JV	Group	Covering note	Appendix C is helpful but do we get to see the “out-turn” at JAC as the year progresses, and I assume this is the management accounting view.	The full out turn is not presented to JAC, however that and the quarterly management reports are available on the PCP web page. Yes, outturn is the management accounting view.
JV	Group	General	The medium term plan is said to be subject to review post-election, not that the election has been held will there be an update to this wording before accounts get approved?	A new MTFP process will be in September 2024 for the 25/26 5-year MTFP and this will incorporate any updates from the recent election. Although the pay award of 4.75% for police officers has been announced, we are waiting for 30 October for an announcement on funding and possible other changes that we need to incorporate into the new MTFP.

MTFP Comparative tables

22/23 MTFP

	Current	MTFP Forecast				
	22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000
Budget requirement	353,706	376,084	392,392	404,128	414,962	424,501
Less; Total funding	-356,364	-369,473	-379,343	-386,498	-393,833	-401,352
(Surplus)/Deficit before savings	-2,658	6,611	13,049	17,630	21,129	23,149
Less; New savings		-2,952	-3,084	-4,211	-4,217	-4,195
Contribution (from)/to reserves	2,658	-3,659	-	-	-	-
(Surplus)/Deficit after savings	-	-	9,965	13,419	16,912	18,954

23/24 MTFP

	Current	MTFP Forecast				
	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
Budget requirement	373,132	397,481	415,176	427,520	439,886	451,063
Less; Total funding	-369,473	-391,103	-397,843	-405,405	-413,164	-421,131
(Surplus)/Deficit before savings	3,659	6,378	17,333	22,114	26,722	29,932
Less; New savings		-6,378	-17,333	-17,794	-17,875	-17,927
Contribution (from)/to reserves	-3,659	-	-	-	-	-
(Surplus)/Deficit after savings	-	-	-	4,320	8,847	12,005

PFI

	24/25	25/26	26/27	27/28	28/29	
Minimum Revenue Provision	2,299,493	2,297,308	2,784,031	2,891,356	2,086,226	<i>Equal to repayment of principal</i>
PFI lease interest	4,418,324	4,235,528	4,052,906	3,831,593	3,601,748	
Lifecycle maintenance	1,030,710	1,262,978	1,007,348	1,171,018	2,256,918	
Service charge	2,815,663	2,884,903	2,955,873	3,028,618	3,103,181	
Total unitary charge	10,564,191	10,680,718	10,800,158	10,922,585	11,048,072	
Government grant	- 7,522,713	- 7,522,713	- 7,522,713	- 7,522,713	- 7,522,713	
Glos & Wilt contribution for Black Rock running costs	- 274,138	- 280,880	- 287,789	- 294,872	- 302,132	
Sinking reserve adjustment	52,017	9,818	34,767	81,838	131,500	
Interest on sinking fund balance	- 117,380	- 118,076	- 117,795	- 116,483	- 114,083	
Total unitary charge less grant, contribution and interest	2,701,977	2,768,868	2,837,094	2,906,679	2,977,644	
<i>% increase</i>		2.5%	2.5%	2.5%	2.4%	

The Joint Audit Findings for Avon and Somerset Police

Year ended 31 March 2024





The Police and Crime Commissioner and Chief Constable
for Avon & Somerset

Police and Fire Headquarters
Valley Road,
Portishead,
Bristol,
BS20 8QJ

5 September 2024

Dear Police and Crime Commissioner and Chief Constable,

Audit Findings for Avon and Somerset Police for the year ended 31 March 2024

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (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 for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. 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.

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to drive audit quality by reference to the Audit Quality Framework. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2023.pdf \(grantthornton.co.uk\)](#).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Julie Masci

**Director
For Grant Thornton UK LLP**

Private and Confidential

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Chartered Accountants

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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 PCC 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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This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management, the PCC and Chief Constable as those charged with governance, and the Joint Audit Committee.

Julie Masci

Julie Masci
For Grant Thornton UK LLP
5 September 2024

1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Avon and Somerset Police and Crime Commissioner (‘the PCC’) and Avon and Somerset Chief Constable and the preparation of the PCC’s and Chief Constable’s financial statements for the year ended 31 March 2024 for those charged with governance.

Financial Statements	
<p>Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (‘the Code’), we are required to report whether, in our opinion the financial statements:</p> <ul style="list-style-type: none">• give a true and fair view of the financial positions of the PCC and Chief Constable’s income and expenditure for the year; and• have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014. <p>We are also required to report whether other information published together with each set of audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated</p>	<p>Our audit work has been delivered using a hybrid of remote and on-site working, which began at the end of June 2024 and is planned to conclude in line with our original target date of 30 September. Our findings to date are summarised on pages 10 to 40. From our work to date, we have identified one adjustment that impacts the figures with the primary statements of the of the Chief Constable, PCC or PCC Group’s, however this adjustment does not impact the outcome of the Chief Constable, PCC or PCC Group’s financial position or reserves. We have identified 14 other and disclosure amendments to the Chief Constable and PCC Group financial statements and notes to the financial statements. Audit adjustments are detailed in Appendix D.</p> <p>We have also raised recommendations for management as a result of our audit work. These are set out in Appendix B. Our follow up of recommendations from the prior year’s audit are detailed in Appendix C.</p> <p>Our work is substantially complete, in line with our planned timetable for completion of the audit before the end of September 2024 and there are currently no matters of which we are aware that would require modification of our audit opinions for the group, PCC or Chief Constable financial statements, subject to the following outstanding matters;</p> <ul style="list-style-type: none">• Completion of substantive testing of material balances for notes to the financial statements of the Chief Constable and PCC Group.• work to conclude that the other information to be published with the financial statements, is consistent with our knowledge of your organisations and the financial statements we have audited.• Completion of quality reviews on remaining audit work on our audit file and satisfactory conclusion of any resultant queries.• receipt of management representation letters; and• review of the final sets of financial statements <p>Our anticipated financial statements audit report opinions will be unmodified. Our work on the PCC’s and Chief Constable’s value for money (VFM) arrangements is in progress, but not yet complete, however there are no material findings to raise to date. The outcome of our VFM work will be reported in our commentary on the PCC’s and Chief Constable’s arrangements in our Auditor’s Annual Report (AAR). We are satisfied this work does not have a material effect on our opinions on the financial statements for the year ended 31 March 2024</p>

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether in our opinion, both entities have put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

Our work on the PCC and Chief Constable's value for money (VFM) arrangements will be reported in our commentary on the PCC and Chief Constable's arrangements in our Auditor's Annual Report (AAR). This work is underway and there are no significant findings that we wish to bring to your attention to date. We expect to conclude our VFM work by 30 September 2024 and will present our final Auditors Annual Report to the next Joint Audit Committee.

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 audit.

We have not exercised any of our additional statutory powers or duties.

Work required under the Code is in progress and we and expect to be able to certify the completion of the audit when we give our audit opinion.

Significant matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

We would like to record our thanks to the finance team who have responded to our audit queries promptly and appropriately throughout the audit period.

1. Headlines

National context – audit backlog

Nationally there have been significant delays in the completion of audit work and the issuing of audit opinions across the local government sector. Only 12% of local government bodies had received audit opinions in time to publish their 2021/22 accounts by the extended deadline of 30 November. There has not been a significant improvement over this last year, and the situation remains challenging. We at Grant Thornton have a strong desire and a firm commitment to complete as many audits as soon as possible and to address the backlog of unsigned opinions. By the end of May 2024, Grant Thornton had signed 65% of our 2022/23 audits. This compared with 7% for other firms. We are on course to sign 80% before the local authority backstop is introduced for 2022/23. We have also made good progress with our 2023/24 audits and are pleased to present this report to you on a timely basis.

Over the course of the last year, Grant Thornton has been working constructively with MHCLG, the FRC and the other audit firms to identify ways of rectifying the challenges which have been faced by our sector, and we recognise the difficulties these backlogs have caused authorities across the country. We have also published a report setting out our consideration of the issues behind the delays and our thoughts on how these could be mitigated. Please see [About time? \[grantthornton.co.uk\]](https://www.grantthornton.co.uk/about-time/)

We would like to thank everyone at the PCC and Chief Constable for their support in working with us to ensure information was provided in a timely manner to ensure we have not fallen behind our planned delivery timeline and this should enable us to issue a timely audit opinion, subject to the resolution of outstanding matters on page 4, before the end of September.

1. Headlines

National context – audit backlog

Consultation

The Ministry of Housing, Communities and Local Government (MHCLG), working with the FRC, as incoming shadow system leader, and other system partners, has put forward proposals to address the delay in local audit. The proposals consist of three phases:

Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 30 September 2024.

Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles.

Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit.

The consultation ran until 7 March 2024. Full details of the consultation can be seen on the following pages:

- [Consultations on measures to address local audit delays \(frc.org.uk\)](https://www.frc.org.uk/consultations/consultations-on-measures-to-address-local-audit-delays)
- [Addressing the local audit backlog in England: Consultation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/addressing-the-local-audit-backlog-in-england)
- [Code of Audit Practice Consultation - National Audit Office \(NAO\)](https://www.nao.org.uk/consultations/code-of-audit-practice-consultation)

Our response to the consultation

Grant Thornton responded to the consultation on 5 March 2024. In summary, we recognise the need for change, and support the proposals for the introduction of a backstop date of 30 September 2024. The proposals are necessarily complex and involved. We believe that all stakeholders would benefit from guidance from system leaders in respect of:

- the appropriate form of reporting for a backstopped opinion
- the level of audit work required to support a disclaimer of opinion
- how to rebuild assurance in terms of opening balances when previous years have been disclaimed.

We believe that both auditor and the PCC and Chief Constable efforts will be best served by focusing on rebuilding assurance from 2023/24 onwards. This means looking forwards as far as possible, and not spending 2023/24 undertaking audit work which was not carried out in previous years. We look for guidance from systems leaders to this effect. The timing of the general election has delayed the implementation of these proposals. Once we have a further understanding of the new government's intentions, and its priorities across the sector we will discuss this with you.

National context – level of borrowing

All PCCs and Chief Constables continue to operate in an increasingly challenging financial context. With inflationary pressures placing increasing demands on budgets, there are concerns as PCCs and Chief Constables look to alternative ways to generate income. The PCC Group has stable levels of borrowing and a steady minimum revenue provision. A balanced budget has been put forward for the next 2 financial years and this has been deemed robust and realistic. We are comfortable with the level of borrowing currently exhibited by the PCC group.

2. Financial Statements

Overview of the scope of our audit

This Joint Audit Findings Report presents the observations arising from the audits that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents will be discussed with management, the PCC and Chief Constable as those charged with governance, and the Joint Audit Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, 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 for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the PCC and Chief Constable's business and is risk based, and in particular included:

- An evaluation of the PCC's and Chief Constable's internal controls environment, including their IT systems and controls, and;
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion on the financial statements of both the PCC and the Chief Constable by the end of September 2024, subject to the outstanding matters detailed on page 4.

2. Financial Statements



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.

We have revised our materiality, performance materiality and triviality thresholds since our audit planning phase due to the actual gross expenditure published in the draft statements changing significantly from that anticipated at the planning stage, resulting in a review of the appropriateness of the materiality figure.

We set out the thresholds used at the fieldwork stage of our audit in this table our determination of materiality for the PCC Group and Chief Constable

PCC Group and Chief Constable (£'000)

Materiality for the financial statements	9,000
Performance materiality	6,750
Trivial matters	450
Materiality for senior officers remuneration (per officer)	20

We have determined financial statement materiality based on the lowest gross expenditure figure of the group, the PCC and the Chief Constable for the financial year. The Chief Constable has the lowest figure therefore this has been used to determine our materiality. In the prior year we used the same benchmark. £9.0m (PY £9.4m), equates to 1.5% of the Chief Constable's draft accounts gross expenditure.



2. Financial Statements: Significant risks

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.

This section provides commentary on the significant audit risks communicated in the Joint Audit Plan.

Risks identified in our Audit Plan	Relates to	Commentary
<p>Management override of controls</p> <p>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>	<p>PCC / Chief Constable / Group</p>	<p>We have:</p> <ul style="list-style-type: none">evaluated the design and implementation of management controls over journals;analysed the journals listing and determined the criteria for selecting high risk unusual journals;identified unusual journals made during the year and the accounts production stage for further audit testing;gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness; andevaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>We are currently:</p> <ul style="list-style-type: none">testing unusual journals made during the year and the accounts production stage for appropriateness and corroboration; <p>Our examination of the control environment has identified deficiencies, which have been raised in previous audits and further detail and audit evaluation of these and their impact can be seen in Appendix C of this report – they are summarised below and have resulted in us completing additional work to gain assurance over the completeness and accuracy of system reports and enhance our journals testing to test a greater number of journals.</p> <p>IT Audit Control Findings</p> <p>As reported in prior year audits, there are several significant deficiencies reported regarding inappropriate access and segregation of duties of users in SAP. Please see IT Audit report pages 7-9 for more details of these deficiencies, which are similar in nature to the previous 3 audit periods, dating back to 2020/21 and are inherent weaknesses in SAP as an accounting system, rather than any specific deficiencies relating to decisions made by the Force.</p> <p>Journals Control Findings</p> <p>The finance team have the ability to create and post their own journals as there are no automated controls within the financial system to prevent this from occurring.</p> <p>During the audit we have noted that there are no authorisation limits set within the financial system for individuals to post or approve journals.</p> <p>In December 2021, a new portal was introduced, called Assyst, which was designed to add an extra layer of transparency to the journals process. Assyst has a field for evidence to be included, but through our enquiry of journal users and our own observations of inspecting the software, we noted that evidence is not always submitted to support the journal.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
Risk of fraud related to revenue and expenditure recognition (rebutted)	PCC / Chief Constable / Group	<p>It was reported in our joint audit plan that we had determined there was no significant risk of material misstatement relating to revenue or expenditure recognition.</p> <p>We consider our rebuttal of the presumed revenue and expenditure recognition risks to remain appropriate.</p>
<p>Valuation of land and buildings</p> <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 expert plans to issue the valuations for 2023/24 following a desktop review. This is appropriate in line with the CIPFA Code, with a full external valuation due for the 2024/25 financial year.</p> <p>Land and building valuations represent a significant estimate by management in the financial statements due to the size of the numbers involved (£199.7m at 31 March 2023) and the sensitivity of the estimates to changes in key assumptions.</p> <p>We have therefore identified valuation of land and buildings as a significant risk.</p>	PCC / Group	<p>We have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; evaluated the competence, capabilities and objectivity of the valuation expert; written to the valuer to confirm the basis on which the valuation was carried out; challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding, the PCC's valuer's report and the assumptions that underpin the valuation; engaged our own valuation expert to assess the instructions to PCC's valuers, the valuers report and the assumptions that underpin the valuation; and <p>We are currently:</p> <ul style="list-style-type: none"> testing, on a sample basis, revaluations made during the year to see if they had been input correctly into the PCC (and group's) asset register; and Evaluating, on a sample basis, the assumptions made by the valuer, and management, for those assets revalued at 31 March 2024. <p>Discussions with the internal valuer are ongoing to ensure we understand and challenge the key assumptions used in the valuations to determine their appropriateness in line with supporting evidence. Findings to date are outlined below:</p> <p>We utilised an auditor's expert valuer to inform our challenge of the internal valuer's work with respect to the overall appropriateness of the valuation instructions, valuation certificate and the appropriateness of valuation methodology and application of assumptions and inputs. The audit team challenged valuations, on a sample basis, by reviewing inputs such as build rates, floor areas, yield rates and obsolescence factors and compared these to source data and comparables, to make a judgement on the reasonableness and material accuracy of the valuation outputs.</p> <p>The auditor expert brought to our attention that they would have expected the valuer to issue an engagement letter to the entity, rather than relying solely on the instruction letter issued from management to the valuer. This letter would ensure competency, objectivity, independence as well as documenting the approach to the valuation. This engagement letter should be issued at the outset of each instruction and in this case, each valuation year. Audit work has confirmed that the valuation instruction has been agreed by both parties prior to work commencing and further valuation inquiries have been made between auditor and valuer to ensure competence, objectivity and independence, however this recommendation still stands as an engagement letter from the valuer is seen as appropriate and best practice.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
Valuation of land and buildings (continued)	PCC / Group	<p>During our testing of land and building valuations, we identified that the valuer remeasured a small element of the HQ building, therefore updating the overall floor area applied in valuation, but did not retain a copy of any drawing or calculation of the revised area, so there is no evidence to support this assumption used in the revaluation calculation. The remeasured element is insignificant to the overall area of the asset. The total area of this asset was agreed to a floor plan held by the Force during the 2020/21 audit and the total area has remained broadly consistent within desktop valuations performed since then, which means we are satisfied that the valuation is not materially inaccurate following this remeasurement despite the lack of supporting evidence as the movement in area is minimal. We also recommend any consideration and decision made regarding use of alternative site areas or 'modern equivalent asset' assumptions are documented. We are satisfied that the value has considered these possibilities, through discussion, however it is best practice to formally document this also.</p> <p>In our 2021/22 audit, we recommended that the useful life should be clearly used in the obsolescence factor applied to specialised assets. In 2022/23 and in 2023/24 the valuer has now considered further elements such as build dates, and has linked the re-assessed build dates to obsolescence rates suggested by the Valuation Office Agency. However, the recommendation that the valuer directly link assets' remaining UELs to physical obsolescence rates remains. This is because if buildings have been maintained well, their remaining useful lives would be extended which then directly links to depreciation, as opposed to having a 'hypothetical build date' which brought the build date to a newer calendar year. Due to this it creates a potential risk that insufficient depreciation has been reflected within the valuation of some assets where remaining lives might be considered excessive when compared to the overall lifespan of a building. Therefore, we recommend the valuer to review this approach each year, however we are satisfied that there are no material issues for 2023/24.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
<p>Valuation of the net defined benefit liability (LGPS and Police Pension Schemes)</p> <p>The PCC's and Chief Constable's 's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements and is made up of the Local Government Pension Scheme (LGPS) and Police Pension Scheme (PPS).</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£2.6bn in the PCC's and Chief Constable's balance sheet) and the sensitivity of the estimate to changes in key assumptions.</p> <p>The actuarial assumptions used are the responsibility of the entities 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 liability. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions, we have therefore identified valuation of the Chief Constable and Group's pension fund net liability as a significant risk.</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. However, for the first time since IFRS has been adopted, the PCC and Chief Constable has had to consider the potential impact of IFRIC 14 - IAS 19 - the limit on a defined benefit asset. The impact of the asset ceiling calculated by the actuary means the result for the entity is still that of a net liability for the LGPS scheme.</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>	Chief Constable / Group	<p>We have:</p> <ul style="list-style-type: none">• updated 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;• evaluated the instructions issued by management to their management expert (Barnett Waddingham "the actuary") for this estimate and the scope of the actuary's work;• assessed the competence, capabilities and objectivity of the actuary who carried out the Group's pension fund valuation;• assessed the accuracy and completeness of the information provided by the Group to the actuary to estimate the liability;• tested the consistency of the pension fund asset (LGPS only) and liability and disclosures in the notes to the core financial statements with the actuarial reports; and• undertaken 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. <p>We note that this is the first instance in which the Force has had to consider the impact of IFRIC 14 due to the surplus on the Somerset Pension Fund at the year end 31 March 2024. We have satisfied ourselves that the actuary has given suitable consideration to this in their calculations and the outputs of which are in line with expectation. Some adjustments and added narrative have been processed in the accounts of both the PCC group and Chief Constable to ensure suitable presentation in the final accounts, more details of which can be found in Appendix D of this report.</p> <p>As part of the 2022/23 audit, we requested assurances from the auditor of the Somerset Pension Fund, with respect to the accuracy and appropriateness of the triennial valuation membership data. No issues were raised and we can therefore rely on these assurances for our 2023/24 work.</p> <p>Our audit work to date has not identified any issues in respect of valuation of the pension liability, aside from disclosure misstatements that do not impact the end result of the valuation, nor do they impact the closing financial position of the entities – see Appendix D for details.</p> <p>At the time of writing, we await receipt of the final assurances from the auditor of the 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.</p>

2. Financial Statements: new issues and risks

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant deficiencies identified during the year.

Issue	Commentary	Auditor view
IFRS 16 implementation <ul style="list-style-type: none"> Following consultation and agreement by FRAB, the Code will provide for authorities to opt to apply IFRS 16 in advance of the revised implementation date of 1 April 2024. In advance of this standard coming into effect, we would expect audited bodies to disclose the title of the standard, the date of initial application and the nature of the changes in accounting policy for leases, along with the estimated impact of IFRS 16 on the accounts 	<p>We have reviewed the PCC Group's IFRS 16 assessment working papers and disclosure notes in the draft accounts to ensure calculations and assumptions made are reasonable and in line with the standard, so this can be implemented from 1 April 2024.</p>	<p>We are satisfied that the PCC Group have assessed the impact of IFRS 16 suitably and have used assumptions that are appropriate in line with the standard.</p>
Recognition and Presentation of Grant Income <ul style="list-style-type: none"> The PCC receives a number of grants and contributions and is required to follow the requirements set out in sections 2.3 and 2.6 of the Code. The main considerations are to determine whether the PCC is acting as principal/ agent, and if there are any conditions outstanding (as distinct from restrictions) that would determine whether the grant be recognised as a receipt in advance or income. The PCC also needs to assess whether grants are specific, and hence credited to service revenue accounts, or of a general or capital nature in which case they are credited to taxation and non-specific grant income 	<p>We have reviewed grants received by the PCC to ensure accuracy of recognition and appropriateness of classification.</p>	<p>Work in this area is still ongoing, however we have found no instances of inappropriate grant recognition or classification to date.</p>
IT Control deficiencies <ul style="list-style-type: none"> Provide an overview of results from our assessment of the relevant Information Technology (IT) systems and controls operating over them which was performed as part of obtaining an understanding of the information systems relevant to financial reporting. 	<p>Deficiencies have been raised from the conclusion of our IT Audit procedures that are in line with those raised in previous audit periods.</p>	<p>Please see Appendix C which outlines control findings and how this impacts our substantive audit work, as well as a high level summary of outcomes on page 19.</p>

2. Financial Statements: key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Significant judgement or estimate	Relates to	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £202.7m	PCC/ Group	<p>Other land and buildings comprises £163.5m of specialised assets such as Police Headquarters and Police Centres, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings (£35.7m) are not specialised in nature and are required to be valued at existing use in value (EUV) at year end and a small number of immaterial leased buildings not part of the valuation exercise (£3.5m) make up the total balance. The PCC engaged Jones Lang LaSalle Limited (JLL) to complete a full valuation of Land and Buildings as at 31/03/2020 as part of the cyclical valuation programme. At 31/03/2021, 31/03/2022, 31/03/2023 and 31/03/2024 their internal valuer has undertaken a desktop valuation. All land and buildings assets aside from the leased buildings were revalued during 2023/24, with the leased buildings expenditure being carried at depreciated historic cost, which is reasonable due to the nature of the assets recognised in this category.</p> <p>The total year end valuation of land and buildings was £202.7m, a net increase of £3.0m from 2022/23 (£199.7m).</p>	<p>We have carried out the following work in relation to this estimate in line with the revised ISA540 requirements:</p> <ul style="list-style-type: none"> assessment of management's expert to ensure suitably qualified and independent; assessed the completeness and accuracy of the underlying information used to determine the estimate; assessed the appropriateness of any alternative site assumptions; assessed the consistency of estimate against market data; and assessed the adequacy of disclosure of estimate in the financial statements. consultation of our auditor's expert, discussing the methods and assumptions applied by the valuer. See data control and assumption recommendations raised in Appendix B, page 32. 	Light Purple

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Relates to	Summary of management's approach	Audit Comments	Assessment																				
LGPS Net pension liability – £13m	Chief Constable / Group	<p>The Group and Chief Constable's Local Government Pension Scheme (LGPS) net pension liability at 31 March 2023 is £13m (PY £33m).</p> <p>The Chief Constable uses Barnett Waddingham to provide actuarial valuations of the Chief Constable's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation was completed in 2022. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.</p> <p>There has been a £20m net actuarial gain during 2023/24.</p>	<p>In assessing the estimate, we have:</p> <ul style="list-style-type: none">assessed management's expert to ensure they are suitably qualified and independent;assessed the actuary's approach to confirm reasonableness of approach;used an auditor's expert (PwC) to assess the methods and and assumptions used by management's actuary (see table below for consideration of assumptions);gained assurance over the completeness and accuracy of the underlying information used to determine the estimate;assessed the impact of any changes to valuation method;assessed the reasonableness of decrease in estimate; andassessed the adequacy of disclosure of estimate in the financial statements – a number of disclosure changes were processed in relation to the LGPS disclosure notes in both sets of accounts. See Appendix D for details – none of the LGPS adjustments impact the primary statements or financial position of the PCC Group or CC. <p>We currently await the final letter of assurance from the auditor of Somerset Pension Fund in respect of assurances requested for the year ended 2023/24.</p>	Light Purple																				
		<table><tr><th>LGPS Assumptions Assumption</th><th>Actuary Value</th><th>PwC range</th><th>Assessment</th></tr><tr><td>Discount rate</td><td>4.95%</td><td>4.80%-4.95%</td><td>●</td></tr><tr><td>Pension increase rate</td><td>2.90%</td><td>2.85%-3.00%</td><td>●</td></tr><tr><td>Salary growth</td><td>3.9%</td><td>3.85%-4.00%</td><td>●</td></tr><tr><td>Life expectancy – Males currently aged 45/65</td><td>22.4/21.1</td><td>20.6-23.1/19.2-21.8</td><td>●</td></tr><tr><td>Life expectancy – Females currently aged 45/65</td><td>24.4/23.0</td><td>24.1-25.7/22.6-24.3</td><td>●</td></tr></table>	LGPS Assumptions Assumption		Actuary Value	PwC range	Assessment	Discount rate	4.95%	4.80%-4.95%	●	Pension increase rate	2.90%	2.85%-3.00%	●	Salary growth	3.9%	3.85%-4.00%	●	Life expectancy – Males currently aged 45/65	22.4/21.1	20.6-23.1/19.2-21.8	●	Life expectancy – Females currently aged 45/65
LGPS Assumptions Assumption	Actuary Value	PwC range	Assessment																					
Discount rate	4.95%	4.80%-4.95%	●																					
Pension increase rate	2.90%	2.85%-3.00%	●																					
Salary growth	3.9%	3.85%-4.00%	●																					
Life expectancy – Males currently aged 45/65	22.4/21.1	20.6-23.1/19.2-21.8	●																					
Life expectancy – Females currently aged 45/65	24.4/23.0	24.1-25.7/22.6-24.3	●																					

Assessment

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- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
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2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Relates to	Summary of management's approach	Audit Comments	Assessment																								
Police Pension Scheme liability - £2.6bn	Chief Constable / Group	<p>The Chief Constable's Police Pension Scheme liability at 31 March 2023 is £2.6billion (PY £2.6billion). The Chief Constable operates three pension schemes for police officers, these are the 1987, 2006 and 2015 Police Pension Schemes.</p> <p>The Chief Constable uses Barnett Waddingham to provide actuarial valuations of their Police Pension Scheme liabilities. A full actuarial valuation is required every four years.</p> <p>Whilst the last full actuarial valuation was completed in at 31 March 2021, the estimate of the pension liability at 31 March 2024 is based on up-to-date membership data and assumptions. Given the significant value of the net pension fund liability (surplus), small changes in assumptions can result in significant valuation movements.</p> <p>There has been a £10m net actuarial loss during 2023/24.</p>	<p>assessing the estimate, we have considered the following:</p> <ul style="list-style-type: none">assessed management's expert (Barnett Waddingham) to ensure they are suitably qualified and independent;assessed the actuary's approach to confirm reasonableness of approach;used an auditor's expert (PwC) to assess the methods and assumptions used by management's actuary (see table below for consideration of assumptions);gained assurance over the completeness and accuracy of the underlying information used to determine the estimate;assessed the impact of any changes to valuation method;assessed the reasonableness of decrease in estimate; andassessed the adequacy of disclosure of estimate in the financial statements – in comparing the figures disclosed in the draft accounts, we identified an incorrect figure for Police Officer Pension Contributions was translated from the IAS 19 report into the financial statements. This caused a disclosure and primary statement adjustment, more details of which can be found in Appendix D. <table><tr><th>Police Pension Scheme Assumptions</th><th>Actuary Value</th><th>PwC range</th><th>Assessment</th></tr><tr><td>Discount rate</td><td>4.90%</td><td>4.80%-4.95%</td><td>●</td></tr><tr><td>Pension increase rate</td><td>2.90%</td><td>2.85%-3.00%</td><td>●</td></tr><tr><td>Salary growth</td><td>3.90%</td><td>3.85%-4.00%</td><td>●</td></tr><tr><td>Life expectancy – Males currently aged 45/65</td><td>22.5/21.3</td><td>21.9-22.5/20.6-21.3</td><td>●</td></tr><tr><td>Life expectancy – Females currently aged 45/65</td><td>24.7/23.4</td><td>24.6-24.7/23.2-23.3</td><td>●</td></tr></table>	Police Pension Scheme Assumptions	Actuary Value	PwC range	Assessment	Discount rate	4.90%	4.80%-4.95%	●	Pension increase rate	2.90%	2.85%-3.00%	●	Salary growth	3.90%	3.85%-4.00%	●	Life expectancy – Males currently aged 45/65	22.5/21.3	21.9-22.5/20.6-21.3	●	Life expectancy – Females currently aged 45/65	24.7/23.4	24.6-24.7/23.2-23.3	●	Light Purple
		Police Pension Scheme Assumptions	Actuary Value	PwC range	Assessment																							
Discount rate	4.90%	4.80%-4.95%	●																									
Pension increase rate	2.90%	2.85%-3.00%	●																									
Salary growth	3.90%	3.85%-4.00%	●																									
Life expectancy – Males currently aged 45/65	22.5/21.3	21.9-22.5/20.6-21.3	●																									
Life expectancy – Females currently aged 45/65	24.7/23.4	24.6-24.7/23.2-23.3	●																									
<p>The life expectancy for females currently aged 65 falls just outside of the expected range, however we are satisfied this does not create a risk of material misstatement as a 0.1 year movement in assumptions for pensioners would result in an estimated non-material movement of £4m. This is based on the actuary's sensitivity analysis.</p>																												
Assessment																												

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Relates to	Summary of management's approach	Audit Comments	Assessment
Private Finance Initiative (PFI)	PCC / Group	<p>The PCC is part of a private finance initiative with Blue Light Partnership which includes the provision of services and building maintenance over the 25 years of the contract. At the end of the contract the ownership of the properties will pass over to the PCC. One of the properties provided, the BlackRock firearms training facility, is part of a Tri-Force agreement between the PCC and the PCC's of Gloucestershire and Wiltshire.</p> <p>The PFI properties are recognised on the balance sheet and revalued as part of the revaluation cycle. The liability to pay the cost of the capital investment to the Blue Light Partnership is also recognised on the balance sheet.</p>	<p>In assessing the estimate, we have:</p> <ul style="list-style-type: none"> reviewed the updated PFI model to ensure inputs can be evidenced; agreed the unitary charge included within the accounting model back to supporting invoices; agreed the liability figures back to the evidence to support PFI model; compared management's PFI model to a model produced by ourselves. assessed the adequacy of disclosures of estimate in the financial statements; assessed the completeness and accuracy of the underlying information used to determine the estimate; and ensured that the PCC is correctly recording their share of the liability in accordance with the Tri-Force agreement. gained assurance over the material accuracy and appropriate presentation of the PFI disclosures in the PCC Group accounts. 	Light Purple

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Relates to	Summary of management's approach	Audit Comments	Assessment
Provisions - £13.7m	PCC / Chief Constable / Group	The PCC and Chief Constable are responsible for determining the amount that should be provided for each year for probable future expenses. The provision is calculated based upon previous years' experience and advice from experts.	<p>We are currently:</p> <ul style="list-style-type: none"> Assessing provisions for completeness and ensured method of estimation is reasonable and consistent with previous periods. agreeing the method of calculation and assumptions used by Management's expert (Marsh) in calculating the Insurance provision. <p>Work in this area is currently ongoing.</p>	Light Purple

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas. For further detail of the IT audit scope and findings please see separate 'IT Audit Findings' report.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating				Additional procedures carried out to address risks arising from our findings
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	Related significant risks/other risks	
SAP	ITGC assessment (design and implementation effectiveness only)	<div></div>	<div></div>	<div></div>	<div></div>	Management override of controls	The IT findings have been considered in our journals testing
Active Directory	ITGC assessment (design and implementation effectiveness only)	<div></div>	<div></div>	<div></div>	<div></div>	N/a	N/a

As in previous years, IT audit colleagues have identified some significant deficiencies within the SAP financial ledger system. These deficiencies are considered in our journals testing, and also result to us undertaking additional work to corroborate system reports to the underlying system data. Further information on the recommendations raised in previous audits and progress against these control recommendations can be seen in Appendix C.

Assessment

- Significant deficiencies identified in IT controls relevant to the audit of financial statements
- Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- Not in scope for testing

2. Financial Statements: Digital Audit

We have invested significantly in our digital tools and our audit approach is underpinned by a suite of tools, enabling us to capture and analyse the detailed data contained within the general ledger. This supports more efficient and effective testing, with a focus on higher risk areas and unusual transactions. The ability to obtain full ledger data quickly and effectively is key to the progress of audit work, as is documentation of the PCC and Chief Constable's methodology for mapping code structures to the financial statements and use of off-ledger adjustments. Difficulties and delays in obtaining data adversely impact on the scheduling and delivery of the audit and it is important that management engage with the audit teams to understand the requirements for data transfer, providing a clearly documented understanding of how financial statement entries are produced from underlying ledger and a timetable for doing so.

We requested several reports/documents from the Force to aid with this and these are summarised in the table below along with comments on delivery.

Document requested	Date requested	Date received	Comments
Closing trial balance for 2022-23	19/02/2024	27/02/2024	
Opening trial balance for 2023-24	19/02/2024	27/02/2024	No delays were experienced in obtaining this report information from the entity that impacting our ability to deliver the work required. Usual audit queries around reconciling these reports to the accounts were discussed, but nothing above and beyond what we would expect of the usual audit process.
Closing trial balance for 2023-24	12/06/2024	12/06/2024	
All general ledger transactions during 2023-24	12/06/2024	19/06/2024	
Mapping between the trial balance and the financial statements for 2023-24	12/06/2024	19/06/2024	
Draft accounts for 2023-24	31/05/2024	07/06/2024	The draft accounts for PCC Group and CC were published 1 week after the statutory deadline, however this did not impact our audit timeline. Sufficient notices were published on the Force's websites to explain this delay.

2. Financial Statements: other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Joint Audit Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	Letters of representation have been requested from both the PCC and the Chief Constable.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the PCC's bank and related investment and borrowing entities. This permission was granted and the requests were sent. We have received positive confirmations from all requests returned so far and are currently waiting on one counterparty to return confirmation.
Accounting practices	We have evaluated the appropriateness of the PCC's and Chief Constable's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.
Audit evidence and explanations/ significant difficulties	All information and explanations requested from management were provided.

2. Financial Statements: other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the PCC's and Chief Constable's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the PCC and Chief Constable meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> the nature of the PCC and Chief Constable and the environment in which they operate the PCC's and Chief Constable's financial reporting framework the PCC's and Chief Constable's system of internal control for identifying events or conditions relevant to going concern management's going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> a material uncertainty related to going concern has not been identified for either the PCC or the Chief Constable management's use of the going concern basis of accounting in the preparation of both sets of financial statements is appropriate.

2. Financial Statements: other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements including the Annual Governance Statements and Narrative Reports, are materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified to date, however this work is still in progress. We plan to issue an unmodified opinion in this respect – refer to Appendix H and Appendix I.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statements does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA audit instructions.</p> <p>Note that detailed work is not required as the group does not exceed the threshold. We intend to issue our assurance statement to the NAO when we issue our audit opinions.</p>
Certification of the closure of the audit	<p>We intend to certify the closure of the 2023/24 audit of Avon and Somerset PCC and Chief Constable in the audit reports, as detailed in Appendix H and I.</p>

3. Value for Money arrangements (VFM)

Approach to Value for Money work for 2023/24

The National Audit Office issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3–5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information



Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

3. VFM: our procedures and conclusions

Our VFM work is currently in progress, however to date there are no findings that we wish to raise to your attention.

4. Independence and ethics

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 and consider that an objective reasonable and informed third party would take the same view. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of 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.

Details of fees charged are in Appendix E.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Grant Thornton International Transparency report 2023](#).

4. Independence and ethics

Audit and non-audit services

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 non-audit services were identified which were charged from the beginning of the financial year to 5 September 2024 as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

4. Independence and ethics

As part of our assessment of our independence we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Group that may reasonably be thought to bear on our integrity, independence and objectivity
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Group or investments in the Group held by individuals
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Group
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Group's board, senior management or staff.

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 and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person [and network firms] have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements

Appendices

- A. Communication of audit matters to those charged with governance
- B. Action plan – Audit of Financial Statements
- C. Follow up of prior year recommendations
- D. Audit Adjustments
- E. Fees and non-audit services
- F. Auditing developments
- G. Management Letter of Representation – PCC
- H. Management Letter of Representation – Chief Constable
- I. Audit opinion – PCC
- J. Audit opinion - Chief Constable
- K. Audit letter in respect of delayed VFM work

A. Communication of audit matters to those charged with governance

Our communication plan	Joint Audit Plan	Joint 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	•	
Confirmation of independence and objectivity	•	•
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 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 Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

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.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, we are also required to distribute our findings to those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report to all those charged with governance.

B. Action Plan – Audit of Financial Statements

We have identified three recommendations for the PCC Group as a result of issues identified during the course of our audit. We have agreed our recommendations with management. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Medium	Depreciation charges against revalued assets are posting 11 months of charges based on the old value and one month charge at the revalued amount. This is misstating one month of depreciation and despite having a trivial impact overall, is not in line with the accounting standards and not considered best practice.	<p>We recommend that depreciation charges are reflected accurately in line with the accounting standards and revaluation model. We appreciate that this is likely to be actioned upon implementation of the new accounting system as this is a historical issue with SAP.</p> <p>Management response</p> <p>Given the low materiality of this misstatement, we do not believe it is cost effective to implement a change to our SAP accounting system to correct for this depreciation charge on revalued assets. However we will ensure that this method is not replicated once we move to Oracle</p>
Medium/High	During our testing of land and building valuations, we identified that the valuer remeasured a small element of the HQ building, therefore updating the overall floor area applied in valuation, but did not retain a copy of any drawing or calculation of the revised area, so there is no evidence to support this assumption used in the revaluation calculation. The remeasured element is insignificant to the overall area of the asset. The total area of this asset was agreed to a floor plan held by the Force during the 20/21 audit and the total area has remained broadly consistent within desktop valuations performed since then, which means we are satisfied that the valuation is not materially inaccurate following this remeasurement despite the lack of supporting evidence as the movement in area is minimal.	<p>We recommend the valuer keeps copies of all floor plans and measurements taken to ensure up to date records are maintained and available to be provided as audit evidence. This will be particularly important in 2024/25 when a full revaluation of Land & Building assets is due and up to date floor plans will need to be shared with an External valuer for this exercise to be completed appropriately. We also recommend any consideration and decision made regarding use of alternative site areas or ‘modern equivalent asset’ assumptions are documented. We are satisfied that the valuer has considered these possibilities, through discussion, however it is best practice to formally document this also.</p> <p>Management response</p> <p>We will ensure that these requests are included in our engagement letter with the external valuer in 2024/25 and in subsequent years with our internal valuer.</p>
Low	The auditor expert brought to our attention that they would have expected the valuer to issue an engagement letter to the entity, rather than relying solely on the instruction letter issued from management to the valuer. This letter would ensure competency, objectivity, independence as well as documenting the approach to the valuation. This engagement letter should be issued at the outset of each instruction and in this case, each valuation year. Audit work has confirmed that the valuation instruction has been agreed by both parties prior to work commencing and further valuation inquiries have been made between auditor and valuer to ensure competence, objectivity and independence, however this recommendation still stands as an engagement letter from the valuer is seen as appropriate and best practice.	<p>We recommend the valuer issues a formal, RICS compliant engagement letter to the entity at the commencement of each valuation instruction.</p> <p>Management response</p> <p>We will implement this for 24/25 and future years</p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

C. Follow up of prior year recommendations

We identified the following issues in the audit of Avon and Somerset PCC Group and CC 2022/23 financial statements, which resulted in six new recommendations being reported in our 2022/23 Audit Findings report and six recommendations carried forward from previous audits that were yet to be resolved. We have followed up on the implementation of our recommendations . Our work is still ongoing to determine how many of these are still to be addressed.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Nil Net Book Value Assets (22/23)</p> <p>We have identified a number of assets with a zero net book value where the asset is still in use. There is a risk that useful economic lives are incorrect, leading to incorrect depreciation charges, or a risk that assets remain on the register that are no longer in use.</p>	<p>We have seen that an exercise was performed within 2023/24 to write out a large gross value of assets that had a net book value of zero. This shows that the recommendation has been actioned. We are however, in the process of performing work to satisfy ourselves over the reasonableness of the recognition of the write out in the current financial year. There is a gross book value and gross depreciation write out of approximately £54m presented in the PCC Group accounts and we are working to verify the reasonableness of this disclosure by determining whether the disposals have been derecognised in the appropriate period.</p>
✓	<p>Leases (22/23)</p> <p>In our work on leases, we identified some small differences between the lease agreements and the leases disclosure.</p> <p>Whilst the differences were not significant, there is a risk that financial statements disclosures are incorrect.</p>	<p>Our work on leases in the current year did not find any significant issues.</p>
Work ongoing	<p>Useful Economic Lives (22/23)</p> <p>In our review of asset useful economic lives (UEL) we identified a number of assets where management could not support the appropriateness of the life used. We also identified multiple assets where the UEL allocated is longer than the UEL detailed in the accounting policy.</p> <p>There is a risk that depreciation charges are therefore incorrect.</p>	<p>Our work on asset lives is ongoing and therefore no conclusions can be drawn at this moment.</p>

Assessment

✓ Action completed

X Not yet addressed

C. Follow up of prior year recommendations (continued)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
Work ongoing	Completeness Testing (22/23) In our testing of post year end transactions, we noted two transactions that had not been appropriately accrued for at year end. The financial effect of the amount not being accrued was insignificant, however the errors highlighted a lack of communication between relevant departments and finance about year end commitments. In one instance, the appropriate use of a purchase order would likely have resulted in the error not arising. There is a risk that the year end balance sheet position is not accurate if commitments are missed as part of the financial year end close down.	Our work on testing of post year end transactions is in progress and therefore no conclusions can be drawn at this moment.
X	Fixed Asset Register Reconciliations (22/23) In reconciling the Fixed Asset Register (FAR) to the valuers report we identified a number of small differences between the two.	We continue to find a small difference, however this is trivial and is due to land at Frome Police Station which was incorrectly removed from the FAR when the building was sold (the land is still owned by ASP) – we recommend that this asset is added back into the FAR to avoid this reconciliation different arising in the future.
Work ongoing	Cash & Bank Reconciliations (22/23) In our work on cash, we have identified that there is a bank account with no bank reconciliation completed for it. In our work we also identified that there were reconciling items that dated back several years showing on the bank reconciliation as reconciling items.	Our work on testing of cash and cash equivalents is currently in progress and therefore no conclusions can be drawn at this moment.
X	IT Audit Control Findings (22/23 and previous years) As reported in prior year audits, there are a number of significant deficiencies reported regarding inappropriate access and segregation of duties of users in SAP. Please see IT Audit report pages 7-9 for more details of these deficiencies, which are similar in nature to the previous 3 audit periods, dating back to 2020/21.	<p>We note improvements year on year in relation to the IT deficiencies raised, however they continue to be present, and these are inherently linked to the use of SAP as a financial system.</p> <p>As a result of IT Control deficiencies, this continues to increase the quantum of journals tested and leads to enhanced work to be performed on verifying the completeness and accuracy of system reports that originate in SAP.</p> <p>In line with previous years, we have not found any issues regarding the completeness and accuracy of system reports originating from SAP and the Force continues to implement and perform mitigating controls to manage the impact of these deficiencies.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

C. Follow up of prior year recommendations (continued)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	Journals (22/23 and previous years) The finance team have the ability to create and post their own journals as there are no automated controls within the financial system to prevent this from occurring. The manual interventions put in place by Management are designed to prevent self creation of journals, however through out audit work we have noted that journals created and posted by the same person do exist	From our journals work we are aware that there are still journals that are both created and approved by the same individual. We identified 63 manual journals (44 being VAT journals for which this is not out of line with Force policy and audit understanding) and 6 accruals that were created and approved by the same individual. This finding is an inherent system limitation in SAP and the force have implemented mitigating controls to limit the impact of this deficiency. To date we have not found any inappropriate journal postings in our work, however this work remains in progress and subject to final quality reviews.
X	Journals (22/23 and previous years) During the audit we have noted that there are no authorisation limits set within the financial system for individuals to post or approve journals. This could result in inappropriate individuals approving high value journals as approval for journals is based on a rota system rather than value or risk.	From our journals work we are aware that there are still no authorisation limits set within the financial system. This finding is an inherent system limitation in SAP and the force have implemented mitigating controls to limit the impact of this deficiency. To date we have not found any inappropriate journal postings in our work, however this work remains in progress and subject to final quality reviews.
X	Journals(22/23 and previous years) In December 2021, a new portal was introduced, called Assyst, which was designed to add an extra later of transparency to the journals process. The aim of this portal was so that an individual can enter the journal and an appointed person would review the data presented and by clicking a button, would transfer the data into the financial system. Assyst has a field for evidence to be included, but through our enquiry of journal users and our own observations of inspecting the software, we noted that evidence is not always submitted to support the journal.	From our journals work so far, we have not identified any instances where evidence was not attached to journals we have selected for testing, however this work is still ongoing and we are aware from walkthroughs that the evidence field is not mandatory to submit the journal for review. We would encourage that evidence is submitted alongside journal posting requests as best practice.

Assessment

- ✓ Action completed
- X Not yet addressed

C. Follow up of prior year recommendations (continued)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Historic balances on general ledger codes (21/22 and then updated in 22/23)</p> <p>Within the finance system there are general ledger codes which ultimately form the financial statements. There are two types of codes, those that filter through to the 'comprehensive income and expenditure statement' and those which relate to the 'balance sheet'. The comprehensive income and expenditure statement is a summary of all income and expenditure during a defined period of time cleared to a nil balance for the following financial period. The balance sheet codes however, show the assets and liabilities of an organisation and therefore will be cumulative and will only be cleared to a nil balance by a manual intervention.</p> <p>Our audit work has noted two areas where balances on these codes are historic and management should implement reviews of these to establish whether these items are needed.</p> <p>Creditors code 99106 – the description of this code is 'Holding account general' and is mainly used to hold deductions from the pension payroll until they can be reallocated. We obtained a listing of this code and found that the net balance on this code was £8k however the absolute balance of this code was £184m. We queried this with Management and were provided with a 'Balance Sheet Reconciliation' for this code. This reconciliation showed that the transactions outstanding as at 31 March 2022 was £8k and these had a corresponding absolute value of £476k. This means that there are old transactions on this code, which net to nil but have a corresponding absolute value of £183m.</p> <p>As part of our work in creditors in 2022/23 we identified that the net value of the holdings code was £1.9k however the absolute value was £185m, therefore supporting that these codes have not been cleared down.</p>	<p>As part of our work in creditors in 2023/24 we identified that the net value of the holdings code was £470, with an absolute value of £506, therefore supporting that these codes have now been reviewed and cleared down.</p>
X	<p>Valuation of land and buildings (first raised in 20/21 and carried forward)</p> <p>We identified that valuations do not use up to date data to form estimates of build rates, floor areas and Useful Economic Lives/obsolescence assumptions. The calculations should be in line with best practice and supporting evidence should be retained for all assumptions made in the calculations.</p>	<p>This remains to be partially actioned. Build rates are now based on BCIS source data and adjusted in line with valuer judgement and appropriate floor areas are being used (actioned in 22/23). Obsolescence rates are and the valuer ensures these are reviewed annually to ensure their appropriateness. The audit team have assessed the overall assumptions applied and deem this adequate to produce a materially accurate valuation. The valuer considers useful lives through use of a re-assessed build date, however it is best practice to use the useful life of the asset for consistency with the FAR and depreciation and then adjust from this starting point so the link between the 2 assumptions is clearer.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

D. Audit Adjustments – PCC Group, PCC and CC

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2024.

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Impact on general fund £000
Police Pension Scheme	<u>PCC Group Accounts</u>	Net nil impact on Balance Sheet	Net nil Total Comprehensive Income & Expenditure	Net nil impact on general fund
The Force have incorrectly used the 2024/25 projected ER Contributions in Note 16 & 17 of the PCC Group accounts (Note 13 & 14 of the CC accounts) instead of the actual ER contributions for 2023/24. This has caused the 'Other Actuarial gains' and 'Contributions by employer' to change from £52,379k to £58,782k and £45,880k to £39,477k respectively. A difference of £6,403k. The movements in these figures impact the primary statements as outlined (right) and also impact disclosures throughout the accounts as detailed on page 38. We have reviewed the impact of this error in the 2022/23 statements, and the difference between projected and actual ER contributions was £492k, therefore this is not material and no adjustment is proposed for the prior year.	Net Cost of Police Services Dr 6,403 Remeasurement of Pension Assets Cr 6,403			
	<u>PCC Only Accounts</u>			
	Intragroup funding adjustment (PCC Only) Dr 6,403			
	Intragroup adjustment (remeasurement) (PCC Only) Cr 6,403			
	<u>CC Accounts</u>			
	Net Cost of Police Services Dr 6,403			
	Intragroup funding adjustment Cr 6,403			
	Intragroup adjustment (remeasurement) Dr 6,403			
	Remeasurement of Pension Assets Cr 6,403			
Overall impact	0	0	0	0

The following page summarises all of the adjustments to line items in the Financial statements of the PCC Group, PCC and CC Movement in reserves statements, which demonstrates how there is no impact on the Usable Reserves, Unusable Reserves, Total Comprehensive Income & Expenditure and General Fund, however there are changes in balances that feed into these totals.

D. Audit Adjustments – PCC Group, PCC & CC

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure/issue/Omission	Auditor recommendations	Adjusted?
<p>PFI Liabilities</p> <p>In our work on PFI Liabilities, we identified that the fair value of the PFI Liability in Note 30.2 of the PCC Group accounts, was incorrectly disclosed as £64,093k instead of £61,140k, a difference of £2,953k. There is no PFI disclosure in the CC accounts.</p>	<p>We recommended that this disclosure is updated.</p> <p>Management response</p> <p>This has been adjusted in the final statement of accounts.</p>	✓
<p>Expenditure and Funding Analysis (EFA) – PCC Group Accounts</p> <p>The Police Pension Top Up Grant is currently presented under Taxation & Non-Specific Grant income in the EFA but Other Operating Expenditure in the Comprehensive Income and Expenditure Statement.</p>	<p>To ensure that the statements are consistent, we recommend the presentation is updated so that the Police Pension Top Up Grant is presented under Other Operating Expenditure in both the primary statement and the notes to the accounts.</p> <p>Management response</p> <p>This has been updated in the final statements so that the Police Pension Top Up Grant is presented under Other Operating Expenditure.</p>	✓
<p>Financial Instruments</p> <p>In our work on financial instruments, we identified that a £5m bank loan had not been included in the total financial liabilities in Note 30.2 of the PCC Group accounts, however this was included in Note 30.1.</p>	<p>We recommend updating the accounts to ensure consistency and accuracy of reporting.</p> <p>Management response</p> <p>The disclosure in Note 30.2 will be updated to reflect Note 30.1 for consistency – the totals are changing from £118,791k to £123,792k</p>	✓
<p>Income & Expenditure Analysed by Nature</p> <p>Within Note 8 (PCC Group) and Note 7 (CC) a line item with the description 'Police Pension Top Up Grant' was shown in both expenditure and income. We expect this description to be relevant to income only and therefore challenged why this description was used for both expenditure and income.</p>	<p>We recommend updating the accounts to reflect an accurate description of the expenditure line presented.</p> <p>Management response</p> <p>The narrative line description in Note 8 (PCC Group) and Note 7 (CC) will be updated to 'Net deficit on police pension fund' as this accurately describes the expenditure which is funded by the top up grant shown in the income half of the table.</p>	✓
<p>Provisions</p> <p>Narrative disclosure within Note 18 (CC Only) regarding ill health and termination benefits provisions stated that the provision was £616,000,000 at year end, however this appeared to be inconsistent with the disclosure table and with the PCC Group accounts, which showed a total of £616,000</p>	<p>We recommend updating the accounts for consistency and accuracy</p> <p>Management response</p> <p>The figure quoted in the CC accounts Note 18 showed a typo and has since been corrected to £616,000.</p>	✓

D. Audit Adjustments – PCC Group, PCC and CC

Misclassification and disclosure changes (continued)

Disclosure/issue/Omission	Auditor recommendations	Adjusted?
<p>Leases</p> <p>Note 15 has been updated so that the future minimum lease payments due under non-cancellable leases reflects the expected length of each lease. In the draft accounts, the lease payments only reflected the non-cancellable portion of a lease, even when an extension on the lease was contracted and expected to be taken. This has now been updated and we are satisfied the disclosure is inline with the CIPFA Code and materially accurate.</p> <p>The PY Comparator figures in the draft accounts had been adjusted and did not agree with the audited 2022/23 accounts. As this adjustment is not material, these will be reversed back to the audited figures in the final accounts.</p>	<p>We recommended that this disclosure is updated.</p> <p>Management response</p> <p>This has been adjusted in the final statement of accounts.</p>	✓
<p>Capital Commitments (PCC Group)</p> <p>Disclosure added into final accounts (not in draft accounts) totalling £7.5m to represent committed expenditure on vehicles and equipment.</p>	<p>We challenged management as to whether there were any undisclosed Capital Commitments, given the level of Capital Spend disclosed in the Capital Plan in the CFO's Narrative Report.</p> <p>Management response</p> <p>This disclosure was evaluated and £7.5m worth of commitments were identified to be disclosed.</p>	✓
<p>Police Staff Pension Scheme – IFRIC 14 asset ceiling impact.</p> <p>Additional narrative to explain the theory behind the IFRIC 14 asset ceiling is to be added to the Police Staff Pensions Notes.</p> <p>Due to the asset ceiling, the 'Deficiency in Fund' table in Note 18 of PCC Group and Note 15 of CC accounts required a re-presentation to clearly identify the impact of the asset ceiling. This does not impact the final deficiency, the adjustment made will simply be presented in a separate line in the table, rather than aggregating with estimated liabilities.</p>	<p>We challenged management on the adequacy of the disclosure, given the unprecedented nature of this disclosure in the PCC Group and CC accounts and whether further explanation would be appropriate to allow the reader to understand the meaning of the asset ceiling adjustment.</p> <p>Management response</p> <p>Further narrative to be added into the accounts.</p>	✓
<p>Police Staff Pension Scheme – Employer contributions</p> <p>As per detail on pages 36 & 37, various figures in Both the PCC group and CC accounts have been updated by £6,403k to reflect the mistranslation of the figure from the actuary report into the draft accounts.</p> <p>These changes also impact the figures in the Police Pension Scheme Notes (Note 14 CC, Note 17 PCC group), increasing other actuarial gain and decreasing the contributions by employer figures by equal and opposite amounts.</p>	<p>We recommend the correct figure is used within the final accounts</p> <p>Management response</p> <p>Corrections have been processed across both sets of accounts. No changes to the net financial position or reserves of the PCC group.</p>	✓

D. Audit Adjustments – PCC Group, PCC and CC

Misclassification and disclosure changes (continued)

Disclosure/issue/Omission	Auditor recommendations	Adjusted?
<p>Pension Costs</p> <p>Updates to Note 13 (CC Accounts) and Note 16 (PCC Group accounts) as they contained inconsistent presentation of debit and credit entries, reflecting the CIES movements.</p>	<p>We recommend management revise these notes and ensure that the debit/credit movement of these items is reflected accurately in these notes.</p> <p>Management response</p> <p>These tables will be adjusted to reflect the correct signage.</p>	✓
<p>Contingent Liability disclosures</p> <p>We challenged the appropriateness of the contingent liability disclosures (CC Note 19 and PCC group note 27) in line with IAS 37 requirements. A number of the disclosures did not meet the definition of a contingent liability and were not in line with the accounting standards, therefore the draft accounts had included unnecessary disclosures.</p>	<p>We recommend these disclosures are revised and re-presented to meet the requirements of the accounting standard.</p> <p>Management response</p> <p>Disclosures relating to McCloud have been simplified and re-positioned under Note 4 ‘assumptions made about future estimations’ to still provide the reader with context around the ongoing case, given it has not come to conclusion yet.</p>	✓
<p>Remuneration disclosures</p> <p>Additional narrative has been added under narrative ‘Note 3’ within the PCC Group (Note 9) and CC (Note 8) accounts to clarify the reason why a senior officer disclosed is also included in the employees over £50k table, as they held a non-senior role for part of the year, so this element of the salary is included within the banding table.</p>	<p>We recommend management added clarity to this disclosure as the CIPFA code specifies that individuals presented in the Senior officer table should be excluded from the employee’s over £50k banding table.</p> <p>Management response</p> <p>As the individual held a non-senior and senior role within the year, they have been included in both disclosures for the relevant roles and narrative has been added to explain this.</p>	✓
<p>Bad Debt Provision</p> <p>Disclosure made under PCC Group note 30.6 included reference to ‘bad debt provision’, however this was not in line with IFRS 9 requirements and should instead refer to expected losses.</p>	<p>We recommend management revise this disclosure to ensure it meets the requirements of this accounting standard and the CIPFA Code</p> <p>Management response</p> <p>Narrative in note 30.6 (PCC group) now reads as ‘trade receivable expected losses’.</p>	✓
<p>Other changes (PCC group and CC)</p> <p>Various grammatical, spelling, note referencing and page number updates to be processed following audit review.</p>	<p>We recommend management review the accounts disclosures to ensure these errors are amended before publication</p> <p>Management response</p> <p>Both sets of accounts will be corrected before finalisation.</p>	✓

E. Fees and non-audit services

We confirm below our final fees charged for the audit. There were no fees for the provision of non audit services.

Audit fees	PCC	Chief Constable
Scale fee	£103,111	£56,603
Use of expert for PPE valuations (estimated)	£4,000	
ISA 315 consideration	£3,138	£3,138
IFRIC 14 consideration		£10,000
Total audit fees (excluding VAT)	£110,249	£69,741

The additional fee with respect to IFRIC 14 consideration was in relation to additional work required following receipt of the draft accounts and was not known at the time of issuing the audit plan. This work included further inquiries with the Force’s actuary, additional recalculation and review of the asset ceiling methodology and outputs.

In the final audit findings report, we will provide a summary of how these fees reconcile to the statement of accounts.

F. Management Letter of Representation - PCC

Draft letter has been shared with Management and to be received alongside the conclusion of the audit and signing of the opinion.

G. Management Letter of Representation – Chief Constable

Draft letter has been shared with Management and to be received alongside the conclusion of the audit and signing of the opinion.

H. Audit opinion- PCC

Our draft audit opinion is in progress, we anticipate issuing an unmodified opinion.

I. Audit opinion- Chief Constable

Our draft audit opinion is in progress, we anticipate issuing an unmodified opinion.



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SWAP
INTERNAL AUDIT SERVICES
Helping Organisations to Succeed

Avon & Somerset Constabulary and Office of the Police and Crime Commissioner Joint Audit Committee (JAC)

Report of Internal Audit Activity – September 2024

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 & Significant Risks

We are able to provide a reasonable rolling assurance opinion, based on work completed in 2024/25 to date. We have identified no significant risks via our work this year.



Audit Plan Progress

Since the last committee in June 2024, the following audits have been completed:

- Corporate Credit Cards
- Estates – Compliance with Statutory Obligations Follow Up

These audit reports are submitted with this update. Further detail is provided on the status of each audit in Appendix A and performance against the annual budget is summarised in the table below:


Performance Measure	2024/25 Performance
<u>Delivery of Annual Audit Plan</u>	
Completed	16%
Reporting	0%
In Progress	24%
Scoping	6%
Not Yet Due (Q3-4)	44%
Ongoing Support (Planning, reporting & Advice)	10%

The 2023/24 **Information Governance** review is now at draft report stage. Following agreement from the S151 Officers, the **Regional Recruitment & Retention** review and the **Criminal Justice** review were both deferred to 2024/25, and both are now in progress.

The three reviews approved as part of the Q1 2024/25 plan are now all complete and all three reviews included in Q2 2024/25 have commenced.

Internal Audit Plan Progress 2024/25

Appendix A

Audit Area	Period	Estimated Cost	Status	Opinion	No of Recs	1 = Major		3 = Minor
						Recommendations		
						1	2	3
2023/24								
Information Governance	Q4	£4,635.00	Draft Report	-	-	-	-	-
2024/25								
ERP Programme Management	Q1	£5,970.00	Completed	Reasonable	0	0	0	0
Estates – Compliance with Statutory Obligations Follow Up	Q1	£3,184.00	Completed	Advisory	N/A	-	-	-
Corporate Credit Cards	Q1	£3,184.00	Completed	Limited	1	0	1	0
Regional – Recruitment and Retention Benchmarking Review	Q1	£3,862.50	In Progress	Agreed with S151 Officer to defer audit to 2024/25.				
Criminal Justice	Q2	£3,862.50	In Progress	Agreed with S151 Officer to defer audit to 2024/25.				
Culture within Specialist Teams	Q2	£5,970.00	In Progress	-	-	-	-	-
Treasury Management	Q2	£4,776.00	In Progress	-	-	-	-	-
ICT User Access Management	Q2	£4,776.00	Scoping	-	-	-	-	-
Contribution to Regional Police Audits	Q1-4	£3,862.50	Not Yet Due	-	-	-	-	-
Planning, Reporting & Advice	Q1-4	£7,960.00	Ongoing	N/A	-	-	-	-

Follow Up Audit Objective

To provide assurance that the agreed actions to mitigate against the risk exposure identified within the 2023/24 Limited opinion audit of Compliance with Statutory Obligations have been implemented.

Follow Up Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	2	0	0	2
Priority 2	2	3	0	5
Priority 3	6	0	0	6
Total	10	3	0	13

Follow Up Assessment

The original audit of Compliance with Statutory Obligations was completed in September 2023 and received a 'Limited' assurance opinion. The original objective of the audit was to provide assurance that systems and processes in place were sufficient to ensure compliance with statutory obligations.

This audit sought to 'Follow Up' on the implementation of actions raised as part of the original audit. Audit testing was performed in relation to all agreed actions and supporting evidence obtained where possible to demonstrate the implementation these actions.

Key Findings



Three actions remain in progress following follow up testing.

- We have identified further non-compliance as part of monthly tap temperature monitoring by Integral. Integral have given notice to exit their current agreement with the Force in April 2025. Force handypersons and facilities officers should continue to chase non-compliance through to completion as quickly as possible.
- We could not confirm if Legionellosis checks have been included in Premises Risk Assessments (PRAs) as less than a year has passed since the original audit. Most PRAs are due to be completed in the Summer.
- We were unable to verify dip sampling completed in relation to asbestos portal logins. The Force should follow this up internally and mark as complete as necessary.



Ten actions have been assessed as completed following review of satisfactory evidence. This most notably includes:

- The creation of a gas safety policy outlining the key gas safety processes observed at the force.
- Amendments to the legionellosis, asbestos and fire safety procedures to reflect updates to the frequency of testing of seldom used water outlets, confirmation of asbestos risk register locations and confirmation of frequency of fire evacuation drills across the Force estate.
- Failed Portable Appliance Testing (PAT) items are now being reported to the Building Services Officer to confirm they have been removed from the Force estate. A PAT Failed Equipment procedure and a PAT Destroyed Equipment Form have been created to allow site handypersons and facilities officers to record removal.
- Contracted asbestos checks are now being completed as expected in line with defined timeframes. We viewed the asbestos portal and confirmed that all buildings had had a recent inspection. An Asbestos Management Plan and Contractors Asbestos Procedure has been developed to remind all stakeholders of their responsibilities.
- Overdue five yearly fire risk assessments have been completed and assessments are in date.

Conclusion

Based on the evidence reviewed, we are satisfied that ten actions can be closed, however, three actions remain open pending further evidence or developments. Overall, a positive effort has been seen in addressing non-compliance raised in the original review. The Force should follow up open actions and make an assessment once timescales have passed regarding closure. Further details are provided in Appendix 1 below.



Appendix 1

Agreed Actions & Follow Up Assessment

1.1a	Action			Follow Up Assessment	Complete
The Delivery Manager for Safety to ensure that a procedure document is written outlining key gas safety processes; this should include expectations of staff if they notice gas leaks. The procedure should also include the use of Liquefied Petroleum Gas (LPG) and the transportation, storage, and disposal of gas cylinders.					We reviewed the new Gas Safety Procedural Guidance, created 19 th October 2023, and are satisfied that the document covers key information such as gas safety management, emergency actions and procedures, responsibilities, and the safe use of gas cylinders and liquefied petroleum gas. The procedure has a review frequency of three years; therefore, the next review is due in October 2026.
Priority	3	SWAP Ref.	AP#2513		
Responsible Officer	Delivery Manager for Safety				
Timescale	31 st December 2023				
1.1b	Action			Follow Up Assessment	Complete
The Delivery Manager for Safety to expand upon the Legionellosis procedure and update the frequency of testing with more focused wording.					We reviewed the Infectious Diseases Procedural Guidance which contains the Legionellosis procedure. We are satisfied the updates, made in December 2023, include focused wording regarding the frequency of testing. This includes monthly temperature monitoring of hot and cold sentinel outlets, and annual temperature monitoring of all other outlets.
Priority	3	SWAP Ref.	AP#2609		
Responsible Officer	Delivery Manager for Safety				
Timescale	31 st December 2023				
1.1c	Action			Follow Up Assessment	Complete
The Delivery Manager for Safety to update the Asbestos procedural guidance to reflect that the asbestos risk register is now held online, and copies of the register are not held in Force buildings. A review to ensure all appropriate staff have access to the portal should also be completed, in liaison with the Delivery Manager for Estates and Facilities.					We reviewed the Asbestos Procedural Guidance and are satisfied that the updates, made in November 2023, confirm the correct location of asbestos risk registers, and how to request access to the documents via the online asbestos portal. The wording below can be seen in section 7.2.1 of the guidance. “Access to up-to-date asbestos records can be made by reference to the on-line portal held within the Estates Department. Requests for access to the on-line asbestos register portal and/or copies of the relevant entry should be made to the Head of Business Services Department”.
Priority	3	SWAP Ref.	AP#2519		
Responsible Officer	Delivery Manager for Safety				
Timescale	31 st December 2023				



1.1d	Action			Follow Up Assessment	Complete
The Delivery Manager for Safety to update the Fire Safety procedure to reflect the new proposed frequency of completing fire evacuation drills across the Force estate.				We reviewed the Fire Safety Procedural Guidance and are satisfied that the changes made, in November 2023, reflect the newly proposed frequency of fire evacuation drills across the Force estate. The document states a “fire evacuation drill will be organised at regular intervals based on a risk-based approach of at least biannually for buildings subject to delayed evacuation (E.g. Custody and Control Room), high occupancy buildings or sites with specific or unique risks, and annually for all other low risk premises and reviewed to ensure it remains fit for purpose”.	
Priority	3	SWAP Ref.	AP#2610		
Responsible Officer			Delivery Manager for Safety		
Timescale			31 st December 2023		
1.4a	Action			Follow Up Assessment	Complete
The Delivery Manager for Estates and Facilities to ensure that a process is developed whereby written confirmation is received from the persons responsible for disposing of a failed PAT item that they have appropriately disposed of the item.				The Building Services Officer provided a PAT Failed Equipment Procedure and a Failed PAT form and log. These documents have been developed to outline expectations around the removal of failed PAT items from the Force estate and to assist site handypersons and facilities officers in recording these so that an audit log is kept. We reviewed recent examples of completed failed PAT forms and confirmed this had been included on a log of failed PAT items removed from Force premises.	
Priority	3	SWAP Ref.	AP#2514		
Responsible Officer			Delivery Manager for Estates and Facilities		
Timescale			31 st October 2023		
1.5a	Action			Follow Up Assessment	Complete
The Delivery Manager for Estates and Facilities to discuss the tap temperature monitoring audit results with Integral at the next contract performance meeting to ensure compliance is being achieved.				During the scoping meeting (April 2024), the Delivery Manager for Estates and Facilities confirmed that Integral, the company contracted to complete tap temperature monitoring, had given 12 months’ notice to exit their agreement with Avon & Somerset Police following recent performance. South West Police Procurement Service (SWPPS) are currently identifying eligible replacements. This contract will likely be a regional framework as at least one other SW Police Force uses Integral for compliance testing. The current contract is due to expire in April 2025.	
Priority	2	SWAP Ref.	AP#2517		
Responsible Officer			Delivery Manager for Estates and Facilities		
Timescale			31 st October 2023		



1.5b	Action	Follow Up Assessment	In Progress
	The Delivery Manager for Estates and Facilities to remind Facilities Officers to ensure they review any testing results which are carried out in buildings under their control to ensure non-compliance is identified and can be fed back to the contractor at the next performance meeting.	<p>As seen above in the follow up assessment of action 1.5a, we reviewed the three latest monthly contract performance meetings. Attendees at these meetings include the Delivery Manager for Estates and Facilities, the Building Services Officer, Facilities Managers for Avon & Somerset North and South, and an SWPPS Senior Category Buyer. We are satisfied that the appropriate staff attend these meetings to pass on concerns and non-compliance to Integral. Examples of concerns were seen raised in the minutes we reviewed.</p> <p>We also completed further sample testing of monthly tap temperature monitoring and found that there were inconsistencies with the outlets tested each month. Additionally, for one building, the same remedial actions have been raised monthly for three months. The Delivery Manager for Estates and Facilities raised that Integral's performance was still inadequate and suggested this will unlikely change until the new framework is established. It is advised that non-compliance should continue to be chased through to resolution as quickly as possible. The timescale has been updated accordingly.</p>	
Priority	2	SWAP Ref.	AP#2611
Responsible Officer	Delivery Manager for Estates and Facilities	Responsible Officer	Delivery Manager for Estates and Facilities
Timescale	31 st October 2023	Revised Timescale	31 st April 2025
1.5c	Action	Follow Up Assessment	In Progress
	The Delivery Manager for Estates and Facilities to ensure that Legionellosis is included within the annual Premises Risk Assessment and any actions raised by handypersons or Integral are also captured.	<p>We requested the annual Premises Risk Assessments (PRA) for five randomly selected buildings across the Force estate. These did not include Legionellosis, however, the follow up to the original review has taken place within less than a year, therefore, not enough time has passed for the Force to reperform the assessments. Most PRAs are due to be completed in Summer 2024.</p> <p>We did, however, receive four copies of weekly handypersons health and safety checks which did evidence consistent weekly water testing on seldom used taps and showers. We are satisfied that weekly checks are happening consistently for those we received, however, we still encourage that Legionellosis is included as part of the upcoming annual PRAs. The timescale has been updated accordingly.</p>	
Priority	2	SWAP Ref.	AP#2522
Responsible Officer	Delivery Manager for Estates and Facilities	Responsible Officer	Delivery Manager for Estates and Facilities
Timescale	31 st October 2023	Revised Timescale	30 th September 2024



1.6a				Action		Follow Up Assessment		Complete			
The Delivery Manager for Estates and Facilities to discuss the asbestos audit findings with G&L Contractors Ltd as soon as possible to determine whether recent asbestos inspections have been completed. Inspections which are overdue should be scheduled as soon as possible to ensure buildings containing asbestos are safe and are being maintained effectively.						We reviewed the online portal hosted by G&L Contractors Ltd (G&L) who carry out the asbestos inspections and reinspection across the Force estate. All actively used buildings owned by the Force have had an asbestos inspection within the last 12 months and, where asbestos has been identified, buildings have had another inspection date set 12 months from that date. We are satisfied that this action has been completed.					
Priority		2		SWAP Ref.						AP#2612	
Responsible Officer				Delivery Manager for Estates and Facilities							
Timescale				31 st October 2023							
1.6b				Action		Follow Up Assessment		In Progress			
The Delivery Manager for Estates and Facilities to review the current controls in place to identify non-compliance regarding asbestos inspections. Controls should be implemented and strengthened to identify non-compliance in the period between now and the implementation of ArcGIS.						The Force have hired a Senior Building Surveyor (SBS) to improve controls in this area. We reviewed an Asbestos Management Plan and a Contractors Asbestos Procedure which they have developed. We are satisfied that the documents set out the expectations of anyone completing work in buildings across the estate. We also reviewed a letter which was sent to all suppliers that requires them to log onto the asbestos portal before carrying out works. The SBS confirmed that they can see who logs onto the portal and they are actively monitoring this compliance. G&L also complete their own dip sampling to ensure logins are happening and pass this data to the Force for analysis. The Force will undertake an overall review of this compliance after six months (October 2024). We did not see evidence of the dip sampling completed by G&L; however, we are comfortable with other controls in place to reduce non-compliance. The Force should follow this action up internally after the process has been used for 6 months to ensure that compliance is being achieved. The timescale has been updated accordingly. ArcGIS has been rolled out for two buildings within the Force estate as part of a trial. The rollout for all remaining buildings is due to commence imminently, with the system functional towards the end of 2024. This will allow estates staff to view and monitor all data relating to statutory obligations with ease.					
Priority		2		SWAP Ref.						AP#2518	
Responsible Officer				Delivery Manager for Estates and Facilities							
Timescale				31 st October 2023							
						Responsible Officer		Delivery Manager for Estates and Facilities			
						Revised Timescale		30 th November 2024			



1.6c	Action	Follow Up Assessment	Complete
	The Delivery Manager for Safety and the Delivery Manager for Estates and Facilities to discuss the possibility of including a version of the asbestos register in the Premises Risks Assessments for buildings known to, or are thought to, contain asbestos containing materials.	We discussed the location of the asbestos register with the Delivery Manager for Estates and Facilities, and it was agreed that it would be easier to keep all records stored and updated in one location. The location of the asbestos registers is also confirmed in the Asbestos Procedural Guidance referenced in action 1.1c.	
Priority	3	SWAP Ref.	AP#2701
Responsible Officer	Delivery Manager for Safety; Delivery Manager for Estates and Facilities		
Timescale	31 st October 2023		
1.7a	Action	Follow Up Assessment	Complete
	The Delivery Manager for Safety and Safety Officer to ensure that all buildings with an overdue 5-yearly fire risk assessment are completed immediately, prioritising those which are most overdue. These should all be completed using the most recent template and any actions and observations raised in annual premises risk assessment should feed into this review. A review of all annual assessments should also be completed to ensure all buildings are receiving their risk assessments on time.	We reviewed the dates of five yearly fire risk assessments (FRAs) and are satisfied FRAs are now in date. Broadbury Road Police Station FRA has not been completed; however, the building is currently undergoing a major refurbishment and is not currently in use. We fully reviewed ten FRAs, five of which were seen in our original audit sample, to ensure completeness. We are satisfied these are now being completed in a timely manner. We identified that not all FRAs contained an overall risk rating, however, the Safety Officer confirmed that this is not required. Annual fire assessments are picked up as part of the PRA. As mentioned in action 1.5c, PRAs are due to be reperfomed in Summer 2024.	
Priority	1	SWAP Ref.	AP#2520
Responsible Officer	Delivery Manager for Safety & Safety Officer		
Timescale	30 th September 2023		
1.8a	Action	Follow Up Assessment	Complete
	The Delivery Manager for Safety to liaise with the Estates Department to review and ensure that all weekly fire alarm testing is completed as expected and is recorded in writing, or electronically, using testing records provided.	We requested the weekly handypersons health and safety checks for five buildings. Four buildings evidenced recent (May 2024) weekly testing, signed by the handyperson completing the test. One building, Fishponds Police Station, had experienced a fault with the fire alarm system which prevented weekly testing in May. Weekly system updates were still noted on the testing form, however. The fire alarm fault was due to be resolved by an external company on 19 th June 2024. We are satisfied that weekly testing is being completed based on evidence provided.	
Priority	1	SWAP Ref.	AP#2613
Responsible Officer	Delivery Manager for Safety		
Timescale	31 st December 2023		

Audit Objective

To provide assurance that the Force's corporate credit cards are being used in line with agreed policy.

Executive Summary



Assurance Opinion

The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives in the area audited

Management Actions

Priority 1	0
Priority 2	1
Priority 3	0
Total	1

Organisational Risk Assessment

Medium

Our audit work includes areas that we consider have a medium organisational risk and potential impact. The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.

Key Conclusions



We identified instances of spend on corporate credit cards that did not comply with agreed policy. In addition, we found a high number of transactions that had not been approved. Our audit also highlighted general improvement to the administration and housekeeping of credit cards. The detailed findings have been reported under Finding 1 of the Findings and Action Plan.



At the time of writing, the list of authorised cardholders was not subject to regular review. Regular reviews help ensure leavers cannot use credit cards that have been issued to them and protect the Force against unauthorised spend. Reviews have since been introduced following our audit fieldwork and therefore, no formal action has been raised.

Audit Scope

We considered the following as part of the audit:

- Policies and procedures which govern the use of credit cards.
- A sample of credit card transactions made in FY 2023/24 will be reviewed to ensure they are compliant with and approved in line with agreed policy. Where possible, our sample will be selected using data analytics to identify potential high-risk transactions and 'red flags' for further investigation. Whole population data will also be analysed if the data allows.

The audit did not review credit card application and approval processes, expenditure incurred on credit cards owned by Admin Services, controls surrounding credit card limit increases.

Additional Information

Based on the controls reviewed as part of our audit, we are able to offer a limited assurance that corporate credit cards are being used in line with agreed policy. The findings together with mitigating actions have been detailed within the accompanying Findings and Action Plan.

Audit Findings & Management Action Plan - July 2024

Finding 1: Corporate Credit Card transactional data analysis.

A total of 3381 transactions were made on corporate credits cards (excluding Admin Services) in 2023/24 totalling £232.5k. Transactional data was reviewed against the Force's agreed policy. The findings have been summarised below:

- 17 transactions (<1%) were over the single transaction limit of £1000. Upon further inspection, 11 were found to have not been approved by Finance. 7/11 of these had no accompanying receipt attached to the Smart Data Online (SDOL).
- 13 transactions (<1%), from 3 separate cardholders, had been split which would have exceeded the single transaction limit of £1000 if made within one transaction. All these transactions were made on the same day by the cardholders, with the same merchants. It should also be noted that two of these merchants were within restricted categories of use that are subject to further rules and conditions ('Hotels and Accommodation' and 'Training and Educational Misc.'). Of the 13 transactions, only 3 were approved.
- 37% of transactions had no accompanying receipt attached to the SDOL. If a receipt is not uploaded, the cost of the purchase to the Force may be 20% higher.
- No description was provided for 764 transactions (23%).
- 33 transactions (1%) were for the purchase of fuel which is prohibited.
- 77 transactions (2%) were for Hotels and Accommodation which is a restricted category.
- 58% of transactions were approved. We also noted issues with how approvals are captured within SDOL. This is planned to be resolved with the roll out of Oracle Fusion in October 2024.

In addition to the above, 15 transactions were also reviewed in more detail. The findings are summarised below:

- 10 transactions (67%) were identified to be within blocked/excluded categories.
- 4 transactions referenced technology which is a blocked category. However, Finance was aware of these purchases and explained that there is currently no alternative way to purchase these types of items.
- 1 transaction was made for parking charges which is a restricted category.

Action

The Head of Finance to:

- Ensure the single transaction limit of £1000 is not exceeded. Where this is exceeded, authorisation should be given by Finance and the approval together with supporting evidence attached against the transaction.
- Remind cardholders that split transactions which circumvent the £1000 single transaction limit is prohibited.
- Ensure receipts are uploaded onto the system and the original is retained by the cardholder for the required period of time.
- Remind approvers that corporate credit card transactions should not be approved without a valid receipt to support the purchase.
- Remind all cardholders to complete the Description field for purchases.
- Remind all cardholders of the blocked and restricted categories.
- Remind all approvers to approve credit card transactions on the Smart Data Online (SDOL).
- Implement monthly reviews of corporate credit card transactional data to identify instances where policy and procedure has not been adhered to.

Priority

2

SWAP Reference

AP#4517

Responsible Officer

Head of Finance

Timescale

25th September 2024

Finding 2: Authorised cardholders.

We were provided with a list of 75 authorised cardholders. However, we identified 77 cardholders following our review of transactional data. We were informed by the Corporate Business Partner Financial Accounting that two users have since left the Force, therefore, are no longer using the credit cards. They were subsequently removed from the system during the audit. We were informed by the Head of Finance that the list of cardholders will be reviewed regularly to ensure it is up to date. As such, no formal action has been raised. The findings are reported for management information only.



Avon & Somerset Constabulary and the Office of the Police and Crime Commissioner (OPCC) Joint Audit Committee (JAC)

Proposed 2024-25 Internal Audit Plan Q3-4
and Internal Audit Charter

The Internal Audit Plan: Summary

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver in the second six months of the 2024/25 financial year.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage, will enable us to provide a well-informed and comprehensive year-end annual internal audit opinion.



Introduction and Objective of the Internal Audit Plan

Internal audit provides an independent and objective opinion on the Force and OPCC's risk management, governance, and control environment, by evaluating its effectiveness.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Force and OPCC in these areas are adequately controlled and managed.

It should be noted that internal audit is only one source of assurance, and the outcomes of internal audit reviews should be considered alongside other sources, as part of the 'three lines' assurance model. Key findings from our internal audit work should also be considered in conjunction with completion of the Annual Governance Statement for the Force and OPCC.

It is the responsibility of the Force and OPCC Leadership Teams, and the Joint Audit Committee (JAC), to determine that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by the organisation.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming year appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the Leadership Teams and Audit Committee?
- Is sufficient assurance being received within our annual plan to monitor the organisation's risk profile effectively?

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.



The Internal Audit Plan: Approach

The work of internal audit should align strategically with the aims and objectives of the organisation, taking into account key risks, operations and changes.

In order to do this Internal Audit needs to be flexible in adapting audit plans to handle rapidly changing risks, priorities and challenges.



Approach to Internal Audit Planning 2024/25

Our approach to internal audit planning throughout 2024/25 will be a continuous risk assessment and rolling plan approach. Rather than present a proposed annual plan at the start of the year, which is subject to a high level of uncertainty and change, we will build our plan in conjunction with management as the year progresses, presenting a six-month rolling plan with a list of potential areas for consideration for future audit plans. This is then reviewed each quarter to ensure that the six-month rolling plan is relevant. This rolling planning process will provide the same assurances as an annual plan but will better reflect the changing risk landscape.

Quarterly audit planning meetings will be held with the Chief Officer – Finance, Resources and Innovation and the OPCC's Chief Finance Officer (S.151 Officers) prior to presenting a proposed plan to this Committee for formal approval. In addition, we will also aim to meet regularly with the Deputy Chief Constable and the Chief of Staff to ensure the plan remains relevant.

These meetings will lead to a 12 month 'rolling wave plan' place-marking key areas of coverage to support the annual opinion. This is then underpinned by quarterly risk-based work plans which draw from meetings with management and the 'rolling plan' throughout the financial year to ensure we are auditing the right areas, with the correct scope, at the right time and reported through our quarterly progress updates.

The resulting programme will be a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP driven by our continuous risk assessment. This risk assessment will be based on the live status of both the Force's and OPCC's strategic risk registers. Overlaid onto this assessment will be the Police and Crime Plan, the Force Management Statement (FMS) and SWAP's sector-wide top 10 risk areas. The results of our risk assessments will be shared with senior management to obtain their view on the value of internal audit involvement. In developing risk assessments, we will also take account of other sources of assurance, where relevant.

The Internal Audit Plan: Approach

To develop an appropriate risk-based audit plan, SWAP have consulted with senior management, as well as reviewing key documentation, in order to obtain an understanding of the organisation's strategies, key business objectives, associated risks, and risk management processes.

Approach to Internal Audit Planning 2024/25

The factors considered in putting together the 2024/25 internal audit plan have been set out below:



Due to the pace of change within the policing sector and now the impact of social economic factors, it is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to internal audit planning therefore reflects this. The risk-assessed work plan contains key areas of coverage, to ensure that we are auditing the right areas at the right time. The precise scope of each audit will be determined at the start of the review, in line with local risk factors at that time.

The Internal Audit Plan: Risk Assessment

A documented risk assessment prior to developing an internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.

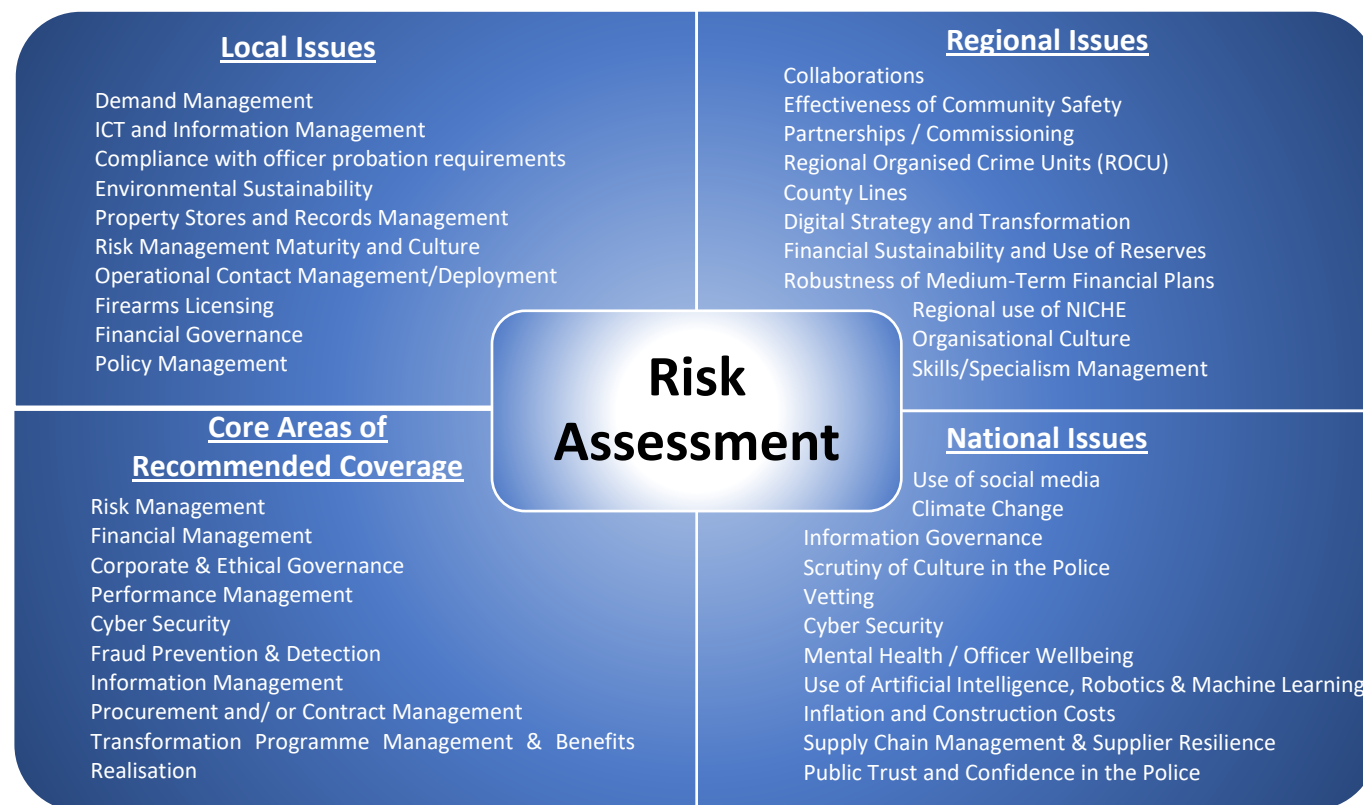
As above, it is the responsibility of the leadership teams for the Force and OPCC and the Joint Audit Committee to ensure that, following our risk assessment, the proposed plan contains sufficient and appropriate coverage.



Internal Audit Annual Risk Assessment

Our 2024/25 internal audit programme of work is based on a documented risk assessment, which SWAP will re-visit regularly, but at least annually. The input of senior management as well as a review of the organisations' risk register will be considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for Avon and Somerset Police and OPCC:



SWAP
INTERNAL AUDIT SERVICES
Helping Organisations to Succeed

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.

The Internal Audit Plan: Coverage

Following our SWAP Risk Assessment above, we have set out how the proposed plan presented in Appendix 1 provides coverage of the key components set out in the Force Management Statement (FMS), against which we have aligned our audit universe, as well as the areas within the Police and Crime Plan.

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.

The 2024/25 Internal Audit Plan does not afford coverage to the areas highlighted as red. Assurance should either be sought from alternative sources or considered for inclusion in future Internal Audit Plans.



Internal Audit Coverage in 2024/25

Following our SWAP risk assessment, we have set out below the extent to which the proposed Q3-4 plan presented in Appendix 1, as well as the previously approved Q1-2 plan, provides coverage of Avon and Somerset Police's key corporate objectives and risks, as well as our core areas of recommended audit coverage:



Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

The Internal Audit Plan: SWAP

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 24 public sector partners, crossing nine Counties, but also providing services throughout the UK.

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated



Your Internal Audit Service

Audit Resources

The 2024/25 internal audit programme of work will be equivalent to £77,433.75, this includes a carry forward of £5,793.75 from the 2023/24 internal audit programme. The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the planned work. The key contacts in respect of your internal audit service for Avon and Somerset Police and OPCC are:

Charlotte Wilson, Assistant Director – charlotte.wilson@swapaudit.co.uk, 020 8142 5030

Juber Rahman, Principal Auditor – juber.rahman@swapaudit.co.uk, 020 8142 5030

External Quality Assurance

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF).

Every five years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in February 2020 which confirmed general conformance with the IPPF.

Conflicts of Interest

We are not aware of any conflicts of interest within Avon and Somerset Police and OPCC that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

Consultancy Engagements

As part of our internal audit service, we may accept proposed consultancy engagements, based on the engagement's potential to improve management of risk, add value and improve the organisation's operations. Consultancy work that is accepted, will contribute to our annual opinion and will be included in our plan of work.

The Internal Audit Plan: SWAP

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- **Benchmarking and sharing of best-practice between our public-sector Partners**
- **Regular newsletters and bulletins containing emerging issues and significant risks identified across the SWAP partnership**
- **Communication of fraud alerts received both regionally and nationally**
- **Annual Member training sessions**

Approach to Fraud

Internal audit may assess the adequacy of the arrangements to prevent and detect irregularities, fraud and corruption. We have dedicated counter-fraud resources available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with management who should institute adequate systems of internal control, including clear objectives, segregation of duties and proper authorisation procedures.

Our Reporting

A summary of internal audit activity will be reported quarterly to senior management and the Audit Committee. This reporting will include any significant risk and control issues (including fraud risks), governance issues and other matters that require the attention of senior management and/or the Audit Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific terms of reference for the piece of work, which includes the objective and scope for the review.

Audit Title	Area of Coverage	Estimated Cost	Proposed Quarter
OPCC Statutory Functions	<p>The role of the OPCC is to support the statutory functions of the Police and Crime Commissioner, with a key focus on supporting delivery against the Police and Crime Plan.</p> <p>This audit will look to assess compliance with legal requirements, ensuring the OPCC is meeting all statutory requirements, evaluate its effectiveness and efficiency in achieving its objectives as well as verifying the transparency and accountability of activities and decisions.</p> <p><u>Links to Risk Registers:</u> Strategic Risk Register: Risk 1 – Governance failure. Strategic Risk Register: Risk 2 – Failure to deliver the Police and Crime Plan. Strategic Risk Register: Risk 6 – Failure to deliver commissioned services. Police and Crime Plan: Priority 3 – Leading the police to be efficient and effective. Force Management Statement: Section 11 – Force-wide Functions</p>	£4,776.00	Q3
Ammunition and Armoury Management	<p>The Force must ensure effective systems and procedures are in place for accounting for firearms, ammunition and less lethal weapons, secure storage of weapons and ammunition and maintenance and inspection regimes for weapons and ammunition. Mismanagement of ammunition and armoury could lead to injury or death, resulting in distress to victims, financial loss, reputational damage and legal challenge to the Force.</p> <p>Ammunition and armoury management was highlighted as an area of interest following an audit at another partner force. This audit will seek to provide assurance over the effectiveness of controls in place to manage ammunition and armoury at Avon and Somerset Police.</p> <p><u>Links to Risk Registers:</u> Corporate Risk Register: Confidence – Recognising that an inability to maintain confidence and legitimacy effects our ability to police by consent. Police and Crime Plan: Priority 3 – Leading the police to be efficient and effective. Police and Crime Plan: Priority 4 – Increasing the legitimacy of, and public confidence in, the Police and Criminal Justice System. Force Management Statement: Section 11 – Force-wide Functions</p>	£5,970.00	Q3

Audit Title	Area of Coverage	Estimated Cost	Proposed Quarter
Business Continuity	<p>Business continuity planning involves having plans and procedures in place that enable the recovery of key business processes following a disaster or incident. The overall objective of a Business Continuity Plan (BCP) is to maintain the integrity of an organisation's data, operational service and other facilities and, if necessary, provide a temporary or restricted service until normal service can be resumed. Organisations operating in the UK must also ensure their business continuity plans align with the requirements and guidelines set forth in the Civil Contingencies Act.</p> <p>This audit will look to review the effectiveness of business continuity planning arrangements for the Force to ensure its readiness for potential disruptions, as well as compliance with the Civil Contingencies Act.</p> <p><u>Links to Risk Registers:</u> Corporate Risk Register: Service – Failure to meet the five public outcomes as defined within our five year strategy. Police and Crime Plan: Priority 3 – Leading the police to be efficient and effective. Force Management Statement: Section 11 – Force-wide Functions</p>	£4,776.00	Q3
Property Stores and Record Management	<p>Property stores securely hold various types of property, including evidence from investigations, found or lost items, seized assets and personal belongings of detainees. Force property stores is an area of potentially high risk. Reviews at other partner forces have also highlighted concerns.</p> <p>As an area we have not reviewed in recent years, this audit will look to provide assurance that there is a sound framework in place when storing goods and cash in the main HQ property store, and that national guidance is followed.</p> <p><u>Links to Risk Registers:</u> Corporate Risk Register: Confidence – Recognising that an inability to maintain confidence and legitimacy effects our ability to police by consent. Police and Crime Plan: Priority 3 – Leading the police to be efficient and effective. Police and Crime Plan: Priority 4 – Increasing the legitimacy of, and public confidence in, the Police and Criminal Justice System. Force Management Statement: Section 1 – Finance Force Management Statement: Section 11 – Force-wide Functions</p>	£5,970.00	Q4

Audit Title	Area of Coverage	Estimated Cost	Proposed Quarter
Interpreters – Value for Money Review	<p>The checklist from the new Financial Management Code by CIPFA recommends that value for money reviews are included in the Internal Audit Plan.</p> <p>Following some areas of weakness identified during review at another Partner, this audit will seek to determine if the Interpreters Service is well governed and if there are controls in place to ensure value for money is achieved in this area.</p> <p><u>Links to Core Areas of Recommended Coverage:</u> Corporate Risk Register: Risk 1 – Inability to deliver a sustainably balance budget. Police and Crime Plan: Priority 3 – Leading the police to be efficient and effective. Force Management Statement: Section 1 – Finance</p>	£3,582.00	Q4
Network Boundary Defences	<p>Network boundary defences play a fundamental role in in an organisation’s cyber security and offer multiple levels of protection. These range from the basic anti-virus precautions and firewalls, through to sophisticated technology designed to identify and isolate those cyber threats detected. These boundary defences require effective configuration, maintenance and monitoring to ensure that they continue to offer maximum protection.</p> <p>Failure to manage appropriate and robust boundary defences may result in exploitable security vulnerabilities that could increase the likelihood of cyber-attack and security incidents, causing operational disruption, loss of critical services, data, as well as financial, and reputational damage. We will seek to provide assurance that the network boundary defences deployed by the organisation effectively safeguard the Force’s network against internal and external security threats.</p> <p><u>Links to Core Areas of Recommended Coverage:</u> Corporate Risk Register: Risk 5 – Information Governance practices, data and digital assets are not governed and controlled or used legitimately, ethically, appropriately, or effectively for policing purposes. Police and Crime Plan: Priority 3 – Leading the police to be efficient and effective. Force Management Statement: Section 10 – Knowledge Management and ICT</p>	£4,776.00	Q4
TOTAL estimated cost of delivery of above proposed Audits		£29,850.00	

Support Activities and Follow Up Work – 2024-25 Annual Allocation			
Contribution to Regional Work	As agreed across all South West Police Forces, an allocation has been allotted to take forward audits of common interest, enabling benchmarking of approach and position across the region as a whole. It has been agreed by the Directors of Finance from each of the South West Police Forces that the regional work for 2024/25 will review: 1. Vetting – Identifying best practice and opportunities to improve efficiency and effectiveness. 2. Telematics – Use of telematics across the five forces, identifying best practice and areas for improvement.	£3,980.00	Throughout Year
Follow up of Limited Assurance Reviews	Allocation of time to allow for follow up of actions made in Limited opinion reviews in 2022/23 not subject to separate consideration.	£1,990.00	Throughout Year
Planning, Reporting & Advice	Agreed attendance at quarterly audit committees, undertaking audit planning and any corporate advice.	£7,960.00	Throughout Year
TOTAL estimated cost of delivery of support activities and follow up work for 2024/25		£13,930.00	
TOTAL estimated cost of delivery for Q1-2 Audits		£33,653.75	
TOTAL estimated cost of delivery of above proposed Internal Audit Plan for 2024/25 (Inc. costs for Q3-4)		£77,433.75	
TOTAL agreed cost of delivery for the Internal Audit Plan for 2024/25		£77,433.75	

Pipeline Audits - These audits are potential areas for inclusion as part of future Internal Audit Plans

Audit Title	Type of Work	Priority	Notes
ASP Governance of Use of Force - Pipeline	Assurance	Higher priority	Following an incident in Manchester, in July 2024, whereby an Officer was filmed using excessive force, we are suggesting a review to provide assurance on the effectiveness of the governance arrangements regarding the 'use of force' across the constabulary. This area has not been previously audited by SWAP.
ASP KFCs - Payroll and Expenses - Pipeline (2025/26)	Assurance	Higher priority	<p>This audit aims to provide assurance that key financial controls in relation to the payroll function are operating effectively and areas vulnerable to fraud are sufficiently well controlled post ERP implementation.</p> <p>In addition, we will also seek to provide assurance in relation to Chief Officer and OPCC expenses. Both the Force and OPCC have committed to publishing Chief Officer expenses on their respective websites as part of their transparency in financial reporting. In order to support this, we aim to undertake whole data analysis to provide assurance that Chief Officers' and OPCC expenses (claims and credit card expenditure for expenses) are made in line with agreed policy, subject to independent scrutiny and transparently published.</p>
ASP OPCC Statutory Functions	Assurance	Higher priority	<p>The OPCC has a number of statutory functions designed to ensure effective oversight and governance of policing.</p> <p>The statutory functions of the OPCC are geared towards ensuring effective, accountable, and community-focused policing within their respective areas of jurisdiction. It is imperative to ensure these functions are being undertaken to aid in the achievement of the Police and Crime Plan.</p>
ASP Ammunition and Armoury Management - Pipeline	Assurance	Medium priority	Highlighted as an area of interest following an audit at another Force partner. To provide assurance over the effectiveness of controls in place to manage ammunition and armoury.
ASP Business Continuity - Civil Contingencies Act Compliance - Pipeline	Assurance	Medium priority	Organisations operating in the UK must ensure their business continuity plans align with the requirements and guidelines set forth in the Civil Contingencies Act.
ASP Forensics Team Accreditation - Pipeline	Assurance	Medium priority	<p>Identified by the Police Audit Group (PAG) as a key risk facing the sector.</p> <p>Force forensics teams are crucial to ensure the quality, reliability, and integrity of forensic evidence used in criminal investigations and legal proceedings. The primary accreditation standard for forensic laboratories in the UK is ISO/IEC 17025, which sets out general requirements for the competence of testing and calibration laboratories.</p> <p>The management of achieving this accreditation should be considered for review.</p>

Audit Title	Type of Work	Priority	Notes
ASP Homeworking - Pipeline	Assurance	Medium priority	This audit would aim to assess the governance, operational efficiency, compliance, data security and overall effectiveness of homeworking policies.
ASP Management of Recommendations from Inspection Bodies - Pipeline	Assurance	Medium priority	Review to provide assurance that recommendations from other assurance providers are being monitored and implemented appropriately.
ASP Benefits Management and Realisation - Pipeline	Assurance	Lower priority	Area suggested by the Joint Audit Committee (JAC) for inclusion in the internal audit pipeline. Based on the back of change, what went well and is best practise.
ASP Workforce Planning - Pipeline	Assurance	Lower priority	Proposed review of how effectively the Force plans, manages, and optimises it's workforce to achieve its strategic objectives. There is currently a number of workforce planning risks featured on the Force's risk register.

Internal Audit Charter for SWAP Internal Audit Services (SWAP)

Purpose

SWAP Internal Audit Services creates, protects, and sustains value by providing the Joint Audit Committee (JAC) and management with independent, risk-based, and objective assurance, advice, insight, and foresight, that meets rigorous professional standards.

The internal audit function enhances:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Institute of Internal Auditors Global Internal Audit Standards™ which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the audit committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adherence to the Global Internal Audit Standards

The internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The chief audit executive will report annually to the partner audit committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program, managed and monitored by the SWAP senior management team and the SWAP board.

Mandate

Authority

The audit committee grants the internal audit function the mandate to provide the audit committee and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the audit committee. Such authority allows for unrestricted access to the audit committee.

The audit committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.

- Obtain assistance from the necessary personnel of the Partner and other specialized services from within or outside the Partner organisation to complete internal audit services.

Independence, Organisational Position, and Reporting Relationships

The chief audit executive will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The chief audit executive will report functionally to the audit committee and administratively (for example, day-to-day operations) to the Chief Officer – Finance, Resources and Innovation and the Chief Finance Officer (OPCC). This positioning provides the authority and status to bring matters directly to senior management and escalate matters to the audit committee, when necessary, without interference and supports the internal auditors' ability to maintain objectivity. The chief audit executive will confirm to the audit committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the chief audit executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The chief audit executive will disclose to the audit committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the chief audit executive, audit committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant acquisition or reorganisation within the organisation.
- Significant changes in the chief audit executive, audit committee, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Audit Committee Oversight

To establish, maintain, and ensure that the internal audit function has sufficient authority to fulfil its duties, the audit committee will:

- Discuss with the chief audit executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the chief audit executive has unrestricted access to, communicates, and interacts directly with the audit committee, including in private meetings without senior management present.
- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the chief audit executive and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.

- Review the internal audit charter [annually] with the chief audit executive to consider changes affecting the organisation, such as the employment of a new chief audit executive / head of internal audit or changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter [annually].
- Approve the risk-based internal audit plan.
- Collaborate with senior management to determine the budgets, qualifications and competencies the organisation expects in a chief audit executive, as described in the Global Internal Audit Standards.
- Review the chief audit executive's performance, provide feedback to the SWAP CEO, plus senior management and the organisation's CEO.
- Receive communications from the chief audit executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established.
- Review the results of the quality assurance and improvement program annually.
- Make appropriate inquiries of management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

Chief Audit Executive Roles and Responsibilities

Ethics and Professionalism

The chief audit executive will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the Partner organisation and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The chief audit executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the chief audit executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the Partner organisation or its affiliates.
- Initiating or approving transactions external to the internal audit function.

- Directing the activities of any Partner organisation's employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, audit committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The chief audit executive has the responsibility to:

- At least annually, submit a risk-based internal audit plan to the audit committee and senior management for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the audit committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Partner organisation's business, risks, operations, programs, systems, and controls.
- Communicate with the audit committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the audit committee and senior management [annually] and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact the Partner organisation and communicate to the audit committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to the Partner organisation's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the audit committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the audit committee.

Communication with the Audit Committee and Senior Management

The chief audit executive will report [annually] to the audit committee and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the audit committee.
- Results of assurance and advisory services.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Partner organisation's risk appetite.

Quality Assurance and Improvement Program

The SWAP senior leadership team in collaboration with the chief audit executive / will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the chief audit executive will communicate with the audit committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be completed at least once every five years by a qualified, independent assessor or assessment team from outside both SWAP and the Partner Organisation; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organisation, including all of the Partner organisation's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the audit committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the Partner organisation.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management. Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of the Partner Organisation's strategic objectives are appropriately identified and managed.
- The actions of the Partner organisation's officers, directors, management, employees, and contractors comply with the Partner organisation's policies, procedures, and applicable laws, regulations, and governance standards.

- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Partner organisation.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.



Avon & Somerset Constabulary

SWAP Internal Audit

Progress Review

September 2024

ASC SWAP INTERNAL AGREED MANAGEMENT ACTIONS PROGRESS REVIEW – September 2024
INTRODUCTION:
<p>This report is from the Inspection and Audit Team and provides an update on the following points:</p> <ul style="list-style-type: none"> • Overall numbers of open actions • Number outstanding and late for action • Total approved for closure by Nick Adams
OVERVIEW:
<p>Internal audit agreed management actions are tracked and closed once the internal auditors agree the action is complete. Governance is provided via the Joint Audit Committee. SWAP undertake follow up audits throughout the year to review progress. The Inspection and Audit Team (I&AT) meet with SWAP every month to review progress.</p> <p>The Auditors review all actions where the overall audit opinion is limited or below, however, this is only performed through the follow-up report once the last original date for completion has been reached; I&AT track all actions that fall due in the meantime. The I&AT track all actions that result from an audit with an overall opinion of 'reasonable' and above. The business lead confirms when an action is considered closed or where a revised date for completion is required; the auditors are advised where a follow-up is due but has not been completed.</p>

UPDATE ON ALL AGREED MANAGEMENT ACTIONS		Action status – Number at each stage as follows			
Please note, a brief update has been provided against open actions from prior to 23/24 that are outstanding and/or overdue and also for all overdue actions.					
Audit titles and dates (Nb. audits are removed from list once all actions have been closed)	Business lead	Total number In audit	Open – Not yet due	Open – Overdue	Completed
SWAP 2019/20					
IT Cyber Security x1 Overdue: 1.3 – Consider creation of Force specific IT security strategy – Summary of 20/3/24 update from NL: - 'In 2023 ASC contributed to the creation of a national Cyber security strategy, this is aligned to the UK Gov. Cyber Security Strategy 2020-30. This has been shared internally through the Confidence & Legitimacy Committee and presented at Chiefs Council for support. Work continues on funding and planning for implementation. This is a continually evolving area with a number of national developments. This action is significantly more complex and may warrant further discussion and/or briefing on the strategy itself and the various assurance mechanisms and controls in place. In previous years I would attend a JAC pre-meeting to provide some background and context to any likely discussions I would be happy to do that in future.' - Referred to NA for thoughts/closure/next steps 15/08/24 UPDATE 4/9/24 From NL – A national strategy is now in place and the recommendation is for ASC to adopt this therefore this is complete – NL to present if required – referred to NA for closure sign-off 4/9/24	Nick Lilley	3	0	1	2
Total		3	0	1	2
SWAP 2020-21					
Health & Safety Management of Frontline Officers and Staff x2 Outstanding: 1.2a - Review Risk management records and procedure update – New BL (in place May '24) will chase this as not yet completed. 1.4a – Is it possible to capture further incident and ill health data more granularly? - This relates to SAP EH&S and new system which has now been delayed until Oct 2024.	Tim Coker (Temp)	4	2	0	2
Delivering the Digital Strategy x1 Overdue: 44643 – Capture time and costs related to delivering Digital strategy – Summary of 20/3/24 update from NL: – 'We are only likely to achieve the original aspiration fully with additional effort around reporting at project closure to show actuals v estimates of resources used. This would be better supported by more sophisticated project tooling which we are investigating.' Referred to NA to query next steps 15/8/24 UPDATE 4/9/24 from NL - Original ask was to show delivery costs. However, to date ASC hasn't had the resource capacity to achieve	Nick Lilley	2	0	1	1

<i>this and it's not a priority. This will remain outstanding for the foreseeable future and consideration should be given as whether this remains open whilst it continues not to be a priority. NL to present if required.</i>					
Total		6	2	1	3
SWAP 2021 - 22					
Remote Working <i>x1 Overdue: 1.1 - Expedite deployment of NEP DR3 operating system build to all laptops – Update 20/3/24 – Substantially complete, just dealing with exceptions – Referred to NA for closure sign off 15/8/24</i>	Nick Lilley	3	0	1	2
Victim Support Services <i>x1 Outstanding: 1.6 - Ensure that outcomes from the feedback review include a focus on informing improved performance and extending surveys to a wider spectrum of victims. – Update - Work is progressing, survey design is near completion and activity is expected to commence in Autumn 2024.</i>	Victoria Caple / Liz Hughes	6	1	0	5
Total		9	1	1	7
SWAP 2022-23					
Evidential Property Management <i>x5 Outstanding: 2 actions referred to NA for closure sign off 15/8/24. The other 3 open actions require various improvements to systems and practices – all recommendations are ongoing and due Sept 2024. New BL in place.</i>	Teresa Leadbetter (TBC)	6	5	0	1
Regional Digital Forensics <i>x3 Outstanding: 1.2a - Ensure that the ability to recognise and record the complexity of cases can be captured on Fortress or elsewhere to help build the picture of true demand on the DFUs. – Update from MB June 24: - ‘The current digital CMS (Fortress) includes the recording of case complexity, number of exhibits, and suspects etc. However, more detailed information eg amounts of data, are not. SWF have been in the process of tendering for a new digital CMS since 2023. As this action requires substantial IT development the timeframe needs significant extension. The procurement process is ongoing and the hope is that the new system will be in place by June 2026. The new system chosen (BlackRainbow) is capable of the fulfilling the requirements. The functionality can be reported on following implementation in Q3/4 2026/27 to complete this action.’ 1.5a - Ensure sufficient consideration is given to how the sharing of workloads and capacity could be maximised across the region as part of the internal gatekeeping and demand review or should be further explored in order to realise further benefits of the Collaboration. Update from MB June 24: – Sufficient investment in ICT networking is required to achieve this. The intention is to</i>	Martyn Bradford	12	3	0	9

<p>extend the current manager service contract to include "digital pipes" across the region but this is not expected to be implemented until 2025 at the earliest due to technical and budget constraints. Funding was agreed in 2023. In February 2024 the Business Lead reported that the ICT infrastructure and server storage within DFU's is improving. However, the technology to effectively workload share across the region remains a distance away. Once the DF infrastructure is fully stabilised then a supplier of an ICT managed service could scope the connectivity options. In addition, SWF are engaged with the NPCC DF Board who are progressing the HMIC DF recommendations - but a national cloud-storage solution is also a distance away. Update in June 2024 - Work is ongoing with BT for connectivity. This is unlikely to happen before December 2027.</p> <p>Therefore due to the amount of work required to implement this action it will need to stay open until at least the end of 2027 in order to see it realised.' – JAC to review the above position statements</p>					
<p>IT Service Desk x1 Overdue action which is reliant on changes to Pocketbook. Currently awaiting update from BL. <i>UPDATE 4/9/24 from NL - Complete - appropriate links have been added to Pocketbook, directing user to the IT portal. Equal prominence in both ASC and OPCC websites.- Referred to NA for closure sign off 4/9/24</i></p>	Nick Lilley	8	0	1	7
<p>Reasonable Adjustments x2 Outstanding: 1 action requires implementation of the new Oracle system (due Oct 24) the other has been delayed due to capacity, deadline is now Oct '24.</p>	Bethan Atwell	2	2	0	0
<p>Key Financial Controls x3 Outstanding: 1 action referred to NA for closure sign off 15/8/24. The other 2 actions require implementation of new Oracle system (due Oct 24) in order to complete.</p>	Claire Hargreaves	5	3	0	2
<p>Policy & Procedure Management x1 Overdue – BL has repeatedly chased required documents (EIA's) and is awaiting response. Escalated to NA. <i>UPDATE 4/9/24 Request repeated, it is suggested this ownership of the recommendation is passed to Business Leads with a view to final resolution.</i> x4 Outstanding – 1 rec is awaiting implementation of Oracle. 3 OPCC recs expected to be completed soon following delays due to capacity and new PCC.</p>	Kate Watson / James Davis	7	4	1	2
<p>Assurance Mapping – Referred to NA for closure sign off 15/8/24</p>	Claire McFadden	2	1	0	1
Total		42	18	2	22
SWAP 2023-24					
Estates: Compliance with Statutory Obligations	Hannah Watts	13	3	0	10
Cash Handling	Anna Elliott	5	1	0	4

Key Financial Controls – Referred to NA for closure sign off	Emma Snailham	5	1	0	4
Strategic approach to IT – Deadline extended due to recent appointment of New BL	Paul Wigginton	2	2	0	0
Proceeds of Crime Act – Referred to NA for closure sign off	Claire Hargreaves	1	0	1	0
Victim Support Services	Various	5	5	0	0
Total		31	12	1	18
SWAP 2024-25					
Personal Development Unit – Tutoring – Required surveying has been carried out, findings now need to be reported to relevant board.	TBC	4	4	0	0
Corporate Credit Cards	Claire Hargreaves	1	1	0	0
Total		5	5	0	0

	Total Recommen- dations	Total open – not yet due	Total open - overdue	Closed
	96	38	6	52
		Total of above – all open recommendations		
		44		