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Date : December 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 online **via Teams** at **13:00** on **19 December 2024**.

Joint Audit Committee Members are invited to attend a pre-meeting at 10:00 and a Members Briefing session at 11:00, both also online via Teams..

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

N/A – meeting being held via Teams

(ii) Wheelchair Access

N/A – meeting being held via Teams

(iii) Emergency Evacuation Procedure

N/A – meeting being held via Teams

(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**

**19 December 2024, 13:00 – 16:00**

**1. Apologies for Absence**

**2. Emergency Evacuation Procedure**

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

**3. Declarations of Gifts/Offers of Hospitality**

To remind Members of the need to record any personal interests or any **prejudicial interest** relating to the agenda and disclose any relevant receipt of offering of gifts or hospitality

**4. Public Access**

(maximum time allocated for this item is 30 minutes)

Any member of the public wanting to attend a JAC meeting must submit a written application and secure written agreement of the JAC Chair. Statements and/or intentions to attend must be received no later than 12.00 noon on the working day prior to the meeting and should be emailed to [JAC@avonandsomerset.pnn.police.uk](mailto: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 12 September 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**

- a) Corporate Risk Mapping Overview
- b) Change Programme Risks and Milestones

**8. Annual Accounts and Governance Statement (Report 8) 13:50**

**9. External Audit: (Report 9) 14:00**

- a) Final Auditor's Annual Report
- b) Joint Audit Findings Report

**10. Business from the JAC 14:30**

- a) Governance and Scrutiny Board Update (Oral Update)

- b) Update on IOPC Investigations (Oral Update)
- c) Update on PEEL Inspection (Oral Update)
- d) ERP (Oral Update)

11. Internal Audit (Report 11): 15:00
- a) SWAP Quarterly Update
  - b) ASP Information Governance Final Report
  - c) Criminal Justice
  - d) Treasury Management

## **Part 2**

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Items for consideration without the press and public present

12. No Items for consideration



## **POLICE AND CRIME COMMISSIONER FOR AVON AND SOMERSET**

### **MINUTES OF THE JOINT AUDIT COMMITTEE (JAC) MEETING HELD ON THURSDAY 12 SEPTEMBER 2024 AT 13:00. MEETING HELD VIA TEAMS AND IN PERSON.**

#### **Members in Attendance**

David Daw  
Zoe Rice  
Nassir Mahmood  
John Vanstone  
James Madsen (via TEAMS)

#### **Officers of the Constabulary in Attendance**

Jon Reilly, Deputy Chief Constable  
Nick Adams, Constabulary CFO  
Emma Snailham, Corporate Business Partner Financial Accounting (part of the meeting via TEAMS)  
Jason Shears, Superintendent, Head of Performance and Assurance (part of the meeting, via TEAMS)  
Hannah Watts, Head of Business Services (part of the meeting, via TEAMS)  
Phil Baxter, Programme Director ERP (part of the meeting)

#### **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  
Vicky Ellis, OPCC Secretariat Manager (Via TEAMS)  
Liz Parr, OPCC PA to COS and CFO

#### **Also in Attendance**

Clare Moody, Police and Crime Commissioner  
Charlotte Wilson, SWAP (Via TEAMS)  
Juber Rahman, SWAP (Via TEAMS)  
George Amos, Grant Thornton  
Julie Masci, Grant Thornton

### **27. Apologies for Absence**

Sarah Crew, Chief Constable  
Louise Hutchison, Chief Officer – People and Organisational Development  
James Davis, Delivery Manager – Portfolio

### **28. Emergency Evacuation Procedure**

The Chair advised those in the room of the Emergency Evacuation

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

**29. Declarations of Interest / Gifts / Offers of Hospitality**

None.

**30. Public Access**

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

**31. Minutes of the Joint Audit Committee (JAC) Meeting held on 20 June 2024 (Report 5)**

**RESOLVED THAT** the minutes of the meeting held on 20 June 2024 were confirmed as a correct record.

Action update:

- |                       |  |
|-----------------------|--|
| <b>Minute 6a</b>      | 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. Completed at Member’s Briefing 12 September. <b>Close action.</b> |
| <b>Minute 6b</b>      | 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. Completed at Members’s Briefing 12 September. <b>Close action.</b>   |
| <b>Minute 9a</b>      | The Joint Audit Committee meeting on 12 <sup>th</sup> September 2024 should be held in person. <b>Close action.</b>  |
| <b>Minute 11 (i)</b>  | 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 12 <sup>th</sup> September 2024. <b>Close action.</b>   |
| <b>Minute 11 (ii)</b> | 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 12 <sup>th</sup> September 2024. Covered at agenda item 12. <b>Close action.</b>  |

<b>Minute 20</b>	The OPCC will provide any appropriate and relevant documentation from the PCC induction process that would be helpful for new Members. This is in progress and OPCC exploring ways of sharing documents with JAC other than by e-mail.
<b>Minute 20 (i)</b>	The Constabulary should confirm, in relation to the data risk, whether the migration to CLOUD is scheduled to be discussed by the Ethics Committee. Members clarified this was to understand why it was needed to be referred to the Ethics Committee.
<b>Minute 20 (ii)</b>	The Constabulary should keep the JAC Members updated with the work around risk appetite and liaise with Members offering advice. The Constabulary met with a JAC Member and will begin to frame the corporate risk register according to the advice given. <b>Close action.</b>
<b>Minute 22b</b>	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. Report 8a refers. <b>Close action.</b>
<b>Minute 24c</b>	The Deputy Chief Constable will brief new JAC Members on the IOPC process. <b>Close action.</b>
<b>Minute 24d</b>	The Deputy Chief Constable will brief the new JAC Members on the PEEL Inspection process. <b>Close action.</b>
<b>Minute 25b (i)</b>	The table from SWAP will include the dates audits were due and when they were completed. <b>Close action.</b>
<b>Minute 25b (ii)</b>	A section on learning, leadership, culture and equality and diversity should be included in all internal audit reports going forward.
<b>Minute 25f (i)</b>	An update should be given regarding the ERP Programme Management and implementation progress at the next JAC meeting. <b>Close action.</b>
<b>Minute 25f (iii)</b>	When the internal audit report is amended, regarding the points and figures which need correcting, this should be circulated to JAC Members. Circulated morning of June JAC meeting. <b>Close action.</b>

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

There had been no changes to overall risk assessments to the OPCC Strategic Risk Register since the last JAC meeting in June.

#### SR1 – Governance Failure

The new PCC was reviewing the Governance and Scrutiny Board, in particular the Scrutiny element of the Board to take into account the new priorities of the new PCC and the changes to the Constabulary governance structures.

#### SR2 – Failure to deliver the Police and Crime Plan

The PCC has launched the consultation on the new draft Police and Crime Plan and this closes on 21 October 2024. It was noted that consultation on the plan is a statutory duty for a PCC. The PCC intends to publish the new plan in December 2024, ahead of the statutory deadline of March 2025. The consultation also asks residents to provide suggestions on how to achieve the plan, as well as their thoughts on the precept.

The PCC has expanded the consultation beyond an online form and will host forums in each local authority area for residents to attend, as well as holding focus groups to target certain groups to ensure their voices are heard. Focus groups will be held with young people, those with disabilities, those who have been victims of crime, black and minoritised communities.

Members asked how the current measures of the plan were getting on. Progress was set out in the Annual Report. Once the new plan is finalised the action plan will be formed to bring together the Key Performance Indicators that will measure progress against the plan. This will be shared with members when it is available.

#### SR3 – Financial incapability or ineffectiveness

The police officer pay award announced by the Government was higher than budgeted for in the Medium-Term Financial Plan (MTFP), however the Government announced additional funding to cover the difference. The Government also announced a single year settlement for policing for 2025/26.

#### SR6 – Failure to deliver commissioned services

The Victims Services recommissioning process had completed and new providers have been agreed for April 2025. Members asked if the OPCC thought the new providers would help to reduce the risk. The contract terms had been updated and the risk around longevity of contracts had been mitigated and were clearer on what is to be delivered and how it will be delivered.

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

Members asked what mitigations were in place, noting the broader current context, for the funding of the Violence Reduction Partnership (VRP) due to the Home Office funding settlement coming to an end on 31 March 2025.

The uncertainty of Government funding was reflected across public services more widely and it was noted that not all police services across the country receive VRP funding and those who do receive it are in the similar position to Avon and Somerset. There has been an indication that the Government may continue to provide funding for an additional year. The PCC is looking to provide assurance to staff in the VRP by underwriting this funding for the year from Reserves. Some of the governance elements such as the Needs Assessment and a Performance Framework are being built to provide some mitigation if the funding does not continue.

Members queried the recent riots and violence in Bristol, seeking to understand what impact this had had on the SRR. The risk there would be held by the Constabulary as it is about the impact on operational policing. The PCC was alert to the risk to public confidence as a result of the incidents and believes that all the proposed priorities in the new plan would work together to increase public confidence, which is why it had not been considered as a stand alone priority.

**RESOLVED THAT** the action plan for Police and Crime Plan will be shared with members once it is available

### **33. Constabulary Strategic Risk Register and Organisational Risk Update (Report 7)**

The Deputy Chief Constable provided an update on the current situation for the Constabulary, on behalf of the Chief Constable who was unable to attend the meeting.

The Constabulary were coming to the end of the challenging summer demand period, which had also included some events such as the Harbourside Festival and Glastonbury which put additional pressure on resourcing levels. The Chief Officer Group (COG) had put a plan in place to prevent teams becoming overwhelmed. Feedback from officers and staff at focus groups with COG suggested the plan this year had been the best.

The Deputy Chief Constable provided some detail to members regarding the number of officers the Constabulary had had to provide to support national requirements during the incidents of unrest and advised teams had been moved to 12 hours shifts to help manage the demand, recognising that the whole organisation stepped up to respond.

The Constabulary were now entering the Police Effectiveness, Efficiency and Legitimacy (PEEL) Inspection period which will have an impact on workloads for staff and officers.

The prison estate and capacity issue had impacted A&S who had been required to supply custody cells for use. There were 39 people who had been released within the A&S area as part of the early release programme that would require management.

The impact of the 3 year training programme for student officers was still being felt.

Members asked if there was data available on the turnover of staff. This information is provided to the Governance and Scrutiny Board and is monitored carefully. It was agreed that high level information would also be shared with the JAC Members.

#### Corporate Risk Register

The members asked if the work on the physical estate was the main driver for the reduction to the infrastructure risk. It was acknowledged that this is in part due to the improvements in the Fleet. There had been some challenging years for vehicle manufacturers during Covid but this has reduced and there is no challenge to procuring new vehicles. The Constabulary are planning for the switch to electric vehicles and believe they are managing the risk.

Members asked about the migration to the cloud and how this helps to manage the risk. The Deputy Chief Constable chairs the Confidence and Legitimacy Committee that consider this risk and noted the record retention and Artificial Intelligence (AI) are the biggest risks. The Constabulary have a 2 – 5 year plan for retention and are linked in to the development of a national AI strategy. The migration to the cloud is anticipated to mitigate the retention risk and noted A&S were the first police force to migrate crime recording to the cloud data storage.

Members requested an explanation on the mapping of the organisational risk to corporate risk.

Members asked about the finance report which mapped A&S as high risk, seeking further feedback on this. A piece of work had been undertaken jointly by the National Police Chief's Council (NPCC) and the Police and Crime Commissioners Treasurers' Society (PACCTS) to review every police force's MTFP to consider how the budget is balanced and reserves levels. A&S has had a balanced budget for two years and still has reserves which puts them in the high risk but high resilience category. There has been a delay in the publication of this due to the general elections but a draft report has been shared with PCC's for local discussion. It was noted that some Local Authorities published Section 114 notices to declare bankruptcy. No police forces are in this position currently but some may be in a couple of years without drastic action being taken. As a disciplined service the Constabulary would plan to instigate controls if they looked to be getting to that stage.

Members sought assurance that the Internal Auditors had sight of the 8 Programmes of Change that the Constabulary are undertaking and suggested

it would be helpful to have the programmes and their high level risks set out with the major milestones for a future meeting.

Members asked how AI is used in policing. It is not currently used much yet, but the Constabulary won a bid from the Home Office Science Technology and Research (STAR) fund to begin a proof of value/concept initiative to explore the use of software similar to ChatGPT and how this might provide help with crime recording. The Constabulary had also invested in an investigative analytics system called SOZE. The proof of concept for this was completed last year using 30 cases and the results were exciting. The Constabulary are now completing a 12 month proof of value for the system.

#### **RESOLVED THAT**

- i. the high level information provided to the Governance and Scrutiny Board around staff turnover would be shared with the JAC Members.
- ii. the Constabulary to provide an explanation of the mapping of organisational to corporate risk.
- iii. the Constabulary to provide high level risk information and major milestones of the 8 change programmes

#### **34. Annual Accounts and Governance Statement (Report 8):**

The Constabulary CFO highlighted the Summary Statement of Accounts, explaining it had been produced in response to the statutory requirement to provide a more readable version of the accounts for the public. It presents the same information as the year end accounts, plus pensions and appreciation adjustments. There were some spelling mistakes and grammar corrections already identified, but the Constabulary sought feedback from Members on the document.

Members agreed that it was a well written document and accessible, using plain English. It was important that it was published. The External Auditors noted that this may become a mandatory requirement in the future and may become an audited document.

Members asked if the OPCC could have any influence on the inconsistencies of funding for A&S compared to other forces. The OPCC confirmed they were lobbying the Government to consider changing the funding formula.

#### **a) Joint Audit Committee Member Questions and Answers**

All the questions from the JAC Members had been consolidated into one document with answers provided alongside them.

The Committee were grateful for the responses provided and agreed all questions had been satisfactorily addressed.

The Constabulary CFO provided clarification that the main driver for the improvement shown in the MTFP was due to the recurring savings of £17.9m previously identified. The residual deficit is down to £12m in 2028-29 and will

then need to find future savings. It was noted that the numbers will change due to assumptions and forecast.

**RESOLVED THAT**

- i. the Constabulary would publish the Summary Statement of Accounts once finalised.
- ii. if there are no material late changes to the account following the conclusion of the audit, Members would recommend them for signature by the PCC and the CC

**35. External Audit: Draft Audit Findings Report (Report 9)**

The External Auditors confirmed the report submitted summarised the position at the point the report had been issued. It was anticipated that the External Auditors would be able to issue an unqualified opinion, as long as there were no matters arising identified. One key adjustment had been identified and this was covered in Appendix D, where the Constabulary had used a projected figure instead of actual figures for pensions calculations. There had been a number of disclosure findings following the technical review of accounts and these had all been acted upon by management and the External Auditors were pleased with the responsiveness of the Constabulary to these.

A significant risk was highlighted on the management of controls around journals where one individual had created and then approved a journal. The amount was insignificant to the accounts but the importance of control mechanisms was emphasised. The Constabulary CFO accepted the findings and advised there are secondary and tertiary control mechanisms in place. The change to the new ERP system would also resolve this issue.

The External Auditors had raised a control recommendation in relation to the interaction between the Constabulary and the experts they use to support the valuation of property, recommending the use of an engagement letter to formalise the interaction and set out specific terms and conditions.

The External Auditors had also made recommendations following the remeasurement of a small part of HQ by the internal valuer who hadn't kept a formal record of the measurements. It was recommended that revised measurements should be recorded and made available as part of any audit. There was no material issue identified on this occasion. The recommendation for improvements to best practice of valuation methodology was rolled forward from a previous audit.

The External Auditors pointed out accounting and auditing implications arising from changes to the surplus/deficit position on the pension fund. There are active discussions within the auditor group around this and they were expecting a briefing on the position imminently, committing to share further information as it became available. The External Auditors were comfortable with the work and approach undertaken so far and asked that additional disclosure be provided to explain the adjustments made and the reasons for these.



The Members requested that the additional IT report referenced in the document be made available to them to review.

The External Auditors expressed their thanks to the officers who had supported the Value For Money work, which had now concluded. The draft report was being reviewed and it was anticipated that it could be shared for management comment in the next week. The Chair echoed the thanks to the ASP teams involved but also to the External Auditors for all their work, which should put A&S in a position to report shortly after the end of September.

Members queried the increase of fees in relation to the IFRIC 14 consideration. The External Auditors advised there are additional considerations when a force is not in a deficit position and additional enquires are required. The proposed £10,000 fee was indicative and based on work in other forces. The fees were not confirmed until PSAA finalise them but it was noted that the hourly rate had been increased by 150%. The OPCC CFO did not believe the costs would be applicable to A&S.

**RESOLVED THAT**

- i. Grant Thornton would share further information on the accounting and auditing implications arising from changes to the surplus/deficit position on the pension fund as it became available.
- ii. Grant Thornton to circulate the IT audit report to JAC Members.

**36. Business from the JAC:**

**a) Governance and Scrutiny Board (GSB) Update**

The OPCC CFO gave an update on the discussions at the most recent GSB on 13 August 2024:

- Q1 Finance Report forecast £2.1m deficit for the year
- Two key business cases were signed off: First Point of Contact staffing and costs – interim position agreed; Yeovil Horsey Lane refurbishment and additional vehicle workshop agreed
- Risks and issues were discussed
- Chief updated on force demand
- Assurance report covered calls for service

Minutes of all previous GSB meetings are available on the PCC's website. Members requested they were circulated once approved.

**RESOLVED THAT** the Minutes of the GSB would be circulated in future to Members once approved.

**b) Update on Independent Office of Police Conduct (IOPC) Investigations**

The Deputy Police Constable provided a briefing to Members on the process for IOPC Investigations. There are a number of cases where a referral to the IOPC is mandatory for the police force, such as death or serious injury

following police contact, serious assault or corruption. Police Force's are also able to voluntarily refer cases to the IOPC. Once the IOPC receives the referral they will assess it and determine whether it should be investigated locally by the referring force, or independently.

A&S currently have 15 investigations, 3 of which are due for closure following reflective practice. 3 of the cases are following road traffic collisions (one of which has been reported in the media as the officer has now been charged with causing death by dangerous driving) and 5 are following excessive use of force by officers. As a result of some of the cases, all police vehicles are now fitted with black boxes and data from these is available to supervisors.

Members asked what the comparison was to other forces. The numbers of cases are consistent with those in other forces. It was unusual to have 3 relating to driving standards at once. The IOPC issue publications with lessons learned from all cases.

Members asked where outcomes from independent investigations are considered. The Deputy Chief Constable chairs the Conduct and Standards Committee which reviews the learnings and the PCC also receives an update at the GSB.

### **c) Preparedness for PEEL Inspection**

The Superintendent who leads the Inspection Audit Team provided a brief presentation to Members with an overview of what a PEEL Inspection entails and what it means to A&S, agreeing to provide the slides following the meeting.

The Inspection will focus on 3 key areas:

- Reducing Crime
- Developing frontline leaders
- Positive outcomes

A force will receive one of 5 gradings for each graded question:

- Outstanding
- Good
- Adequate
- Requires Improvement
- Inadequate

At the last Inspection A&S received 17 Areas for Improvement and have been working to show progress against these. 12 were now closed and 5 were improving. The Constabulary had redesigned the performance framework and mapped it to the PEEL approach to ensure the PEEL questions are considered regularly and in depth and this is scrutinised at GSB each month, as well as at the governance committees that feed in to GSB and are led by COG. A&S are working to create a culture where all officers and staff recognise their responsibilities around PEEL.

The Inspection began in January with requests for documentation and has continued all year, including attendance at police stations and in meetings by

the Inspection team. The fieldwork concludes in September and a debrief will be given to the Chief Constable in October. The report will be submitted to the HMI for sign off and the Chief Constable should receive the draft report and grading for comment on 25 November.

Members found it helpful to understand of the process.

**RESOLVED THAT** the PEEL presentation would be circulated to Members.

#### **d) Update on ERP Programme Management and implementation progress**

The Director of the ERP Programme provided a brief background to the project which is the replacement for the Finance, Procurement and HR systems. The current system is 10 years old and needs to be replaced. The original business case was agreed in October 2022 and led to three new contracts – Oracle for ERP, another for the rostering solution and one with an implementation partner. The programme had been subject to delays, which have resulted in a forecast overspend for implementation.

The new systems are cloud solutions, which means they are run and maintained by the supplier and the Constabulary access them via secure links to the data centres. The solutions will provide improved functional capabilities. The systems have been configured by our implementation partner to meet our user requirements

We commenced User Acceptance Testing (UAT) in April, and were due to complete this in June to enable a go live in October 2024. The UAT has not completed as planned – there had been a significantly higher level of defects identified than anticipated. The current forecast is that UAT will complete no earlier than the end of October. A go live date in 2025 is being worked towards, although at this stage it is not possible to commit to a date as we need to see progress on defect resolution to have confidence on the timescales for being able to exit UAT.

The programme team are seeking independent assurance and view of the system and are working with the South West Procurement Team to protect the contract position. The financial impact is expected to be similar to that of the move from April to October 2024 and provision for the estimate of these costs is underway. Negotiations for the extension of the current system have commenced. The Constabulary CFO noted the challenging situation and the impact it was having on the team involved.

The Director of the Programme agreed to provide a further update to the JAC at the next meeting in December and the Constabulary CFO agreed to provide an interim update ahead of that.

Members sought assurance that there were no issues with the current system and the link to rostering and payroll. The Director of the Programme confirmed there was sufficient testing underway and planned to prevent Go Live with

major defects.

Members questioned whether new projects generally took longer than expected to implement and complete at A&S. The Constabulary CFO confirmed that a previous project in 2016 (implementation of the new crime recording system Niche) also overran in terms of time and costs.

#### **RESOLVED THAT**

- i. the Constabulary CFO would provide an interim update to Members on the ERP system during November.
- ii. The Director of the ERP Programme would return to the December meeting to provide a further update.

#### **37. Internal Audit (Report 11):**

The Internal Auditors advised Members that the CEO had decided to retire earlier than planned and had left at the end of August. The vacancy was being covered within the Senior Leadership Team while recruitment was underway.

##### **a) SWAP Quarterly Update**

A delivery update against the Q1/Q2 plan was provided. The Compliance with Estates Statutory Obligations Follow Up audit had been finalised, as had the Corporate Credit Cards Audit. The audits that had been postponed due to resourcing issues were now underway and it was expected these would be reported to the December meeting.

Members asked about the rationale for the postponement. The Constabulary CFO advised there had been internal changes and the agreement to pause had been summarised in a paper previously presented to Members.

##### **b) ASP Compliance with Estates Statutory Obligations Follow Up**

The Follow up audit identified 13 actions that had been agreed. Ten of these were now complete and improvements had been implemented, ASP were now up to date with fire risk assessments, PAT testing, asbestos/gas safety. The 3 outstanding actions had plans in place and largely related to the extent ASP can hold contractors to account for service and record keeping. The specification for the new contract will ensure this is covered in future. The latest action to be completed will be the water temperature checks now arranged for April 2025.

The Chair thanked the Head of Business Services and confirmed that Members did not need to see the additional detail behind the update.

##### **c) ASP Key Financial Controls – Corporate Credit Cards**

A limited assurance opinion was given in respect of the Corporate Credit Cards Audit. There were non-compliant transactions identified that breached the single transaction limit; were for prohibited goods or services; or that had

no receipt uploaded. An issue had been identified that showed the system wasn't capturing approvals correctly so it was not possible to show how many were actually approved. It was recognised that the move to ERP would resolve that issue.

Members recognised the move to ERP should help but also asked have some of the reasons for lack of compliance been fully explored and were ASP satisfied they understood why people weren't doing what they should.

The Constabulary CFO accepted there was some work to be done to explore the policy was fit for purpose and ensure people were clear on expectations. It was anticipated that the new system would make uploading receipts much easier, allowing photo submission straight from phones.

There had been no concerns raised of any fraudulent use or behaviour around corporate credit cards.

**RESOLVED THAT** the Constabulary would reconsider the policy for the use of corporate credit cards, including consideration of exceptions (out of hours use by certain teams for example) and inflation related increases of current caps / limits.

#### **d) Q3/4 2024/25 Six Monthly Audit Plan and Audit Charter**

The Internal Auditors presented the proposal for Q3 and Q4 detailing how this would provide coverage against the Police and Crime Plan and the Force Management Statement. The Audit Charter was submitted for Members' approval. The delay in providing it was due to the delay with IA releasing the standards charter.

The OPCC Chief of Staff advised the OPCC were seeking to refine the scope on the audit of statutory functions as the definition was extremely broad. The OPCC would recommend focusing on the most important priority areas such as the development of the new Police and Crime Plan.

Members requested more involvement in the planning process and the Internal Auditors were supportive of the suggestion.

Members discussed the pipeline audit of use of force, and whether it should be a higher priority. It was noted this receives scrutiny from an independent group and forms part of the HMI Inspection so received sufficient scrutiny elsewhere.

Members confirmed they were content to sign off the plan. The Chair highlighted the intention to keep mapping of scrutiny functions on the agenda.

The Constabulary CFO also confirmed support for the pipeline audit proposal.

**RESOLVED THAT**

- i. Internal Audit would involve JAC members in the Audit Planning process in future.
- ii. Members signed off the Six Monthly Audit Plan
- iii. Members approved the SWAP Charter

### **38. Internal Audit Progress Review (Report 12)**

There are 44 open recommendations and 6 of these are overdue for completion. There are recommendations dating back to 2019/20 and these will all be reviewed to check what activities are still outstanding and work will be undertaken to close them.

The first two overdue recommendations relate to IT and it was anticipated there would be sufficient evidence to close these, for example ASP have now adopted the national IT strategy.

For the 22/23 policy and procedure management it was noted that since the papers had been issued for the meeting the business leads have submitted evidence for closure following quality assessments.

Members received assurance that all the open items were being addressed and receiving scrutiny from the Superintendent as well as at the governance committees.

Members asked how many recommendations are closed on time. It was agreed this would be provided at the next meeting.

Members discussed the need to ensure actions were smart to assist with the sign off process.

**RESOLVED THAT** the Constabulary would provide a report on the number of actions closed on time.

## **Part 2**

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### **Items for consideration without the press and public present**

### **39. Exempt Minutes of the Joint Audit Committee Meeting held on 20 June 2024 (Report 13)**

**SEE EXEMPT MINUTES**

The meeting concluded at 16:05

**CHAIR**

## ACTION SHEET

MINUTE NUMBER	ACTION NEEDED	RESPONSIBLE MEMBER/ OFFICER	DATE DUE
<b>Minute 20</b>  <b>OPCC Strategic Risk Register</b>  <b>20 June 2024</b>	The OPCC will provide any appropriate and relevant documentation from the PCC induction process that would be helpful for new Members.	OPCC CFO	Ongoing
<b>Minute 20 (i)</b>  <b>Constabulary Strategic Risk Register and Organisational Risks</b>  <b>20 June 2024</b>	The Constabulary should confirm, in relation to the data risk, whether the migration to CLOUD is scheduled to be discussed by the Ethics Committee. Members clarified this was to understand the reason why it was needed to be referred to the Ethics Committee	Delivery Manager – Portfolio	Immediate
<b>Minute 25b(ii)</b>  <b>Internal Audit: SWAP Quarterly Update</b>  <b>20 June 2024</b>	A section on learning, leadership, culture and equality and diversity should be included in all internal audit reports going forward.	SWAP	Ongoing
<b>Minute 32</b>  <b>OPCC Strategic Risk Register</b>  <b>12 September 2024</b>	The action plan for Police and Crime Plan will be shared with members once it is available	OPCC Senior Performance and Governance Manager	19 December 2024
<b>Minute 33 (i)</b>  <b>Constabulary Strategic Risk Register and Organisational Risks</b>  <b>12 September 2024</b>	The high level information provided to the Governance and Scrutiny Board around staff turnover would be shared with the JAC Members.	OPCC CFO	Immediate
<b>Minute 33 (ii)</b>  <b>Constabulary Strategic Risk</b>	The Constabulary to provide an explanation of the mapping of organisational to corporate risk.	Delivery Manager – Portfolio	19 December 2024

<b>Register and Organisational Risks</b>  <b>12 September 2024</b>			
<b>Minute 33 (iii)</b>  <b>Constabulary Strategic Risk Register and Organisational Risks</b>  <b>12 September 2024</b>	The Constabulary to provide high level risk information and the major milestones of the 8 change programmes	Delivery Manager – Portfolio	19 December 2024
<b>Minute 34</b>  <b>Annual Accounts and Governance Statement</b>  <b>12 September 2024</b>	The Constabulary to publish the Summary Statement of Accounts once finalised	Constabulary CFO	19 December 2024
<b>Minute 35 (i)</b>  <b>External Audit</b>  <b>12 September 2024</b>	Grant Thornton to share further information on the accounting and auditing implications arising from changes to the surplus/deficit position on the pension fund as it became available.	Grant Thornton	As available
<b>Minute 35 (ii)</b>  <b>External Audit</b>  <b>12 September 2024</b>	Grant Thornton to circulate the IT audit report to JAC Members.	Grant Thornton	19 December 2024
<b>Minute 36a</b>  <b>Business from the JAC – GSB</b>  <b>12 September 2024</b>	Minutes of the GSB would in future be circulated to Members once approved.	OPCC CFO	End September
<b>Minute 36c</b>  <b>Business from the JAC – PEEL Inspection</b>	The PEEL presentation to be circulated to Members.	Superintendent, Head of Performance and Assurance	Immediate



<b>12 September 2024</b>			
<b>Minute 36 (i)</b>  <b>Business from the JAC – ERP</b>  <b>12 September 2024</b>	The Constabulary CFO would provide an interim update to Members on the ERP system.	Constabulary CFO	November
<b>Minute 36 (ii)</b>  <b>Business from the JAC – ERP</b>  <b>12 September 2024</b>	The Director of the ERP Programme would return to the December meeting to provide a further update.	Director of ERP Programme	19 December 2024
<b>Minute 37c</b>  <b>Internal Audit – Use of Corporate Credit Cards</b>  <b>12 September 2024</b>	The Constabulary would reconsider the policy for the use of corporate credit cards, including consideration of exceptions (out of hours use by certain teams for example) and inflation related increases in caps / limits.	Constabulary CFO	19 December 2024
<b>Minute 37d</b>  <b>Internal Audit – Six Monthly Audit Plan</b>  <b>12 September 2024</b>	Internal Audit would in future involve JAC members in the Audit Planning process	SWAP	Ongoing
<b>Minute 38</b>  <b>Internal Audit Progress Review</b>  <b>12 September 2024</b>	The Constabulary would provide a report on the number of actions closed on time.	Superintendent, Head of Performance and Assurance	19 December 2024

MEETING: <b>Joint Audit Committee</b>	DATE: <b>19 December 2024</b>	AGENDA NO: <b>6.1</b>
NAME OF PAPER: <b>OPCC Strategic Risk Management Update</b>	AUTHOR: <b>Ben Valentine</b>	PURPOSE: <b>Information and Discussion</b>

## 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 12 September 2024.

## 2. POINTS OF NOTE

The SRR was reviewed at the OPCC Management Board at the end of November 2024. There were changes to the risk scores on SR4 and SR6 which are noted below along with other key points.

### SR1 – Governance Failure

The new format Governance and Scrutiny Board (GSB) will go live from February 2025. The scrutiny part of the meeting will align with the Constabulary Management Board's structure and will be thematic: relating to the PEEL questions. This will allow for a more focused and in depth session. The internal OPCC processes will also change, with additional preparatory meetings to better capture scrutiny points, with a more joined-up approach across the office and greater direction from the PCC.

### SR2 – Failure to deliver the Police and Crime Plan

The Police and Crime Plan 2024-2029 has now been published, there were no changes suggested by the Police and Crime Panel as part of the statutory review process. The feedback concentrated on the public engagement and the Action Plan.

Development of an Action Plan has started with the collation and classification of the ideas from the consultation process. The ideas have been put into three categories of police, OPCC and partners with each workstream having OPCC SLT members to lead development of these. The aim is to have an action plan live from April 2025.

### SR3 – Financial incapability or ineffectiveness

At the time of writing the Government have not announced the funding settlement for 2025/26 however they have confirmed the council tax precept cap for PCCs of £14.

The revised MTFP is under development, but with the current assumptions, it shows a worsening position with the need for greater savings than previously planned.

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

The mitigated probability decreased from 4 to 3 meaning the mitigated risk score has decreased to 12 (now an amber risk).

The decreasing risk is a result of the significant engagement that the PCC has done since being in office and that the feedback from local people is being used to help shape the Action Plan. The PCC will continue to engage with local people and will run further public forums in 2025.

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

The development of a new Police and Crime Plan, and the wide engagement that has fed into it, has stretched the resource of the OPCC team over the last six months. As we move on to the development of the Action Plan that will sit alongside it, the SLT will carefully consider the resourcing of the OPCC element of this Plan.

SR6 – Failure to deliver commissioned services

The unmitigated and mitigated impacts were increased from 3 to 4 meaning that the unmitigated risk score is now 20 and the mitigated risk score is now 16 (a red risk).

The heightened risk recognises the increasing financial pressure which commissioned services are under. This has been caused by the increase in employer national insurance contributions, and higher wages due to the increase in minimum wage and VCSE sector pay increases. The full impact of this is not yet known nor do we know how services will respond to this.

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

South West police forces have started exploring opportunities for collaboration on IT systems.

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

A draft Avon & Somerset Reducing Reoffending Strategy was circulated for feedback to Community Safety Partnerships. A further development session will take place in January 2025 to discuss this feedback and reflect on the updated Local Government Association policy paper.

## Office of the Police and Crime Commissioner for Avon and Somerset

### Strategic Risk Register

**December 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.

<b>Impact</b>	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
		<b>Probability</b>				

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

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"><li>Joint Governance Framework complexity not fully understood in all aspects by ASP.</li><li>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.</li><li>OPCC failure to engage on the design element of the '3 Ds' ways of working.</li><li>Failure to ensure effective risk management and support the delivery of service.</li><li>Information governance failure.</li><li>Ineffective scrutiny and oversight of services and outcomes delivered by the Constabulary including SPR.</li><li>Ineffective scrutiny and oversight of the OPCC Equality Duty.</li><li>Failure to ensure adequate transparency of the OPCC and/or the Constabulary.</li><li>Failure to ensure Chief Constable sets appropriate culture, ethics and values.</li><li>Lack of control/influence over Criminal Justice agencies or other partners.</li></ul>		<ul style="list-style-type: none"><li>Lack of oversight and scrutiny of the Constabulary.</li><li>Failure to deliver the Police &amp; Crime Plan (SR2).</li><li>Financial loss (SR3).</li><li>Reduced public confidence and trust.</li><li>Failure to deliver OPCC statutory requirements.</li><li>The Constabulary and/or OPCC will be inefficient/ineffective.</li><li>Failure to deliver the Beating Crime Plan.</li><li>Damaged relationship with Constabulary, commissioned services or partners.</li><li>Government criticism or penalties.</li><li>Panel criticism.</li><li>Sub-standard performance results and poor inspection outcomes.</li><li>Risks not managed.</li><li>Failure to improve the delivery of the broader Criminal Justice Service.</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>OPCC Management Board (OMB) - oversight of performance, risks and issues and provides a formal decision making mechanism for internal (non-Constabulary) business.</li><li>Joint Governance Framework to be kept under review to ensure up-to-date and fit for purpose</li></ul>	Jan-25	CoS	<ul style="list-style-type: none"><li>A review of the Joint Governance Framework is ongoing, and is now being informed by guidance and best practice from a national level.</li></ul>		
	Jan-25	CoS CFO			
	Jan-25	Head of HR & BS			
	Mar-25	CoS			
	Dec-24	Director of P&A			
<ul style="list-style-type: none"><li>OPCC policies and procedures being reviewed.</li></ul>		PCC	<ul style="list-style-type: none"><li>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.</li></ul>		
		CoS			
		CFO			
		CoS			
		CoS			
<ul style="list-style-type: none"><li>OPCC self-assessment of compliance with their Equality Duty.</li></ul>		Director of P&P	<ul style="list-style-type: none"><li>Specified Information Order - quarterly performance reports and complaints overview on PCC website.</li></ul>		
		Director of P&A			
		CFO			
		PCC			
		CoS			
<ul style="list-style-type: none"><li>Governance &amp; Scrutiny (GSB).</li><li>Quarterly performance report and dashboard.</li><li>PCC and Chief Constable 1:1s.</li><li>OPCC attend CMB, SPM and other strategic meetings (open invitation from the CC).</li><li>Joint Audit Committee, External Audit, Internal Audit and annual governance statement.</li></ul>			<ul style="list-style-type: none"><li>Although the governance process is working well the outcomes do not necessarily reflect this.</li><li>Publication scheme has been updated and changes are being implemented.</li></ul>		

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"><li>• Current plan issued by previous PCC; new plan must be published by Mar-25.</li><li>• Significant increases in recorded and allocated crime putting the ASP workforce under pressure and impact on service to the public.</li><li>• Several homicide and serious violence incidents in Bristol in 2024.</li><li>• 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.</li><li>• Limited oversight of improvement activity and related outcomes.</li><li>• 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.</li><li>• Prevention is hard to measure/evidence and needs more than the police to deliver.</li><li>• Internal police culture and leadership at an operational level.</li><li>• Male violence against women and girls (includes the national rape crisis) carries significant volume and harm.</li><li>• Disproportionate outcomes particularly for Black, Asian, mixed and minoritised communities.</li><li>• Workforce not representative of the communities of A&amp;S; insufficient progress has been made.</li><li>• Limited capacity/capability within the Constabulary – inexperienced workforce (particularly in Patrol) / staff turnover in Comms / fewer PCSOs.</li><li>• Positive Outcomes – not seeing the improvements hoped for.</li><li>• Police response to ‘neighbourhood crimes’ does not meet public expectations.</li><li>• Court backlogs means justice is not being delivered effectively or efficiently.</li><li>• Limited control/influence over partnership agencies e.g. CJS.</li><li>• More officers will result in more people going through an already overstretched criminal justice system.</li><li>• Constabulary staff survey results show a decline in 2024.</li></ul>		<ul style="list-style-type: none"><li>• Loss of legitimacy in the OPCC and Constabulary.</li><li>• Loss of public confidence/trust in the OPCC and Constabulary.</li><li>• Undermines the Peelian Principle of policing by consent.</li><li>• Failure to keep people safe.</li><li>• Failure to protect and support vulnerable people.</li><li>• Failure to bring offenders to justice.</li><li>• People will feel unsafe.</li><li>• Police and Crime Panel criticism and/or fail to agree precept increase.</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>• Develop Police &amp; Crime Plan 2024-29</li><li>• Develop an action plan to support delivery of Police &amp; Crime Plan 2024-29</li><li>• Governance &amp; Scrutiny (GSB).</li><li>• Quarterly performance report and dashboard.</li><li>• OPCC Business Plan focusses the work of the OPCC on supporting the Police &amp; Crime Plan.</li><li>• OPCC Scrutiny Strategy.</li><li>• OPCC attend CMB and other strategic meetings (open invitation from the CC).</li><li>• PCC and Chief Constable 1:1s.</li><li>• Audits and Inspections (HMICFRS &amp; SWAP) overseen by Joint Audit Committee.</li><li>• Internal assurance mechanisms are in place to evaluate delivery of the Plan's objectives.</li><li>• Oversight of all strategic constabulary data through Qlik.</li></ul>	Dec-24	Director of P&A	<ul style="list-style-type: none"><li>• Final draft plan presented to Police &amp; Crime Panel in Nov-24: awaiting their feedback. Plan due to be published in Dec-24.</li></ul>		
	Dec-24	Director of P&A	<ul style="list-style-type: none"><li>• First stage is collating all consultation feedback and categorising into police, partners or PCC. The next stage is to discuss this feedback with police and partners. Action plan due to be implemented from Apr-25.</li></ul>		
	Mar-25	Director of P&A Director of P&A	<ul style="list-style-type: none"><li>• Will be reviewed and refined to reflect the Police &amp; Crime Plan and action plan.</li></ul>		
	Feb-25	CoS Director of P&A	<ul style="list-style-type: none"><li>• Five strategic aims and key deliverables agreed and published with related workstream tracker.</li><li>• Plan and objectives refreshed for 2024/25.</li><li>• Framework drafted but revised GSB will directly influence this so once the GSB changes are agreed the draft will need to be amended.</li><li>• 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.</li><li>• ASP governance and performance structure changed Sept-23; aligns with PEEL.</li></ul>		
		CoS PCC CFO CFO Director of P&A	<ul style="list-style-type: none"><li>• Qlik data now available for PSD as well as wider areas of policing through S&amp;A and P&amp;G. This assessment is now driving PCC GSB commentary.</li></ul>		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
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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"><li>● Uncertainty of funding settlement for police force areas, until announcement due 11-Dec.</li><li>● Cost increases due to high inflation and interest rates.</li><li>● Pay awards may exceed central government projections and effectively be unfunded.</li><li>● Pressure on elements of savings plans due to performance challenges.</li><li>● May not be able to achieve maximum precept increase from 2025/26 onwards; especially considering 'cost of living' crisis already impacting the public.</li><li>● Risks around pension funds due to wider economic impact.</li><li>● Increasing pension costs for officers and staff schemes; although this will probably be funded.</li><li>● Revenue and capital budgets not fully funded for term of MTFP. Diminishing potential for capital receipts.</li><li>● Scale of capital programme increased.</li><li>● National work will require local funding with limited control over decision making e.g. ESMCP, NPAS, national IT.</li></ul>		<ul style="list-style-type: none"><li>● Officer numbers protected so may lead to using officers in roles currently undertaken by civilians.</li><li>● Failure to set a sustainable revenue budget or capital plan across the medium term.</li><li>● Failure to meet heightened expectations of stakeholders.</li><li>● Loss of public confidence.</li><li>● Unable to fund expected service.</li><li>● Unable to fund delivery of PCC priorities (SR2).</li><li>● Unable to afford change.</li><li>● Revenue budget underspends may undermine support from PCP for sustainable increases to the precept.</li><li>● Failure to ensure value for money.</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Joint work on savings plans being progressed through clear governance process. Includes consideration of 'spend to save' plans.</li><li>● Medium and long term financial planning.</li><li>● Regular oversight of revenue &amp; capital budget.</li><li>● Maintain adequate risk-assessed reserves.</li><li>● Subject to external and internal audit both overseen by the Joint Audit Committee.</li><li>● Treasury Management strategy in place outcomes reviewed by CFOs.</li><li>● HMICFRS inspection regime.</li></ul>		CFO	MTFP after planned savings:		
		CFO	2024/25 balanced		
		CFO	2025/26 balanced		
		CFO	2026/27 -£4.3 million		
		CFO	2027/28 -£8.8 million		
		CFO	2028/29 -£12.0 million		
		CFO			
		CFO	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
			3	4	12
			Mitigated Risk change:		↓
Cause		Impact			
<ul style="list-style-type: none"><li>● New PCC establishing and building on public connections and networks.</li><li>● Failure to engage with the public and other stakeholders.</li><li>● Lack of public awareness of the PCC.</li><li>● Lack of public confidence in the PCC.</li><li>● Engagement methods do not always reach a wide audience or different communities or groups; failure to engage with young people.</li></ul>		<ul style="list-style-type: none"><li>● Loss of legitimacy.</li><li>● 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.</li><li>● Police and Crime Plan and delivery not aligned to public concerns and priorities.</li><li>● Failure to hear the victim's voice may mean services do not meet the actual need.</li><li>● Police and Crime Panel criticism and/or fail to agree precept increase.</li><li>● Lack of public confidence in the PCC.</li><li>● Could undermine the working relationship between the Constabulary and OPCC.</li><li>● Low voter turnout in PCC elections.</li><li>● Loss of political support for the need for PCCs.</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Police &amp; Crime Plan consultation.</li></ul>	Dec-24	Director of P&A	<ul style="list-style-type: none"><li>● 1,111 responses received to the online survey. Feedback is being used as the first stage in developing the action plan.</li><li>● 2025/26 survey combined with Police &amp; Crime Plan survey. Precept survey being held open to increase the response rate.</li></ul>		
<ul style="list-style-type: none"><li>● Annual Precept Survey.</li></ul>	Dec-24	Head of C&E			
<ul style="list-style-type: none"><li>● PCC engagement programme</li><li>● Overarching approach to communications with more focus on strategic priorities and objectives.</li><li>● Creation of tactical communications plans for particular workstreams (including public engagement/events) with ownership and delivery allocated to one person who is accountable.</li><li>● OPCC/ ASP Corp Comms joint meetings.</li><li>● Calendar of regular media appearances / communications activities which will also link to national days or weeks where relevant.</li><li>● Revised stakeholder mapping and management.</li></ul>		Head of C&E Head of C&E Head of C&E			
	Dec-24	Head of C&E Head of C&E	<ul style="list-style-type: none"><li>● Mapping and research undertaken with gap analysis completed. Developing electronic form for maintenance of database going forward.</li><li>● New Contact Management System (iCase) delayed. OPCC implementation has re-started and initial design meeting has taken place. Expected first test data migration in Jan-25.</li><li>● Delivery of this work involves community engagement including an independent scrutiny panel.</li></ul>		
<ul style="list-style-type: none"><li>● New contact management system to facilitate better contact analysis.</li></ul>	Jan-25	Director of P&A			
<ul style="list-style-type: none"><li>● Tackling Disproportionality programme supported by the OPCC</li><li>● Discharging good governance (SR1) and delivery of the Police and Crime Plan (SR2) are critical to ensuring confidence in the PCC.</li><li>● Gold Groups manage critical issues of public confidence in the police.</li><li>● A&amp;S Police &amp; Crime Survey collects data on public awareness of and confidence in the PCC.</li></ul>		Head of C&E PCC / CoS	<ul style="list-style-type: none"><li>● The OPCC has a standing invite to all Gold Groups.</li></ul>		
		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"><li>• Vacancies and absence have a significant impact in the small OPCC team, and can contribute to stress and sick absence.</li><li>• Increased demand on HR while ERP is being tested and implemented.</li><li>• Increased government legislation and other activity in policing places greater demands on the OPCC, frequently with short notice making it difficult to manage resource.</li><li>• High levels of recruitment in terms of employees, volunteers or panel member roles.</li><li>• As a result of new police misconduct regulations there is an anticipated increase in Police Appeal Tribunals (PATs).</li><li>• Short-term projects funded by government require resource to be recruited or moved within short time-scales.</li></ul>		<ul style="list-style-type: none"><li>• Increased likelihood of materialisation of all other strategic risks through delivery failure.</li><li>• Delivery of work is late or not to standards of quality desired.</li></ul>		
MITIGATION				
Controls	Review date	Owner	Commentary / Controls updates	
<ul style="list-style-type: none"><li>• PDR process and regular 1:1s between line managers and direct reports.</li><li>• Annual staff survey, supplemented by pulse surveys, to inform internal policy and ways of working.</li><li>• Learning and Development Plan with commensurate training budget maintained.</li><li>• Wellbeing resources and support offered and promoted, including Health and Wellbeing Passports.</li><li>• Salary levels set at a reasonable market rate and in line with other OPCCs.</li><li>• Regular team meetings to share knowledge and resolve issues.</li><li>• Online Applicant Tracking System implemented to make recruitment process more effective and efficient for Hiring Managers, HR team and candidates.</li><li>• Implement new HR and Finance back-office system (ERP Oracle) with ASP to make processes more effective and systems led.</li><li>• Working with APACCE to organise PAT training for OPCC staff.</li></ul>		Head of HR & BS Head of HR & BS	<ul style="list-style-type: none"><li>• 2024 staff survey had 86% completion rate, and overall another set of positive indicators. Some areas improved including L&amp;D, others saw decrease and are being addressed including work-life balance.</li><li>• Skills matrix refreshed as part of the review with organisational and team requirements identified. OPCC Learning &amp; Development Plan (Sept-23). Training opportunities and resources developed and promoted. Developing competency framework – Jan-25.</li><li>• Wellbeing and financial support initiatives promoted to the team.</li><li>• Wellbeing strategy launched – Aug-23. Review of strategy and policy under way looking at how it has been embedded and any improvements required - Nov 24.</li><li>• Extend Talos contract for an additional year due to ERP delays.</li></ul>	
		Head of HR & BS		
		Head of HR & BS		
		Head of HR & BS Head of HR & BS Head of HR & BS		
	Oct-25	Head of HR & BS	<ul style="list-style-type: none"><li>• HR working alongside ASP colleagues to test and implement new system. Go live delayed to Autumn-25 with a review of the risks and viability of this date to take place.</li><li>• Being co-produced with MOPAC – knowledge sharing session in Jan-25 to understand what practical training is required.</li></ul>	
	Jan-25	Director of P&A		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver commissioned services	SR6	Director of P&P	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		↑
Cause		Impact			

<ul style="list-style-type: none"><li>• Employer national insurance increase; and higher wages due to the increase in minimum wage and VCSE sector pay increases will negatively impact services – unknown how they will respond to this.</li><li>• Cost of living / inflationary increases reduce the capacity of commissioned services to deliver.</li><li>• Short term Home Office funding arrangements and cuts to budgets in agreement period.</li><li>• 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.</li><li>• Reduction in MoJ funding.</li><li>• Home Office funding for DRIVE ends Mar-25.</li><li>• Services without sustainable funding and cliff-edge arrangements.</li><li>• Reduction in rape support fund means less funding for therapeutic services.</li><li>• Victims and Prisoners Bill is proposing only modest funding to deliver the Collaborative Commissioning Duty.</li><li>• Lighthouse (the primary commissioned service) not delivering to the agreed standard.</li><li>• Increasing demand including victim support services; particularly DA and SV.</li><li>• Significant additional reporting requirements for compliance purposes.</li><li>• Failure to hear the victim's voice may mean services do not meet the actual need.</li><li>• Contractor vetting delays putting some commissioned services at risk.</li></ul>	<ul style="list-style-type: none"><li>• Failure to support and protect, victims particularly vulnerable victims – PCP Priority 1 (SR2).</li><li>• Failure to reduce harm.</li><li>• Loss of public confidence in the PCC.</li><li>• Damaged relationships with Constabulary and partners.</li><li>• Non-compliance with Government grants.</li><li>• Reduction or withdrawal of victims grant from Government.</li><li>• Failure to devolve further funding/commissioning.</li></ul>		
MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"><li>• Commissioning Strategy</li><li>• Victim Services recommissioning for 2025/26</li><li>• Lighthouse victims' service jointly established with the Constabulary: service under joint review.</li></ul> <ul style="list-style-type: none"><li>• Maintain a sufficiently resourced commissioning team within the OPCC.</li><li>• Victim Services Provider forum and AWP Partnership Board are regular joint strategic meetings with commissioned services.</li><li>• 6-monthly monitoring of services financial returns.</li><li>• Scan and apply for additional funding as available.</li><li>• Lobbying to increase funding for Victims and Prisoners Act requirements. Pursuing funding from MoJ related to Victim's Code of Practice.</li><li>• Independent evaluation of DRIVE to demonstrate value of the programme and secure further funding.</li></ul> Vetting exemptions sought as necessary for contractors to mitigate delays.	Jan-25 Dec-24  <		

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"><li>• Challenges with staff retention and capacity in South West Forensics.</li><li>• Ineffective governance and scrutiny over existing collaborations – particularly SWROCU.</li><li>• NPAS is particularly challenging in terms of lack of consensus on future direction and sustainable funding.</li><li>• Failure to agree effective models for collaboration.</li><li>• Ineffective governance and ownership of regional projects and programmes.</li><li>• Tension between local forces and collaborations in terms of competing interests and lack of uniformity of people and processes.</li><li>• Lack of direct influence/control in order to make changes i.e. everything must be done by (multi-force) committee.</li></ul>		<ul style="list-style-type: none"><li>• Governance failure as a duty of the PCC (SR1).</li><li>• Failure to deliver value for money.</li><li>• Failure to deliver specific services provided by existing collaborations.</li><li>• Inefficient compared to other regions/areas.</li><li>• Criticism from HMICFRS.</li><li>• Government scrutiny/intervention.</li><li>• Lack of resilience otherwise provided by a collaboration.</li><li>• Forced to accept others' terms from future alliances or mergers.</li></ul>	
MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"><li>• Regional Collaboration Advisor and Coordinator roles recruited to support PCCs.</li><li>• External review of SW Forensics was commissioned.</li><li>• Collaboration Governance.</li><li>• SWAP are the Internal Auditor – working in partnership with other regional forces.</li><li>• Regional ACC is in place (in line with HMICFRS recommendations).</li><li>• PCC is national lead on Minerva collaboration, alongside CC as police lead.</li></ul>		CoS CoS CoS CoS CoS CoS	<ul style="list-style-type: none"><li>• Regional Collaboration Advisor started Feb-24 and Coordinator Jul-24.</li><li>• SW Chief Constables and PCCs agreed to implement review recommendations and extra investment.</li><li>• Two SW Operational Boards chaired by ACCs, feed into SW Strategic Board.</li><li>• CC Crew chairing regional group exploring scope for closer collaboration on IT systems.</li><li>• Regional PCC representation at the NPAS Board.</li><li>• Op Scorpion – regional anti-drugs operation – has been running (approximately) quarterly from Jan-22.</li><li>• New Regional ACC recruited in November, with OPCC involvement in selection.</li></ul>

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"><li>• The broader Criminal Justice System is not operating effectively with significant delays in cases getting to court and insufficient capacity in prisons.</li><li>• Limited control/influence over other criminal justice agencies.</li><li>• New duties and expectations of PCCs arising from the national review. PCCs appear to have extra responsibility but without additional 'levers' to support delivery.</li><li>• 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.</li><li>• OPCC unable to effectively support the growing number of partnership programmes.</li><li>• Failure to put in place effective governance and ownership of partnership working.</li><li>• Differing priorities and leadership of agencies.</li><li>• Changing political and economic landscape can make partnership working more challenging.</li><li>• Lack of meaningful 'live' information sharing.</li><li>• National review of CSPs.</li><li>• 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&amp;S's VRP activity, including paying for key staffing roles and interventions.</li><li>• Serious Violence Duty – data sharing a particular challenge.</li><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• 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.</li><li>• Governance failure as a duty of the PCC (SR1).</li><li>• Failure to deliver the Police and Crime Plan (SR2).</li><li>• Failure to deliver a whole systems approach to crime and continue the 'revolving door' of offending and victimisation.</li><li>• Failure to deliver value for money.</li><li>• Reduced ability of responsible authorities across A&amp;S to effectively deliver their statutory obligations under the Serious Violence Duty and loss of an A&amp;S wide approach.</li><li>• Sudden end or reduction of services and interventions funded by the A&amp;S VRP structure causing gaps resulting in vulnerable young people not being supported and incidents of serious violence increasing.</li></ul>		
MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"><li>• Violence Reduction Partnerships (VRPs) facilitated by VRP Directorate of OPCC.</li><li>• Serious Violence Duty governance.</li></ul>	Jan-25	VRP Director	<ul style="list-style-type: none"><li>• New VRP structure in place with roles filled. SV Duty governance in place. Convening function for the SV Duty at A&amp;S level will be managed by VRP Directorate.</li><li>• VRP hub costs are being underwritten for 25-26.</li><li>•The VRP will be developing a sustainability plan by Jan-25 following HO announcements over funding.</li><li>• A workshop was held to discuss financial risk in the September VRP Executive meeting to explore alternative means of funding to protect critical service delivery and each partner organisation is considering mitigating action.</li><li>• Partnership Strategy ‘as is’ review complete. Further review to be undertaken by end of 2024/25 to define future approach.</li><li>• 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.</li><li>• CSPs provided feedback on draft A&amp;S RR strategy. A further development session will take place in Jan-25 to discuss this feedback and reflect on the updated Local Government Association policy paper.</li><li>• 5 CDPs went live in Sept-22. Aligned to local authorities and reporting to their boards.</li></ul>
<ul style="list-style-type: none"><li>• Partnership Strategy.</li></ul>	Jan-25	Director of P&P	
<ul style="list-style-type: none"><li>• Governance of Community Safety Plans.</li></ul>	Jan-25	Director of P&P	
<ul style="list-style-type: none"><li>• A&amp;S Reducing Reoffending Board and Strategy.</li></ul>	Jan-25	Director of P&P	
<ul style="list-style-type: none"><li>• Combatting Drugs Partnerships.</li><li>• PCC chairs the Local Criminal Justice Board.</li><li>• PP&amp;C team have leads for victims, CJS and reducing re-offending.</li><li>• OPCC continue to be represented at CSPs.</li><li>• Regular meetings (outside of Boards) with LA chairs/CEOs.</li><li>• Information sharing relevant to all partnership working; particularly CJ, reducing reoffending and VRPs.</li></ul>		Director of P&P CoS CoS Respective Strategic Groups	



# AVON & SOMERSET CONSTABULARY CORPORATE RISK

QUARTERLY REPORT – Q3 2024/25  
OCTOBER TO DECEMBER 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.**

<b>Report Title</b>	<b>Corporate Risk Report</b>
<b>Period covered</b>	Q3 2024/25
<b>Date of report</b>	03/12/24
<b>Report author</b>	James DAVIS (PMO)
<b>Joint Audit Committee date</b>	19/12/24

## 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 reviewed and updated.
- Ensure the risk mitigation score is driven by defined measurable controls.
- Ensure the trigger points for changes in risk scores are objective and clearly articulated.

Through the identification and tracking of quantifiable risk controls, risk mitigations have become objective, and it is possible to begin to include risk forecasts and 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 November 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)						Finance People
	Possible (3)				Governance	Service Data Infrastructure	Confidence
	Unlikely (2)						
	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)			
	Q3 2023/24	Q4 2023/24	Q1 2024/25	Q2 2024/25		Q3 2024/25	Q4 2024/25	Q1 2025/26	Q1 2025/26
PR/735 Finance	20	15	15	15	Lower risk score will require balanced MTFP for at least three years.	20	20	20	20
PR/736 Service	12	12	12	12	Lower risk score will require progress against new PEEL 2024 AFIs and recommendations from HMICFRS.	12	12	12	12
PR/737 People	15	15	15	15	Lower risk score will require improved staff engagement figure from People Survey 2025.	20	20	20	20
PR/738 Infrastructure	16	12	8	8	Lower risk score will require a Capital Plan balanced for at least three years.	12	12	12	12
PR/739 Data	16	16	12	12	Lower risk score linked to potential benefits from the implementation of ORACLE.	12	12	12	12
PR/740 Governance	9	9	9	9	Lower risk score will require progress of recommendations from the 2025 Post Implementation Review.	9	9	6	6
PR/1436 Confidence	15	15	15	15	Lower risk score will require a higher national placing for public confidence figures.	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 and also Organisational Risk management.

The PMO has the following areas of focus for risk management in Q4.

- 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.
- Mapping of Organisational Risks to the Constabulary Strategic Outcomes to help with theming and development of Corporate Risk Assessments.
- Review of Q4 Corporate Risk assessments in February 2025 ahead of March 2025 Joint Audit Committee.
- Development of the risk appetite concept (delayed from Q3).
- Production of 2024/25 consolidated overview from the Organisational Risk Register to inform the annual strategic planning cycle and annual organisational SWOT assessment.
- Development of Organisational Risk Management Dashboard on VERTO (record management) system to provide additional management information.
- 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. These are annual capability assessments conducted across the organisation for a range of capabilities.

### 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 03/12/24 is as below.

There are currently **202** organisational risks mapped – this number has remained relatively static for over a year – although this figure shows a **small reduction of 10** from the last reported position in September.

LIKELIHOOD 🔍	IMPACT 🔍						
		-	1	2	3	4	5
-	6	-	-	-	-	-	-
5	-	1	2	1	3	0	
4	-	2	11	19	15	3	
3	-	3	7	29	24	1	
2	-	0	13	22	27	1	
1	-	0	1	4	3	4	

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

- Red RAG risks account for 11.4% of the register – a reduction from 14.2%
- Amber RAG risks account for 37.1% of the register – an increase from 35.4%
- Green RAG risks account for 51.5% of the register – an increase from 50.5%

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

- Finance – 9 risks (4.5%)
- Service – 85 risks (42.1%)
- People – 32 risks (15.8%)
- Infrastructure – 15 risks (7.4%)
- Data – 42 risks (20.8%)
- Governance – 12 risks (5.9%)
- Confidence – 7 risks (3.4%)

## 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 Q3 review with Chief Officer colleagues.
- Three Corporate Risks have seen their mitigated risk score increase.
- PR/735 – Finance – has increased from 15 to 20.
- PR/737 – People – has increased from 15 to 20.
- PR/738 – Infrastructure – has increased from 8 to 12.
- The review of the corporate risks has identified the trigger points and controls that would justify an objective reduction from current risk assessment scores.
- The expectation is for corporate risk assessment scores to remain largely the same for the majority of 2025 noting the possibility to reduce the governance risk on the back on the Post Implementation Review and it's recommendations.

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 29/11/2024

### Corporate Risk - overview information

Corporate Risk URN	PR000735	Current Mitigated Score	20
Corporate Risk Title	Finance - Inability to deliver a sustainably balanced budget	Mitigated Impact Score	5
Corporate Risk Owner(s)	Nick Adams	Mitigated Likelihood Score	4
		Date of Risk Review	28/02/2025
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 &amp; Somerset Constabulary includes the following:</p> <ul style="list-style-type: none"><li>Since 2010/11 it has been necessary for Avon &amp; 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.</li><li>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).</li></ul> <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-</p>
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pay inflationary pressures and challenges around costs of pensions. Despite the forecast increase in funding, it is clear that across the medium term our costs will continue to outgrow our funding. On latest forecasts as set out in 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	20
Mitigated Impact Score	5
Mitigated Likelihood Score	4

#### Rationale

#### Quarter 3 Risk Mitigations update

Risk PR/735 was reviewed with Nick ADAMS on 21/11/24 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.

#### (1) 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.

#### (2) Cause of the risk

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

#### (3) 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.

#### (4) Controls / Mitigations planned

- The development of our draft 2024/25 Medium Term Financial Plan has continued with its development and presentation at the Constabulary Management Board on 28/11/24. The OPCC has been kept fully briefed on its progress through verbal briefings at the Governance & Scrutiny Board. The forecasts contained within the MTFP have influenced the reassessment of the mitigated score for this risk.
- We have monitored the outcome of the October budgetary statements on Constabulary finances. Details still remain relatively light in terms of specific impact on policing. The areas of consideration are the changes to employer National Insurance contributions and the impact this will have on our cost profiles. There is the suggestion that large public sector employers would be reimbursed costs. The Constabulary has only a working assumption for new funding settlements ahead of the December announcement. An extra £500M has been flagged for Policing - but the Force allocation is not known - and there is the consideration that Policing needs £300M just to cover last year's pay award before other inflationary considerations. The impact of the Labour policing pledge for Neighbourhood Policing still needs to be fully understood and modelled.
- With regards to Council Tax scenarios, there is still uncertainty in terms of modelling which is normal for this time of year. There are still national discussions relating to the Precept Referendum Cap. The Constabulary has modelled at a £10 increase for a Band D property. There is potential flexibility for this to rise to £15.
- We 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. The National Survey completed in the last two years has informed the Financial Resilience Index and we will look to complete our 2025 submission by mid-January. The scale of financial challenges across policing as a sector will play into the spending review in the Spring 2025. We will continue to consider ongoing pay issues and our workforce mix. If we are required to ring-fence PCSOs and Police Officers, this will constrain our local decision making process.
- We understand and reflect unique cost pressures as part of our MTFP activity. These include wide-ranging pressures such as dog-kennelling (£600K p/a) and insurance. We recognise the need to use Information Technology to unlock productivity and efficiency gains. We have set aside finance to cover costs to transition from radio devices by 2029 (ESN Project). We also recognise the need to fund Electric Vehicle Charging Infrastructure activity (we have a formal Programme of Work here). We retain overtime pressures and have seen a reduction on our Speed Enforcement Income.
- The Government retains a focus on policing efficiencies to close this funding position, but we remain wary of optimism bias on how much additional efficiencies the Constabulary can identify especially given its proven track record of cost reduction already banked in previous years. Police Forces still require investment to be able to unlock savings. Additionally, not all Forces are starting from the same starting point. Avon & Somerset has a long term funding constraint so has had to work more efficiently for longer.
- The updated Avon & Somerset Constabulary financial standing, reported to the NPCC Finance Committee, will be available for the March 2025 Joint Audit Committee. Currently, Avon & Somerset Constabulary, is mapped as "High Risk High Resilience". We are not mapped as one of the 11 Forces in the "zone of concern".

#### (5) 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 has been revised to reflect a worsening MTFP position reflecting the cost pressures described above. The 2025/26 MTFP position for revenue is no longer balanced with a £3.3M deficit forecast for the next financial year. Our Change Portfolio continues to complete preparatory work to identify work packages (projects) that may deliver a degree of savings - but this won't be known until the Spring on 2025 is unlikely to offer a single solution to the financial challenge. Longer term financial planning requires a multi-year settlement and at this point, central funding from 2026/27 onwards is unclear.

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Therefore, the likelihood score has been increased to 4. This score will not be reduced until the revenue position is balanced for at least the next financial year.
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<b>Earlier assessments</b>
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Mitigated risk score Q4 2023/24
Mitigated risk score Q1 2024/25
Mitigated risk score Q2 2024/25
Mitigated risk score Q3 2024/25

15
15
15
20

# AVON & SOMERSET CONSTABULARY

## Corporate Risk Register



Date of register 02/12/2024

### 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	28/02/2025

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
Unmitigated Impact Score	5
Unmitigated Likelihood Score	4

### Rationale

Our priorities are set out through various national frameworks and local priorities, which mean we continue to have a large number of expectations placed on us. At present these numerous plans remain complimentary of each other, but in light of organisational growing pains, 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.

## Corporate Risk - latest assessment - mitigated risk

Mitigated Assessment	12
Mitigated Impact Score	4
Mitigated Likelihood Score	3

### Rationale

#### Quarter 3 Risk Mitigations update

Risk PR/736 was reviewed with DCC REILLY on 19/11/24 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.



### (1) Description

The Corporate Risk should be reframed to "Service - Failure to meet the five public outcomes and achieve required PEEL grading".

### (2) 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.

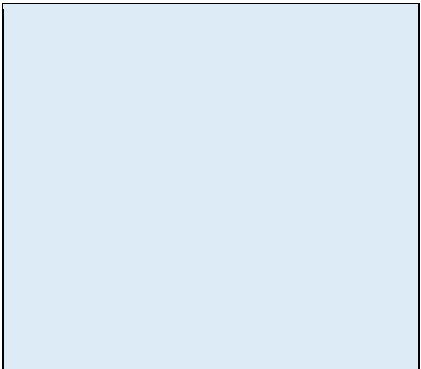
### (3) Controls / Mitigations completed

- 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.
- October Strategic Planning Meeting used to seek consensus views of the approach the Constabulary will take to manage HMICFRS AFI recommendations on receipt from the 2024 PEEL Inspection Cycle.

#### (4) Controls / Mitigations planned

- The Initial outcomes from activity on the Constabulary Change Portfolio (Programme #1) are extremely positive. Work in relation to Enhanced Video Response is highlighting the potential to lower demand and increase front line capacity resulting in a better service for the public. As an example, indications show a reduction in the number of outstanding calls for service captured on STORM (e.g. as of 19/11/24 at 1000, Patchway Base 1 -using EVR as part of a pilot) had 23 outstanding logs which South Bristol (not on pilot) having 56 outstanding. The potential of EVR combined with the implementation of the EBIT software to assist with crime allocation (based on solvability), will be significant. EBIT has been successfully trialled in Essex, West Yorkshire, Dyfed Powys subject to a satisfactory HMICFRS review.
- Additionally on Programme #1, the introduction of new processes and resource alignment for Phase 1 of Right Care Right Person (Concern for Welfare), has had a positive impact on the number of logs the Constabulary needs to manage. Based on logs opened as a Concern for Safety / Welfare, Suicidal or Mental Disorder or closed as Concern for Safety, since the launch of Phase 1 of Right Care Right Person on 17/06/24, calls received have reduced by 32% compared to 2023 and incidents attended reduced by 39% compared to 2023. Phases 2 and 3 of Right Care Right Person have also gone live but here the impact on demand is lower.
- Through an independent Crime Data Integrity Inspection, the Constabulary had effectively been given assurance that we are correctly identifying all crime meaning we are able to provide necessary victim support services to all victims. The inspection was conducted by an independent company using prescribed HMICFRS methodology with Avon & Somerset Constabulary receiving a good grading.
- We continue to consolidate our narrative of service challenges through our Tipping Point (version 2) activity. This considers our wider resourcing risks and our ability to provide requisite service levels across a range of policing functions.
- We are conducting a review of our leadership model considering geographic based proposals to address systemic issues identified through our People Survey, independent Leadership Review activity and the initial HMICFRS PEEL debrief. We are considering if our current operating model supports optimum service delivery. An initial blueprint will be developed before Christmas, but this remains work in progress at this time.
- We are aware of the need for increased leadership support from all ranks for front line colleagues - the 2024 People Survey has identified this requirement and to use front line expertise and ideas to help inform organisational solutions.
- We recognise the potential for behaviours to be influenced by performance metrics and are looking to move towards an outcome based performance framework.
- We continue to explore methods for recruitment to assist with our workforce planning. From March 2025, the Constabulary will have a licence for PCEP - a new entry programme with a two year course meaning less abstractions and new recruit availability landing sooner. There are specific entry routes for PCSO's to Beat Managers and for ex-military.
- The PPEL 2024 Inspection Cycle Debrief for the Constabulary followed at the end of November identifying a new set of AFIs and recommendations. We have points of organisational learning from the 2022 cycle to ensure these are effectively managed and closed. Our approach will ensure the organisation fully understands the importance of the recommendations, has a targeted, focused and timely response, that recommendations have clear ownership and accountability, ensure that resource capacity and capability challenges are addressed, recommendations are managed routinely as part of BAU and are complemented by our existing reporting and governance mechanism.



(5) 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 likelihood assessment will continue to be directly linked to the PEEL Inspection Outcomes. As stated previously, the overall and thematic gradings will be used to re-assess this risk. 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 Q4 2023/24
Mitigated risk score Q1 2024/25
Mitigated risk score Q2 2024/25
Mitigated risk score Q3 2024/25

12
12
12
12

# AVON & SOMERSET CONSTABULARY

## Corporate Risk Register



Date of register 18/11/2024

### Corporate Risk - overview information

Corporate Risk URN	PR000737	Current Mitigated Score	20
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	4
		Date of Risk Review	28/02/2025
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><b>Unprecedented growth and a changing workforce composition:</b></p> <ul style="list-style-type: none"><li>The high logistical exercise of attracting, vetting, conducting medicals, inducting and on-boarding, training, tutoring, posting and supporting the high 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.</li><li>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.</li></ul>
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- 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	20
Mitigated Impact Score	5
Mitigated Likelihood Score	4

#### Rationale

#### Quarter 3 Risk Mitigations update

Risk PR/737 was reviewed with Lou HUTCHISON on 14/11/24 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.

#### (1) 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.

#### (2) 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.

#### (3) 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.

#### (4) Controls / Mitigations planned

- The People Survey Results for 2024 are now available. The organisational survey response rate has increased to 56% which is encouraging. Key findings include the confirmation of continued low scoring for the themes of leadership, managing change and improvement. Although some Directorates have seen an improvement in terms of having an acceptable workload, there is recognition that for Teams in Patrol, Detainee Investigation, Neighbourhood and Core CID this is not the case and for these areas additional attention is required. The consideration of the People Survey results has influenced the decision to regrade the Corporate Risk - People in Q3. Future mitigations include a range of existing activity as described below.
- The UWE Evaluation of the FLL has started with a report due mid-December. A provisional Project Closure Report is due January 2025. Therefore, there will be a fuller update on progress reported as part of the Joint Audit Committee update in March.
- The implementation of ORACLE is delayed into 2025 and therefore the full understanding of potential benefits of ORACLE delivery will develop during the first 6 months of 2025 and will be tracked as part of wider benefits management by the Portfolio Management Office.
- The first iteration of the Strategic Workforce Plan was delivered for the Strategic Planning Meeting (SPM) in March. A more developed vision will be presented at the April 2025 SPM to complement the MTFP. The initial produce was well received providing helpful insight on workforce, demographics, trajectories, context and challenges. The Workforce Planning Team will now focus on the continued development of a more mature Strategic Workforce Plan.
- The Mid Line Leadership Final Business Case was approved at the Constabulary Management Board in August and has been moved into Project Stage 5 - Delivery.
- The Occupational Health Closure Report was agreed at the September Portfolio Steering Board identifying a range of benefits and elements of organisational learning.
- Work on the Police Officer Promotion process (SIPP) continues. We continue to review the current Police Officer Promotion Process and will test elements with practitioners. Initial feedback has been positive. Virtual briefings will be run November to December for Sergeants going for Inspectors. Application information is now available, and the local project work is on track. A transparent marking rubric will be published.
- The Leadership Events for 2025 are subject to planning and have been diarised with six events scheduled for January and February starting w/c 13/01/25.
- Additionally, during Q4, work will continue to identify what "good looks like" for core Sergeant and Inspector management skills. Virtual training is already in place plus there is additional support via the People Management Toolkit - engagement with this is being reviewed. We recognise the need for collaboration and the challenge of silo working.

#### (5) Risk assessment score projections

- **Impact** - The impact of this risk will remain relatively static and assessed as 5/5.
- **Likelihood** - The likelihood score has been reviewed reflecting the recently published People Survey results. The key metrics of low turnover and staff sickness remain but we have seen a drop in engagement and recognise workload pressures for some of our core frontline policing teams. The survey shows two clear picture - more engagement from colleagues in Enabling Services and less engagement from operational colleagues. We will need to use FLL and MLL interventions to address this and then check progress with updated outcomes from the People Survey in 2025. Therefore, for now, the likelihood score has been increased from a 3 to a 4.

Earlier assessments

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

15
15
15
20



# AVON & SOMERSET CONSTABULARY

## Corporate Risk Register



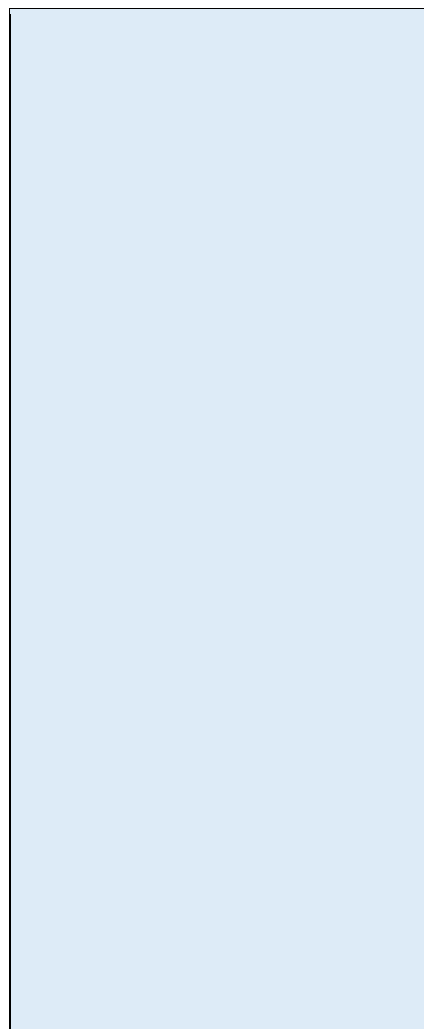
Date of register 02/12/2024

### Corporate Risk - overview information

Corporate Risk URN	PR000738	Current Mitigated Score	12
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	3
		Date of Risk Review	28/02/2025
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><b>Estate</b></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</p>



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 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**

<b>Mitigated Assessment</b>
<b>Mitigated Impact Score</b>
<b>Mitigated Likelihood Score</b>

12
4
3

<b>Rationale</b>
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<b>Quarter 3 Risk Mitigations update</b>
Risk PR/738 was reviewed with Nick ADAMS on 21/11/24 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.

#### (1) 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.

#### (2) Cause of the risk

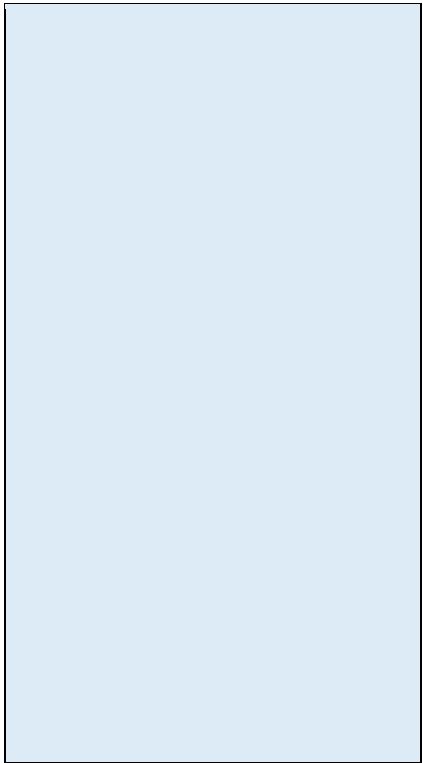
Causes of this risk have been identified as insufficient capital funding, market pressures, inefficient local processes and availability of local resources.

#### (3) 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.
- Programme #8 is beginning to develop regional collaboration plans for HQ.
- A number of Project Stage Gate Reviews approved during the autumn (Almondsbury Feasibility, Force Collisions Investigation Unit accommodation, SW Forensics Digital Forensic Unit accommodation).
- Implementation and adherence to National Fleet Maintenance Standards.
- Reprofiting of the Capital Plan and Estates Roadmap to ensure sufficient funding for approved Projects.

#### (4) Controls / Mitigations planned

- Capital Plan update presented as part of the October Constabulary Management Board Finance Performance Report. For Replacement and Renewal, this reported a full year underspend forecast of £1M reflecting the pushback of HQ chiller costs to 2025/26 and the delay of some subsequent work relating to HQ electrical switches. For Capital Projects, the actual spend as of October was £1.9M or 21% of budget with a full year forecast spend of £4.7M or 52% of budget. The main areas of spend are Bristol Broadbury Road, Minehead Seahorse Centre, Chard, Yeovil Horse Lane, Bath Plymouth House and the FCIU move to HQ.



The forecast capital project underspend for 2024/25 relates to delayed construction work for Yeovil and Bath Plymouth House into 2025/26 and also a pushback of spend scheduled for the Electric Vehicle Charging Infrastructure activity.

- Programme #8, as part of our Constabulary Portfolio of Change, continues to progress strategic conversations in relation to longer term plans for HQ.
- Our Fleet Management and allocation continues to be influenced by data informed decisions recognised by positive feedback from HMICFRS as part of the PEEL Inspection debrief process.
- At the November Portfolio Steering Board, a strategic decision was made in relation to the Almondsbury site noting the longer-term provision of capital funds for this building in the Capital Plan.
- The December Portfolio Steering Board on 19/12/24 will include a briefing on the Electrical Vehicle Charging Infrastructure Project and an updated Delivery Plan for activity for 2025.
- Final Business Cases are due for presentation through Constabulary / OPCC governance in the first half of 2025 relating to Yeovil Horsey Lane (and workshop) and Bath Plymouth House.
- Wider financial pressures have meant the need to reprofile the Constabulary Capital Plan and make key decisions based on affordability noting our existing capital commitments for Bath, Yeovil and Bristol Trinity Road are significant.

(5) Risk assessment score projections

- **Impact** - The impact of this risk will remain relatively static and assessed as 4/5.
- **Likelihood** - The likelihood score has been increased to 3 for Quarter 3. This decision reflects capital pressures and the requirement for selective decisions on what projects we can progress. It is worth noting that the Constabulary remains committed to several Estates and National I.T. Projects at this time. The draft MTFP position presented at November CMB shows a balanced Capital Plan inclusive of 2026/27 with deficits thereafter. The likelihood risk score can be reduced to 2 once a balanced three-year budget is reported and reduced further to 1 once a balanced five-year Capital Plan is presented.

Earlier assessments

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

12
8
8
12

# AVON & SOMERSET CONSTABULARY

## Corporate Risk Register



Date of register 02/12/2024

### 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	28/02/2025
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 3 Risk Mitigations update

Risk PR/739 was reviewed with Nick LILLEY, Ellena TALBOT and Head of Compliance & DPO on 21/11/24 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.

#### (1) 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.

#### (2) Cause of the risk

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

#### (3) 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.
- Formal closure of the Information Governance Framework Project at the September Portfolio Steering Board with a Post Implementation Review scheduled for September 2025 to ensure continuation of benefits delivery.

#### (4) Controls / Mitigations planned

- The implementation of the Case Management System (iCASE) for Legal Services continues.
- The implementation of the Joint Information Management Plan between the I.T. Directorate and Compliance Services is progressing supported by a monthly meeting between the two departments with an Action Plan in place.
- Work continues in relation to the development and implementation of retention schedules and policies. Here the work is twofold. The policy has been rolled out via a PocketBook communication but implementation links to the Information Management Action Plan. We recognise relatively low levels of adherence to this plan further to a recent audit and the need to understand retention risks at a Directorate level (management of associated risk is the next step as identified by the recent SWAP audit).
- The development of ROPA and the identification of Information Asset Owners remains in progress.
- The continued deletion of data for the G: drive continues as part of the ongoing SharePoint Migration activity (managed as a project on the Corporate Change Portfolio).
- We continue to work with South West Police Procurement at a regional level to discuss non-functional requirements to assure data security standards for suppliers are assessed.
- We have completed the Proof of Value activity in relation to the IBM Artificial Centre of Excellence and have moved to Stage 2 Proof of Concept. This timeline extends into March 2025 with a report following for the Home Office. We continue to explore secondary use cases.
- The implementation of Digital Evidence Management investment, managed as a corporate change project, will continue into 2025 as will the implementation of a new Digital Interview Recording solution.
- The date for the Final Business Case for the development of the Role Based Access System (RBACS) is still to be confirmed for 2025 - the system, when landed, will manage the access of individuals to capabilities.
- Work continues to progress well in relation to the Constabulary Data Strategy. The December 2024 update, reported into the Confidence & Legitimacy Committee - Information, Data and Security, shows that 73/141 activities are now completed, with 25 in progress, 27 not started and 16 requiring large scale projects to deliver. Within the last six months, completed activity includes progress with full oversight of the data lifecycle (scoping training requirements for Information Asset Owners and Information Asset Assistants, robust training package) and the consideration of the Information Governance Hub on the Force intranet (options for an "IG" hub as a central repository either on PocketBook or SharePoint). Those activities that require large scale projects will need to be considered via the existing Constabulary Change Commissioning Process.
- We continue to work within the National Artificial Intelligence Concordat to ensure consistent standards. A few weeks ago, we received draft guidance from the College of Policing pointing towards national ethical considerations. The guidance is still subject to review. The Project for Crime Allocation (EBIT) is presenting the Final Business Case for decision at the Constabulary Management Board in July which is inclusive of Data Protection Officer Subject Matter Expert feedback (recognising the principles of the algo-care framework).
- The implementation of ORACLE (new ERP) has been subject to a Programme re-set with revised schedules of work and timelines. There is a specific briefing scheduled for the Joint Audit Committee in December.

#### (5) 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 unchanged for Q3. 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 Q4 2023/24
Mitigated risk score Q1 2024/25
Mitigated risk score Q2 2024/25
Mitigated risk score Q3 2024/25

16
12
12
12



# AVON & SOMERSET CONSTABULARY

## Corporate Risk Register



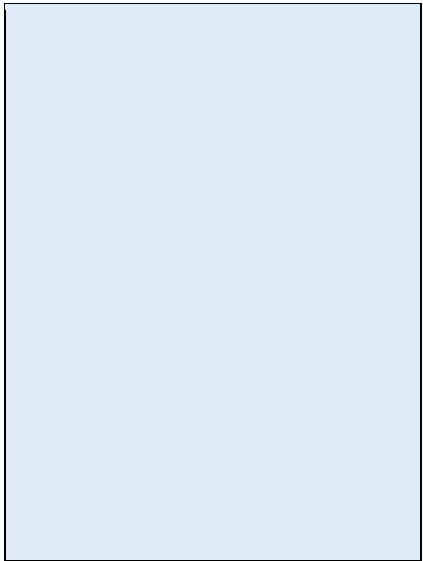
Date of register 13/11/2024

### 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	28/02/2025
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"><li>• Police Reform and Social Responsibility Act 2011</li><li>• Policing Protocol Order 2011</li><li>• Financial Management Code of Practice (Home Office, 2013)</li></ul>



- Strategic Policing Requirement (Home Office, 2015)

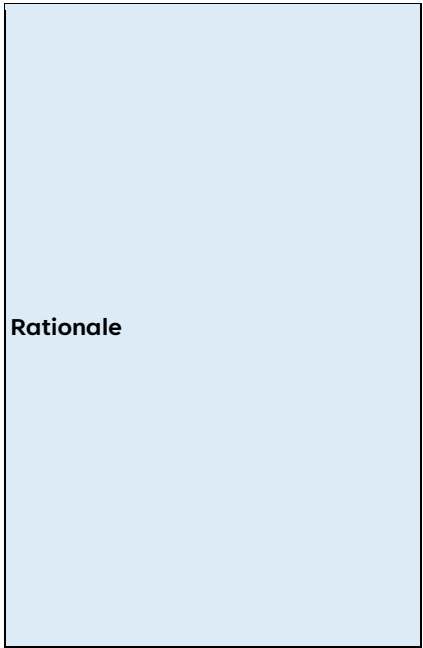
Without a framework in place to adhere and comply with the requirements outlined in these frameworks, we would be vulnerable to scrutiny from several sources and exposed to reputation damages undermining confidence in policing. Locally we have a joint scheme of governance in place between the Police 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 3 Risk Mitigations update

Risk PR/740 was reviewed with ACC Will WHITE on 11/11/24 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.

(1) 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.

(2) Cause of the risk

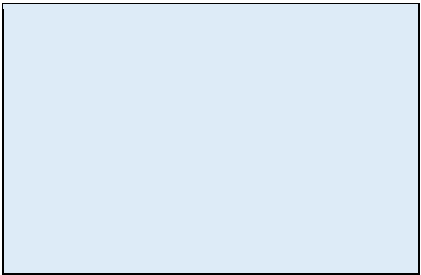
Local governance documentation is not defined, reviewed, updated, communicated and applied to ensure understanding. Behaviours are not compliant with defined governance processes.

(3) 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.)
- 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 completed and approved.

(4) Controls / Mitigations planned for Q4

- The PMO is now developing the formal Governance Framework Post Implementation Review (PIR) activity. The scope of the PIR will include generic assessments of the framework as a whole but will also consider the following elements at individual meeting level in four parts. Part A covers process - (1) Terms of Reference (2) Cadence (3) Logistics (4) Documentation (5) Approvals (6) Tasking (7) Effectiveness. Part B of the assessment will cover behaviours - (1) Self-briefing (2) Presentations (3) Consensus debate. Part C of the assessment will identify areas for improvement. Part D of the assessment will capture specific feedback from the Chair.
- The PIR fieldwork will be managed via a bespoke online MS Forms survey due for issue by the end of November with replies before Christmas. The PMO will analyse results and identify recommendations for consideration (via a summary report) at the February Constabulary Management Board on 27/02/25. The progress of these recommendations will help further mitigate the likelihood risk mitigation score.
- Additionally, the PMO has requested governance framework observations from HMICFRS further to their attendance at several meetings as part of the 2024 PEEL Inspection process. It is noted that early informal feedback from HMICFRS has provided positive indications in relation to governance arrangements.
- The Joint Audit Committee is asked to consider the continued development of the Constabulary Governance Framework noting the implementation of the review from Leapwise Consultancy in 2022 and subsequent amendments through this implementation in the last two years. The Post Implementation Review as stated is self-generated reflecting best practice and an appropriate time to check and test current arrangements.
- There have been generic improvements in the delivery of the framework in terms of increased scrutiny, reduction in papers and presentations, more targeted questions and challenging conversations. We also continue to consider the potential role for the governance framework to support new requirements (e.g. Child Portfolio Group). Central to the framework at Board level is the quarterly Strategic Planning Meeting (SPM) with a defined theme / construct and we remain true to our original design of this.
- The Quarter 4 update for the Joint Audit Committee on 11/03/25 will have the findings of the Post Implementation Review.



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

9
9
9
9

# AVON & SOMERSET CONSTABULARY

## Corporate Risk Register



Date of register 02/12/2024

### 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	28/02/2025

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"><li>1. Services to women and children are not good enough.</li><li>2. Policing is at its most threadbare closest to the frontline – closest to the public.</li><li>3. There is institutional racism, sexism, and homophobia.</li><li>4. The Metropolitan Police needs to clean itself up and must root out the bad.</li></ol> <p>The report was not written about Avon &amp; 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

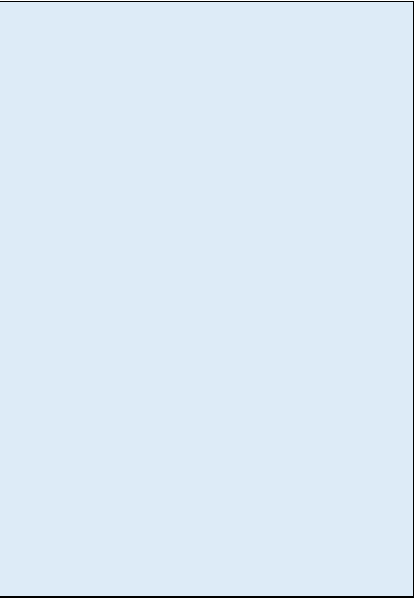
Rationale	<p><b>Quarter 3 Risk Mitigations update</b></p> <p>Risk PR/1436 was reviewed with DCC Jon REILLY on 19/11/24 and considered five elements</p> <ul style="list-style-type: none"> <li>• (1) Risk description.</li> <li>• (2) Causes of the risk.</li> <li>• (3) Controls / Mitigations completed.</li> <li>• (4) Controls / Mitigations planned.</li> <li>• (5) Projections for future mitigated risk assessment scores.</li> </ul> <p><u>(1) 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. <b>We recognise confidence has three elements: (a) policing competence (b) engagement (c) policing standards.</b></p> <p><u>(2) 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>
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### (3) Controls / Mitigations completed

- 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.
- 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.

### (4) Controls / Mitigations planned

- Governance and oversight is key. We have robust and transparent arrangements in place from the OPCC Governance & Scrutiny Board and within the Constabulary via the Confidence and Legitimacy Committee - Conduct and Standards. For the latter we have comprehensive reporting covering the 2020 NCA counter corruption priorities (sexual misconduct, theft, authorised disclosure, drugs, inappropriate associations, organised crime, and social media).
- Activity on Programme #7 as part of our Constabulary Portfolio of Change continues. A Tackling Disproportionality Workshop was held 15/10/24 which was an opportunity to bring together strategic and tactical leads with the ISB to co-design an anti-racism Criminal Justice Strategy. The workshop was facilitated by the Black South West Network and hosted by Bristol City Council. A social pledge was drafted with all partners to deliver a form of corporate responsibility.
- For the Race Matters work, the Action After Words Report has led to media interest and public engagement. The Deferred Prosecution Model went live in 01/06/24 with 34 referrals at the time of writing. Training for Officers on the new Stop & Search Policy continues. ISAB recruitment is underway. The Race Influencer Network Training is to commence at the end of 2024 for an internal cohort of 20 staff. The next phase of Race Matters CPD for CID / Specialist Units will commence in January.
- Opportunities identified in the initial Behavioural Insights Report will be part of the problem statements to achieve the design of Programme #7 "To Be".



- The national confidence date up to March 2024 shows the confidence rate for Avon & Somerset as 65.8% against a national average of 66%. We are ranked 21st on this dataset and then 3rd out of 8 in our Most Similar Group of Forces. The gaps between all Forces are small.
- Aside from this organisational level development work, we have well-practiced tactical structures to deal with individual community tensions to mitigate operational confidence issues should they arise.
- We have e-learning modules in relation to "being an upstand" and three modules for the new Code of Ethics to help reinforce the standards required to work for the Constabulary. The "Upstander" training is being rolled out as a mandatory online training package for all Officers and Staff. The second phase will see online class room sessions. A pilot is taking place in December as a "Train the Trainer" session. This activity builds on the online package and incorporates case studies from PSD Counter Corruption to support learning. There are plans to see how Code of Ethics training can also be incorporated.

(5) 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 relating to confidence data and national positions. Our "mid-range" result for public confidence drives our likelihood score and therefore a Q3 assessment score of 3 feels appropriate.

Earlier assessments

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

15
15
15
15





MEETING NAME	DATE	AGENDA NO
Joint Audit Committee	19/12/24	7A
DIRECTORATE / DEPARTMENT	AUTHOR	COG SPONSOR
Chief of Staff Directorate Portfolio Management Office (PMO)	7975 James DAVIS Delivery Manager - Portfolio	DCC REILLY
NAME OF PAPER	PURPOSE OF THE PAPER	SESSION
Formal response to action from September JAC reference Minute 33 (ii)	Information	Open

## 1. PURPOSE OF PAPER

The September Joint Audit Committee set an action for the Constabulary Portfolio Management Office to provide an [explanation of the mapping of organisational to corporate risk](#). The purpose of this report is for the PMO, as the owners of the Constabulary risk management processes, to provide sufficient explanations in order to discharge the action at December Joint Audit Committee on 19/12/24.

## 2. EXPLANATORY NOTES

- The information reported here is correct as of 01/11/24.
- The information reported is captured in the PMO Data Management Platform (VERTO).
- The Constabulary has implemented a two tier risk management process.
- Corporate risks** are fixed. There are 7 x static risks that are reviewed quarterly with Chief Officers and reported at the Joint Audit Committee.
- The objective of corporate risks is to provide risk assessments at a strategic level.
- Organisational risks** are identified by Directorates and Departments and managed via the Constabulary Governance Framework. The number of organisational risks changes as risks are added, managed and archived. As of 01/11/24 there were 202 organisational risks.
- The objective of organisational risks is to manage tactical problems through to their resolution.
- The PMO manages both processes and seeks to avoid duplication between corporate and organisational Risk.
- Through the VERTO platform, the PMO does map, and can report, the alignment of the Organisational Risks to Corporate Risks. This is summarised in the table below with an additional filter of RAG status included for information. Other filters are also available (i.e. mapping Corporate Risk to owning Directorate / Governance Meeting).
- The themes identified from the organisational risks are considered as part of the quarterly corporate risk meetings with Chief Officers, but this might not require their repetition in the corporate risk narrative to avoid duplication.

### Organisational risks mapped to corporate risks

Corporate risk theme	Risk with green RAG	Risks with amber RAG	Risks with red RAG	Total risks
1 – Finance	7	1	2	10
2 – Service	25	27	9	61
3 – People	26	10	3	39
4 – Infrastructure	10	8	0	18
5 – Data	12	17	7	36
6 – Governance	4	2	0	6
7 - Confidence	16	12	4	32
<b>Total risks</b>	<b>100</b>	<b>77</b>	<b>25</b>	<b>202</b>

### **3. CONCLUSION**

This brief report is submitted to Joint Audit Committee members for their consideration with a request to discharge the action. If further clarification or explanation is required, the PMO will of course provide as required.



MEETING NAME	DATE	AGENDA NO
Joint Audit Committee	19/12/24	7B
DIRECTORATE / DEPARTMENT	AUTHOR	COG SPONSOR
Chief of Staff Directorate Portfolio Management Office (PMO)	7975 James DAVIS Delivery Manager - Portfolio	DCC REILLY
NAME OF PAPER	PURPOSE OF THE PAPER	SESSION
Formal response to action from September JAC reference Minute 33 (iii)	Information	Open

## 1. PURPOSE OF PAPER

The September Joint Audit Committee set an action for the Constabulary Portfolio Management Office to provide **high level risk and milestone information relating to the 8 change programmes**. The purpose of this report is for the PMO, as the owners of the Constabulary project management processes, to provide sufficient explanations in order to discharge the action at December Joint Audit Committee on 19/12/24. The information reported relates to programme updates prepared for the November Portfolio Steering Board on 28/11/24. There would have been additional progress across programme delivery by the time of the Joint Audit Committee. However, the information reported here provides Joint Audit Committee members with a reflective account of progress. The PMO is able to provide additional information to the Committee on request.

## 2. EXPLANATORY NOTES

- The Constabulary Change Portfolio is a construct of 8 x programmes.
- There are **56 projects** mapped to these Programmes assessed as “live” at different stages of the project life cycle (as of 01/11/24).
- Projects are managed via a hybrid of PRINCE2 and agile project methodologies.
- Irrespective of methodology, all project teams are expected to maintain accurate information pertaining to project risks on a project risk register and project milestones via a project milestone plan.
- These are virtual constructs and maintained on the VERTO platform.
- Project risks are not replicated on the Organisational Risk Register – they are managed separately with their governance via the Portfolio Steering Board (should risks have the potential to take projects into exception by moving outside tolerances for time, cost and quality as defined in the Business Case).
- As of 01/11/24, there are 235 project risks captured with only 12 on these with a mitigated risk value of 15 or above (red RAG) – and even these are subject to review.
- There is not defined criteria for how individual risk assessments influence project level risk assessments and in turn programme level risk assessments (i.e. a single red risk may not mean a project is assessed red and a single red project may not mean a programme is assessed red).
- Therefore, consolidated project and programme risk assessments are subjective.
- The summary below provides a subjective RAG assessment at programme level.
- **Summary commentary has been provided for each programme reflecting the deliverables (milestones) and challenges (risks).**
- The current assessment as of November 2024 is that all programmes remain on track notwithstanding the extensive work to be delivered over the next few weeks and months.

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

#### Programme RAG status

- **Rapid Enhanced Video Response (EVR)** randomised control trial commenced 11/11/24. Bases 1, 6 and 8 are in scope, with an EVR team of 16 x PCs across 5 shift patterns.
- **Right Care Right Person Phase 2** launched on 04/11/24. This covers those that are reported missing having walked out of healthcare (e.g. A&E) and those that are AWOL while detained under the Mental Health Act. Ongoing daily check-ins with partners are in place, with these planned to reduce gradually.

## Programme #2 – Protecting the Vulnerable and Putting Victims First

Programme RAG status

- **Phase 1 Discovery: Perspective of our people – COMPLETE** - Business Analysts shared excellent Phase 1 discovery findings following deep and wide internal review seeking the views of our frontline operational teams
- **Programme Emerging Priorities** - There are an emerging set of focus areas for Programme 2. These are not finalised and work from Phase 2, 3 & 4 Discovery "As Is" work will impact the themes and content. Our "To Be" will be co-designed through a series of collaborative workshops with appropriate representation from internal and external stakeholders, SMEs and business expertise (e.g. IT). The sequencing and timing of these is being planned to minimise abstraction and impact on operational teams.
- **Phase 2 Discovery: Meeting and activity mapping** – Business Analysts have started mapping the external meeting arrangements, as per the Chief Constable's commitment to the other Lead Safeguarding Partners.
- **Phase 3 Discovery: Partner perspective** – 11/10/24 - C/Supt Rachel SHIELDS held a meeting with Delegated Safeguarding Partners (DSP) across the force area to review progress against the Somerset JTAI recommendations. This was an opportunity to share our plans for programme 2 and invite our partners to engage with us to help us understand their requirements and seek their feedback on our service.
- **Phase 4 Discovery: Victims/survivor and community perspectives** – On 11/10/24 we also asked our partners to help us to engage with victim/survivor groups and service users to understand their views of our service, as well as tapping into our existing mechanisms to get views from the public – e.g. IAGs and through the Outreach Team's networks of community contacts.
- **Phase 5 Discovery: Problem statement theming and prioritisation** - We are using the insight from phases 1-4 outlined above to capture a long-list of problem-statements that are being themed and RAG'd to identify high risk/high impact areas of focus.

## Programme #3 – Investigative Standard including Tackling Perpetrators

Programme RAG status

- **Out of Court Resolutions/Deferred Prosecution Scheme** - Benefits tracking work and ongoing training remain the key focused activities.
- **Crime Data Integrity** - Recruitment into 24 new posts is scheduled for mid-November 2024. At this time there will also be preference exercises to split desktop and crime recording roles across the Response and Chief of Staff Directorates. New Desktop PCs will be moved into the IAU in a staged manner from December 2024. Any remaining necessary recruitment will commence from January 2025.
- **Creating Investigative Capacity** - A Mandate for EBIT which is a crime triage system was presented in the October 2024 Portfolio Steering Board and agreed ahead of the development of a Final Business Case for January 2025.
- **DA SOTERIA** - Funding – STAR funding bid submission via the Staff Office Academic Fieldwork is to commence from January 2025.

## Programme #4 – Building the Foundations for a Skilled Workforce

Programme RAG status

- **First Line Leadership (FLL) Programme** – Constabulary awarded FLL accreditation by the College of Policing. UWE independent evaluation on track for delivery early to mid-December. This will inform the FLL Project Closure Report for February Portfolio Steering Board.
- **Job Evaluation Framework** – Skills for Justice presented their initial findings and recommendations at a meeting on 14/11/24. This will inform next steps to be taken which will be consulted with senior stakeholders as appropriate.
- **Mid-Level Leadership (MLL) Programme** – MLL lesson content under development in consultation with allocated Directorate SPOCs/SMEs. Corporate Communications requirements are being scoped to inform a MLL Communications Plan to ensure relevant and timely messaging aligned to recipient requirements.

- **Sergeant and Inspector Promotion & Progression (SIPP)** – Virtual officer briefings to raise awareness of SIPP and candidate requirements (particularly of SIPP Stage 1 Development) scheduled for the 20/11/24, 29/11/24 and 12/11/24. The SIPP Pocketbook page will continue to be updated as relevant. An advertisement inviting Expressions of Interest from Ch/Inspectors and above or Police Staff equivalents to be a SIPP Assessor has been circulated – submission deadline 20/11/24.

#### Programme #5 – Data, Digital and I.T. Futures

Programme RAG status

- **SOZE– Proof of Value** - Project now in the implementation phase – training complete ahead of go-live on 11/11/24.
- **Rapid (Enhanced) Video Response** - System has been successfully installed and training of the new EVR team has taken place ahead of go-live on 11/11/24.
- **DEMS Replacement (NICE)** - On track for initial go live in Spring 2025. Technical pre-requisite work underway including security, DPIA, DPC and technical design. Business change activity commenced including stakeholder mapping. Benefits baselining in progress.
- **NLEDS** - Project delivery remains on track with over 2100 LEDES users and 1000 switched off from PNC enquiries. The rollout of the first three products will continue until 02/12/24, at which stage, all untrained users will lose access to these products in PNC and will mean we will meet our original strategic objective was to get everyone LEDES trained / or applicable PNC access removed by the end of 2024. PNC property switch off on 06/11/24. LEDES person testing scheduled for January to May 2025.
- **Crime Allocation (EBIT)** - Project mandate approved in October PSB. A Final Business Case will be presented to CMB (initial placeholder January but the Project Team will provide a verbal progress report at the November Portfolio Steering Board on 28/11/24.

#### Programme #6 – Developing a Cost Conscious Organisation

Programme RAG status

- **PCSO attrition** continues to be monitored. The position will be reviewed in early 2025 to consider resuming recruitment again post March 2025.
- A workshop held in November to work collaboratively in support of our **financial challenges**. The purpose of this is to drive initial discussions and gauge the appetite of future savings opportunities. This includes a review of current vacancies organisationally, income generation opportunities and internal collaboration considerations including automation and digital solutions for process efficiencies.

#### Programme #7 – Building Trust and Confidence

Programme RAG status

- Work is ongoing to understand and align the work within **Race Matters and Tackling Disproportionality** particularly the governance structures to ensure that the programmes of work complement one another.
- **Anti-Racism Action Plan** is being drafted following on from the tackling disproportionality workshop and outputs to be shared with COG and stakeholders.
- Initial discussions are taking place between academics at UWE to support in a **prison / police collaboration**.
- **30 Under 30s Network** is to be advertised and first working group is 10/12/24. The event will be opened by DCC Reilly and is being facilitated externally. The Working Group will focus on 4 problem statements around leadership, engagement and trust and confidence. The group will support in our engagement with under 25s externally.

#### Programme #8 – Estates and Fleet Fit for the Future

Programme RAG status

- Stage 2 Feasibility Report for **Almondsbury Main Site** being presented at November Portfolio Steering Board on 28/11/24 to provide a range of options for discussion and decision helping to shape further development of solutions.

- **Electric Vehicle Charging Infrastructure** Programme of Work – Briefing Paper to be presented at December Portfolio Steering Board on 19/12/24 to explain progress to date and the planned activities and milestones for 2025.
- Final Business Cases for **Yeovil** (Horse Lane and Vehicle Workshop) are due towards the end of Q4 2024/25.

### 3. CONCLUSION

This brief report is submitted to Joint Audit Committee members for their consideration with a request to discharge the action. If further clarification or explanation is required, the PMO will of course provide as required.

# PCC and Chief Constable

## Avon and Somerset

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### 2023/24 Financial Performance Statement

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*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.

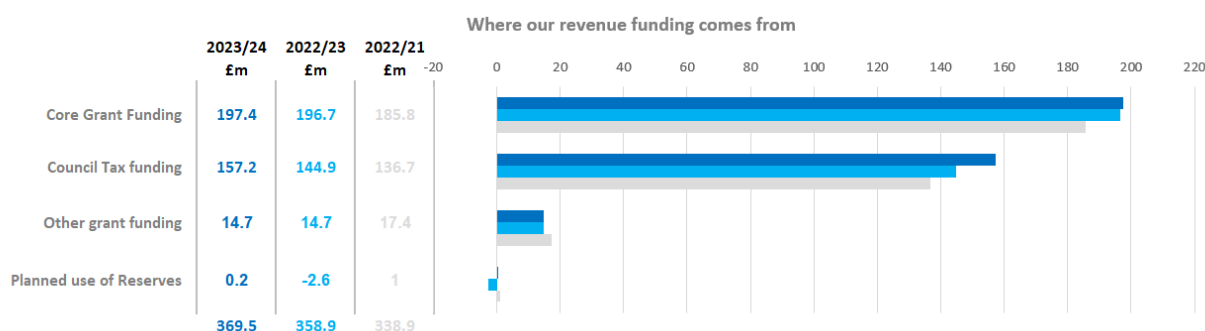
This information is consistent with that reported in the audited accounts. A full set of [Avon and Somerset Chief Constable's](#) and [Avon and Somerset PCC's Statement of Accounts](#) are available from our respective websites.

## 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
<b>Total net revenue spend</b>	<b>369.5</b>	<b>366.7</b>	<b>-2.8</b>
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		
<b>Total funding</b>	<b>-369.5</b>		

## 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
<b>TOTAL POLICE SERVICES</b>	<b>-2.8</b>

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 31<sup>st</sup> 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
<b>Net financial position (assets less liabilities)</b>	<b>184</b>	<b>-2,634</b>	<b>-2,450</b>
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
<b>Total Reserves</b>	<b>184</b>	<b>-2,634</b>	<b>-2,450</b>

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 31<sup>st</sup> 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 31<sup>st</sup> 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
<b>Total useable reserves</b>	<b>59.8</b>

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%
<b>Total cost of policing (£/pop)</b>	<b>£218.49</b>	<b>100.00%</b>	<b>£253.06</b>	<b>100.00%</b>
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%
<b>Total funding of policing (£/pop)</b>	<b>£218.49</b>	<b>100.00%</b>	<b>£253.06</b>	<b>100.00%</b>

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.

# *2023/2024* **CHIEF CONSTABLE'S STATEMENT OF ACCOUNTS**



# **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:

<b>Mission</b>	Serve, Protect, Respect
<b>Vision</b>	Outstanding policing for everyone
<b>Values</b>	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

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

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 (22<sup>nd</sup>/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)
<b>Constabulary sub total</b>	<b>364,868</b>	<b>362,100</b>	<b>(2,767)</b>
Office of the PCC	2,212	2,208	(5)
Commissioning	2,393	2,389	(4)
<b>Total revenue expenditures</b>	<b>369,473</b>	<b>366,697</b>	<b>(2,776)</b>

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
<b>Surplus(-)/deficit before savings</b>	<b>6,378</b>	<b>17,333</b>	<b>22,115</b>	<b>26,722</b>	<b>29,932</b>
Savings	-6,378	-17,333	-17,794	-17,875	-17,927
Planned use of reserves	0	0	0	0	0
<b>Surplus(-)/deficit after savings</b>	<b>0</b>	<b>0</b>	<b>4,321</b>	<b>8,847</b>	<b>12,005</b>

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 4<sup>th</sup> 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.



**Nick Adams LLB (Hons), FCA**

Chief Finance Officer to OCC

5<sup>th</sup> November 2024

# 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

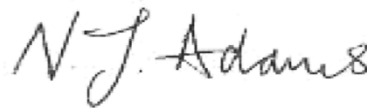
- ✚ chosen suitable accounting policies and then applied them consistently
- ✚ made reasonable and prudent judgements and estimates complied with the CIPFA Code
- ✚ kept proper accounting records which were up to date
- ✚ taken reasonable steps for the prevention and detection of fraud including preparing 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

5<sup>th</sup> November 2024



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

5<sup>th</sup> November 2024

# **Independent auditor's report to the Chief Constable for Avon and Somerset**

## **Report on the audit of the financial statements**

### **Opinion on financial statements**

We have audited the financial statements of the Chief Constable for Avon and Somerset (the 'Chief Constable') for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the Police Officer's Pension Fund Account Statements comprising the Police Officers Pension Fund Account and Pension Fund Net Assets Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chief Constable's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Chief Constable to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern

to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Other information we are required to report on by exception under the Code of Audit Practice**

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

## **Opinion on other matters required by the Code of Audit Practice**

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Chief Constable under section 24 of the Local Audit and

Accountability Act 2014 in the course of, or at the conclusion of the audit; or

- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

## **Responsibilities of the Chief Constable and the Chief Finance Officer**

As explained more fully in the Statement of Responsibilities, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Chief Constable without the transfer of its services to another public sector entity.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003, Police Reform and Social Responsibility Act 2011, Public Service Pensions Act 2013, Police Pension Fund Regulations 2006 and Police Pensions Regulations 2015).

We enquired of management and the Chief Constable concerning the Chief Constable's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws



and regulations.

We enquired of management, internal audit and the Chief Constable whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of override of controls and the use of significant accounting estimates. We determined that the principal risks were in relation to manual journal entries posted around the reporting date which had an impact on the Comprehensive Income and Expenditure Statement and potential management bias in determining accounting estimates and judgements made in respect of pensions assets and pensions liabilities in the Balance Sheet.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on material year end journals impacting financial position, year end cash adjustment journals and journals posted and approved by the same individual.
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of valuation of pensions assets and pensions liabilities (Local Government Pension Scheme and Police Pension Scheme), and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition through management override of controls; and the significant accounting estimates related to the valuation of pensions assets and pensions liabilities. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the police sector
- understanding of the legal and regulatory requirements specific to the Chief Constable including:
  - the provisions of the applicable legislation
  - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Chief Constable's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account

balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.

- the Chief Constable's control environment, including the policies and procedures implemented by the Chief Constable to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Report on other legal and regulatory requirements – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources**

### **Matter on which we are required to report by exception – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter.

### **Responsibilities of the Chief Constable**

The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

### **Auditor's responsibilities for the review of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources**

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Chief Constable plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Chief Constable ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Chief Constable has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in

our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

## **Report on other legal and regulatory requirements – Audit certificate**

We certify that we have completed the audit of the Chief Constable for Avon and Somerset for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

### **Use of our report**

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

*Julie Masci*

Julie Masci, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor  
Bristol

5 November 2024

# 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 31<sup>st</sup> 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.

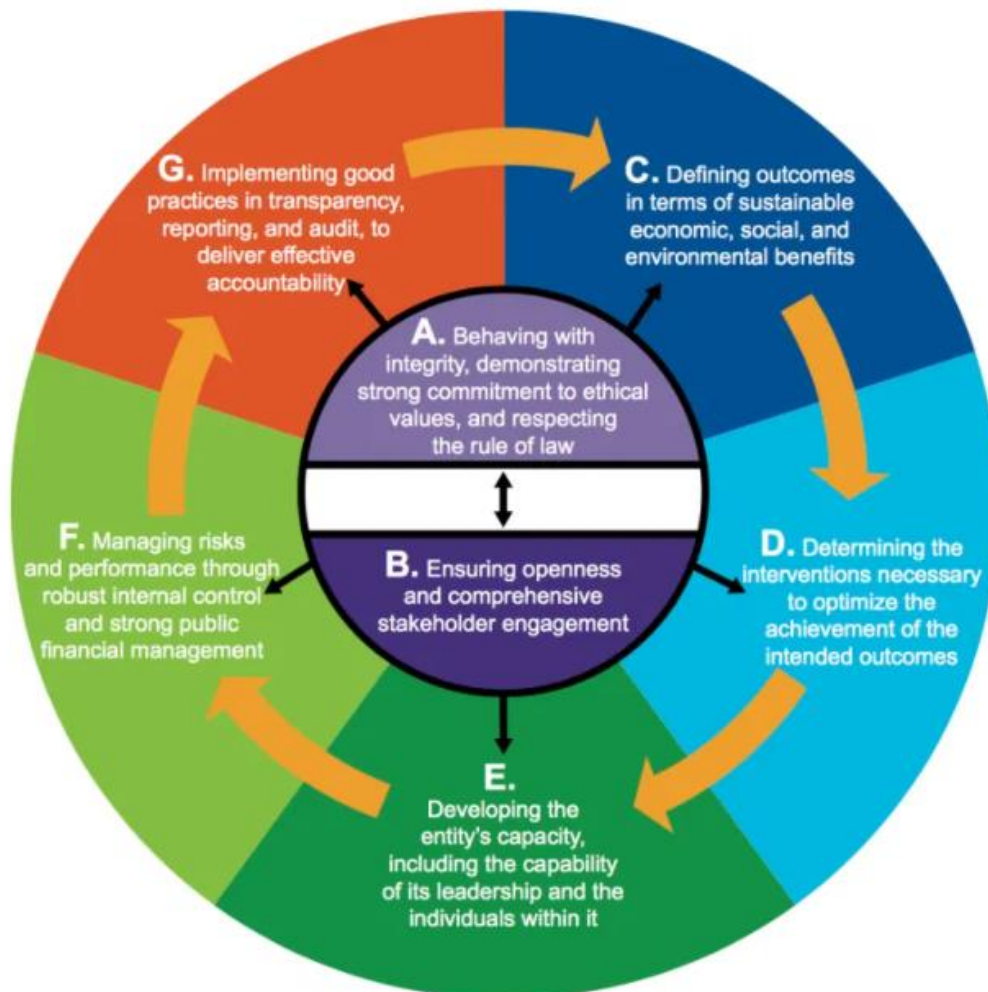
### 4.6

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

 <b>Mission</b>	Serve. Protect. Respect
 <b>Vision</b>	Outstanding policing for everyone



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 HMICFRS 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 Value Assessments		Impact				
		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.

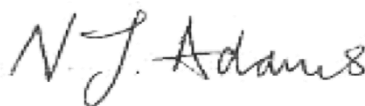
## **8 Conclusion and Certification**

### **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  
5<sup>th</sup> November 2024



**Nick Adams LLB (Hons), FCA**  
Chief Finance Officer to the OCC  
5<sup>th</sup> November 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
<b>0</b>	<b>0</b>	<b>0</b>	<b>Net cost of police services</b>	<b>0</b>	<b>0</b>	<b>0</b>
		110,987	Net interest on pensions			121,500
		-110,987	Intragroup adjustment (pension interest cost)			-121,500
<b>0</b>	<b>0</b>	<b>0</b>	<b>Financial and investment income and expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>0</b>	<b>Taxation and non-specific grant income</b>			<b>0</b>
		<b>0</b>	<b>Surplus(-)/deficit on provision of services</b>			<b>0</b>
		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
<b>0</b>	<b>0</b>	<b>0</b>	<b>Other comprehensive income and expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>Total comprehensive income and expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

# 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	Capital Receipts Reserves	Total Usable Reserves	Total Unusable Reserves	Total
	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31 March 2023</b>	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
<b>Balance as at 31 March 2024</b>	0	0	0	0	0

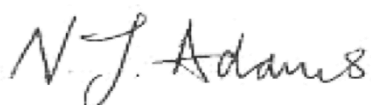
Movement in reserves statement 2022/2023					
	Revenue General Fund	Capital Receipts Reserves	Total Usable Reserves	Total Unusable Reserves	Total
	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31 March 2022</b>	0	0	0	0	0
Total comprehensive income and expenditure	0	0	0	0	0
Adjustments between accounting & funding basis under regulations	0	0	0	0	0
Increase/decrease(-) in 2022/2023	0	0	0	0	0
<b>Balance as at 31 March 2023</b>	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
	<b>Long term assets</b>	
2,644,892	Long term intragroup debtor	2,634,843
<b>2,644,892</b>	<b>Total non-current assets</b>	<b>2,634,843</b>
17,075	Intragroup debtor	19,104
<b>17,075</b>	<b>Total current assets</b>	<b>19,104</b>
-12,975	Creditors (note 17)	-14,570
-4,100	Short term provisions (note 18)	-4,534
<b>-17,075</b>	<b>Total current liabilities</b>	<b>-19,104</b>
	<b>Long term liabilities</b>	
-25	Provisions (note 18)	0
-2,644,867	Net defined pension liability (note 13 to 15)	-2,634,843
<b>-2,644,892</b>	<b>Total long term liabilities</b>	<b>-2,634,843</b>
<b>0</b>	<b>Net assets</b>	<b>0</b>
0	Total usable reserves	0
0	Total unusable reserves	0
<b>0</b>	<b>Total reserves</b>	<b>0</b>



**Nick Adams LLB (Hons), FCA**

Chief Finance Officer to OCC

5<sup>th</sup> November 2024

# 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	<b>Net surplus(-)/deficit on the provision of services</b>	<b>0</b>
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
	<b>Adjust net surplus or deficit on the provision of</b>	
0	<b>services for non-cash movements</b>	<b>0</b>
0	<b>Net increase(-)/decrease in cash and cash equivalents</b>	<b>0</b>

# 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 and the Chief Constable 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
- ✚ IFRS 16 leases came into effect April 2024, however the impact is not yet known on the chief constable account due to all leases registered under the PCC

### **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.

<b>Police Officer Sensitivity Analysis</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	2,580,129	2,621,719	2,664,431
Projected service cost	37,944	39,507	41,125
<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	2,626,496	2,621,719	2,616,970
Projected service cost	39,534	39,507	39,479
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	2,660,453	2,621,719	2,584,040
Projected service cost	41,148	39,507	37,923
<b>Adjustment to life expectancy assumptions</b>	<b>+1 year</b>	<b>None</b>	<b>-1 year</b>
Present value of total obligation	2,711,015	2,621,719	2,535,512
Projected service cost	40,930	39,507	38,118

<b>Police Staff Sensitivity Analysis</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	521,323	531,786	542,567
Projected service cost	16,176	16,843	17,535
<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	532,752	531,786	530,830
Projected service cost	16,854	16,843	16,832
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	541,809	531,786	522,064
Projected service cost	17,545	16,843	16,166
<b>Adjustment to life expectancy assumptions</b>	<b>+1 year</b>	<b>None</b>	<b>-1 year</b>
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	<b>Net cost of police services</b>	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	<b>Surplus(-)/deficit on provision of services</b>	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	<b>84,327</b>	Police Services	2,194	-13,615	289	<b>-11,132</b>	
1,131	-87,945	2,487	<b>-84,327</b>	Intragroup adjustment	-2,194	13,615	-289	<b>11,132</b>	
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Net cost of police services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
0	110,987	0	<b>110,987</b>	Net interest on pensions	0	121,500	0	<b>121,500</b>	
0	-110,987	0	<b>-110,987</b>	Intragroup adjustment (Pension interest cost)	0	-121,500	0	<b>-121,500</b>	
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Financial and investment income and expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Taxation and non-specific grant income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Difference between surplus on the general fund and deficit on the provision of services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## 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	Net deficit on Police Pension fund	58,607
-650,888	Intragroup adjustment	-609,081
<b>0</b>	<b>Total expenditure</b>	<b>0</b>
-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
<b>0</b>	<b>Total income</b>	<b>0</b>
<b>0</b>	<b>Surplus/deficit on provision of services</b>	<b>0</b>

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
		<b>909,555</b>	<b>12,677</b>	<b>922,232</b>	<b>196,189</b>	<b>1,118,421</b>

**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	<b>151,413</b>	0	<b>151,413</b>
ACC - Strategic Improvement		119,294	0	<b>119,294</b>	34,656	<b>153,950</b>
ACC - Investigations & Operational Support	1	10,268	0	<b>10,268</b>	2,975	<b>13,244</b>
ACC - Neighbourhoods, Partnerships & Response		127,830	0	<b>127,830</b>	37,302	<b>165,132</b>
Chief Officer - Finance, Resources and Innovation		120,330	12,677	<b>133,007</b>	19,614	<b>152,620</b>
Chief Officer - People and Organisational Development	2	101,945	8,200	<b>110,145</b>	16,617	<b>126,762</b>
Chief Officer - People and Organisational Development	3	17,456	0	<b>17,456</b>	2,660	<b>20,115</b>
Force Medical Officer - D Bulpitt		161,854	0	<b>161,854</b>	26,382	<b>188,236</b>
		<b>810,389</b>	<b>20,877</b>	<b>831,266</b>	<b>140,206</b>	<b>971,472</b>

**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
<b>844</b>		<b>1,194</b>

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
<b>24</b>	<b>335</b>		<b>10</b>	<b>150</b>

## 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
	<b>Chief Constable:</b>	
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	9,516
103	Regional ACC	164
23	Disaster Victim Identification / Casualty Bureau	34
368	Other Regional Programmes	381
<b>20,630</b>	<b>Total</b>	<b>23,684</b>

### 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 *	2023/2024	2022/2023 *	2023/2024	2022/2023 *	2023/2024
	Restated £'000	£'000	Restated £'000	£'000	Restated £'000	£'000
<b>Comprehensive income and expenditure statement</b>						
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
<b>Total post employment benefits charged to the surplus or deficit on the provision of services</b>	<b>57,574</b>	<b>13,912</b>	<b>202,896</b>	<b>163,514</b>	<b>260,470</b>	<b>177,426</b>
<b>Other post employment benefits charged to the comprehensive income and expenditure statement</b>						
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
<b>Total other comprehensive income</b>	<b>-399,815</b>	<b>-11,442</b>	<b>-1,479,719</b>	<b>-106,467</b>	<b>-1,879,534</b>	<b>-117,909</b>
<b>Movement in reserves statement</b>						
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
<b>Actual amount charged against the general fund balance for pensions in the year</b>						
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

\* The signage for the Comprehensive income and expenditure statement impact has been corrected to be consistent with the main statement.



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

## 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.

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

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

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
<b>Current pensioners</b>			
	Males	21.3	21.2
	Females	23.4	23.5
<b>Retiring in 20 years</b>			
	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
	<b>Movements in the year</b>	
-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
<b>-2,611,528</b>	<b>Present value of schemes liability as at 31 March</b>	<b>-2,621,719</b>

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
	<b>Movements in the year</b>	
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	<b>Present value of schemes assets as at 31 March</b>	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
<b>Current pensioners</b>			
	Males	21.1	21.4
	Females	23.0	23.2
<b>Retiring in 20 years</b>			
	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	%
		<b>Equities</b>		
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
<b>363,758</b>	<b>74.6</b>		<b>414,594</b>	<b>73.4</b>
		<b>Gilts - Public Sector</b>		
8,719	1.8	UK fixed interest	12,071	2.1
8,719	1.8	UK index linked	12,127	2.2
<b>17,437</b>	<b>3.6</b>		<b>24,198</b>	<b>4.3</b>
		<b>Other Bonds</b>		
34,825	7.14	UK	45,735	8.0
15,850	3.3	Overseas	22,868	4.0
<b>50,675</b>	<b>10.4</b>		<b>68,603</b>	<b>12.0</b>
39,130	8.0	<b>Property</b>	40,572	7.2
16,693	3.4	<b>Cash (invested internally)</b>	16,556	2.9
<b>487,693</b>	<b>100</b>	<b>Total assets</b>	<b>564,523</b>	<b>100</b>

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
<b>-33,339</b>	<b>Deficiency in fund</b>	<b>-13,124</b>

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
	<b>Movements in the year</b>	
-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
<b>-521,032</b>	<b>Present value of defined obligations as at 31 March</b>	<b>-531,786</b>

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
	<b>Movements in the year</b>	
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
<b>487,693</b>	<b>Fair value of scheme assets as at 31 March</b>	<b>564,523</b>

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
	<u>4,125</u>	<u>0</u>	<u>-1,939</u>	<u>2,348</u>	<u>4,534</u>

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
	<b>Contributions receivable</b>	
	Employers contributions:	
-35,930	Normal 31% contributions	-39,477
-925	Ill health/early retirements	-175
-36,855		-39,652
	<b>Employee contributions</b>	
-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	<b>Transfers in from other schemes</b>	-997
	<b>Benefits payable</b>	
89,100	Pensions	98,193
15,893	Commutations and lump sum retirement benefits	17,249
104,993		115,442
	<b>Payments to and on account of leavers</b>	
170	Refund of contributions	148
101	Transfers out to other schemes	159
529	Other	523
800		830
52,909	<b>Net amount payable for the year</b>	58,606
0	Additional contribution from the local policing body	0
-52,909	<b>Transfer from Police Fund to meet deficit</b>	-58,606
0	<b>Net amount payable/receivable for the year</b>	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
	<b>Current assets</b>	
0	Amounts due from Central Government	0
	<b>Current liabilities</b>	
0	Amounts owing to pensioners	0
<hr/> 0	<b>Net assets</b>	<hr/> 0

## Glossary of Terms

<b>Term</b>	<b>Definition</b>
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

<b>Term</b>	<b>Definition</b>
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

<b>Term</b>	<b>Definition</b>
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

<b>Term</b>	<b>Definition</b>
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



Further information can be obtained online at:-

[www.avonandsomerset-pcc.gov.uk](http://www.avonandsomerset-pcc.gov.uk) (PCC Website)

[www.avonandsomerset.police.uk](http://www.avonandsomerset.police.uk) (Constabulary Website)

Or in writing to:-

**The Chief Finance Officer**

Avon and Somerset Constabulary

PO Box 37, Valley Road

Portishead, Bristol BS20 8QJ

Telephone: **01278 646188**

 <http://www.facebook.com/avonandsomersetpolice>

 [@aspolice](https://twitter.com/aspolice)

*2023/2024*

**PCC FOR AVON & SOMERSET**  
**STATEMENT**  
**OF ACCOUNTS**



POLICE AND CRIME  
COMMISSIONER FOR  
**AVON AND  
SOMERSET**



# **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



## **Statement of Accounts for year ending 31 March 2024**

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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
<b>Surplus(-)/deficit before savings</b>	<b>6,378</b>	<b>17,333</b>	<b>22,115</b>	<b>26,722</b>	<b>29,932</b>
Savings	-6,378	-17,333	-17,794	-17,875	-17,927
Planned use of reserves	0	0	0	0	0
<b>Surplus(-)/deficit after savings</b>	<b>0</b>	<b>0</b>	<b>4,321</b>	<b>8,847</b>	<b>12,005</b>

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 Treasury Management

In the financial year 2023/2024 the PCC complied in full with the CIPFA prudential code of practice and CIPFA Treasury Management code of practice and operated within all agreed prudential indicators set out in the published Treasury Management Strategy Statement.

The PCC continued to adopt a passive borrowing strategy and will only take new borrowing if absolutely required to manage risk, support capital programmes and manage cash holdings. No additional long-term borrowing was taken in 2023/24. As a result long-term borrowing £42m after scheduled repayments. In addition to new debt funding, the PCC utilises direct revenue funding,

capital reserves, receipts from the sale of assets and other government grants in order to fund capital programmes which must all have approved business cases.

Cash balances reduced during the year due to the timing of cashflows but cash remains sufficient to underwrite the reserve levels required by the PCC for risk and capital funding and manage working capital movements. Deposit return rates have continued to strengthen with yield increasing to £3.71m from £1.5m for the previous year. With the cash holdings, the PCC has retained the approved counterparties that may be used to spread risk and maximise returns whilst always adhering to the agreed counterparty ratings limits and prudential indicators set out in the published treasury management strategy.

#### **4.3 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.

#### **4.4 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.



During the year capital spend amounted to £18.8m. The following table shows how the money was spent

<b>Capital Expenditure</b>	<b>2023/24</b>
	<b>£'000</b>
Asset Replacement & Renewal	7,909
Digital Projects	1,159
Estate Projects	3,594
Revenue Projects	4,909
Funded or part funded Projects	1,208
<b>TOTAL</b>	<b>18,779</b>

#### **4.5 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. To understand the performance

from the last year and see the progress made against the Police and Crime Plan people can refer to the Performance Section in the Annual Governance Statement of these Accounts and to the Annual Report 2023/24 which is published on the PCC's website

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.

A handwritten signature in black ink, appearing to read 'P.R. Butler', with a long horizontal flourish extending to the right.

**Paul Butler**  
Chief Finance Officer to the PCC

5<sup>th</sup> November 2024

# 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

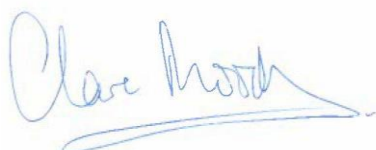
## 2 The Chief Finance Officer's Responsibilities

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  
5<sup>th</sup> November 2024



**Paul Butler**  
Chief Finance Officer to PCC  
5<sup>th</sup> November 2024

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

## **Report on the audit of the financial statements**

### **Opinion on financial statements**

We have audited the financial statements of the Police and Crime Commissioner for Avon and Somerset (the 'Police and Crime Commissioner') and its subsidiary the Chief Constable (the 'group') for the year ended 31 March 2024, which comprise the Group Comprehensive Income and Expenditure Statement, PCC Comprehensive Income and Expenditure Statement, Group Movement in Reserves Statement, PCC Movement in Reserves Statement, Group Balance Sheet, Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the Police Officer's Pension Fund Account Statements comprising the Police Officers Pension Fund Account and Pension Fund Net Assets Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Police and Crime Commissioner as at 31 March 2024 and of the group's expenditure and income and the Police and Crime Commissioner's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Police and Crime Commissioner and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Police and Crime Commissioner and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Police and Crime Commissioner and the group to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Police and Crime Commissioner and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by

the Police and Crime Commissioner and the group. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Police and Crime Commissioner and group and the Police and Crime Commissioner and group's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Other information we are required to report on by exception under the Code of Audit Practice**

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

## **Opinion on other matters required by the Code of Audit Practice**

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Police and Crime Commissioner under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

## **Responsibilities of the Police and Crime Commissioner and the Chief Finance Officer**

As explained more fully in the Statement of Responsibilities, the Police and Crime Commissioner is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Police and Crime Commissioner's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Police and Crime Commissioner and the group without the transfer of its services to another public sector entity.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Police and Crime Commissioner and the group and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003, Police Reform and Social Responsibility Act 2011, Public Service Pensions Act 2013, Police Pension Fund Regulations 2006 and Police Pensions Regulations 2015).

We enquired of management and the Police and Crime Commissioner concerning the Police and Crime Commissioner and group's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Police and Crime Commissioner whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Police and Crime Commissioner and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of override of controls and the use of significant accounting estimates. We determined that the principal risks were in relation to manual journal entries posted around the reporting date which had an impact on the Comprehensive Income and Expenditure Statement and potential management bias in determining accounting estimates and judgements made in respect of the valuation of land and buildings assets, pensions assets and pensions liabilities in the Balance Sheet. Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on material year end journals impacting financial position, year end cash adjustment journals and journals posted and approved by the same individual.
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of land & buildings valuations and valuation of the pensions assets and pensions liability (Local Government Pension Scheme and Police Pension Scheme), and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition through management override of controls; and the significant accounting estimates related to land and buildings valuations and pensions assets and pensions liabilities. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the police sector
- understanding of the legal and regulatory requirements specific to the Police and Crime Commissioner and group including:
  - the provisions of the applicable legislation
  - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Police and Crime Commissioner and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Police and Crime Commissioner and group's control environment, including the policies and procedures implemented by the Police and Crime Commissioner and group to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Report on other legal and regulatory requirements – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources**

### **Matter on which we are required to report by exception – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter.

### **Responsibilities of the Police and Crime Commissioner**

The Police and Crime Commissioner is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

### **Auditor's responsibilities for the review of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources**

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Police and Crime Commissioner plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Police and Crime Commissioner ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Police and Crime Commissioner uses information about its costs and performance to improve the way it manages and delivers its services.



We document our understanding of the arrangements the Police and Crime Commissioner has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

## **Report on other legal and regulatory requirements – Audit certificate**

We certify that we have completed the audit of Police and Crime Commissioner for Avon and Somerset for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

### **Use of our report**

This report is made solely to the Police and Crime Commissioner, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those matters we are required to state to the Police and Crime Commissioner in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner as a body, for our audit work, for this report, or for the opinions we have formed.

*Julie Masci*

Julie Masci, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

5 November 2024

# 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.uk](http://www.avonandsomerset-pcc.gov.uk)<sup>1</sup>.

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.

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<sup>1</sup> [www.avonandsomerset-pcc.gov.uk/reports-publications/policies-procedures/joint-governance-framework/](http://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.

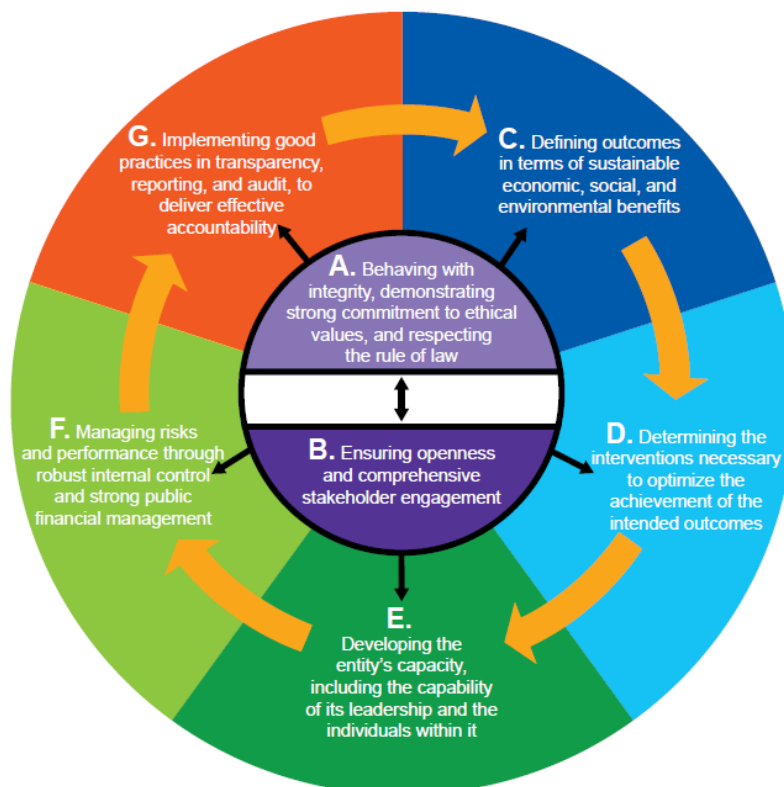
## **2 The Governance Framework**

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

Image sourced from IFAC/CIPFA International Framework: Good Governance in the Public Sector - Executive Summary PDF publication

## 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](http://www.avonandsomerset-pcc.gov.uk).<sup>2</sup>

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.

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<sup>2</sup> [www.avonandsomerset-pcc.gov.uk/wp-content/uploads/2022/03/AS-Police-Crime-Plan-2021-2025-HR-Spreads.pdf](http://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.uk](http://www.avonandsomerset-pcc.gov.uk)<sup>3</sup>.

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.uk](http://www.avonandsomerset-pcc.gov.uk)<sup>4</sup>.

In February 2022 *Identifying Disproportionality in the Avon and Somerset Criminal Justice System*<sup>5</sup> 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.

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<sup>3</sup> [www.avonandsomerset-pcc.gov.uk/working-for-you/partnerships/violence-reduction-units/](http://www.avonandsomerset-pcc.gov.uk/working-for-you/partnerships/violence-reduction-units/)

<sup>4</sup> [www.avonandsomerset-pcc.gov.uk/reports-publications/independent-custody-visiting-schemes-annual-reports/](http://www.avonandsomerset-pcc.gov.uk/reports-publications/independent-custody-visiting-schemes-annual-reports/)

<sup>5</sup> [www.avonandsomerset-pcc.gov.uk/wp-content/uploads/2022/01/Identifying-Disproportionality-Report.pdf](http://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.uk](http://www.avonandsomerset-pcc.gov.uk)<sup>6</sup>.

### **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

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<sup>6</sup> [www.avonandsomerset-pcc.gov.uk/reports-publications/police-crime-board-reports/](http://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
<b>Priority 1 – Preventing and fighting crime</b>			
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

Measure	2022/23	2023/24	Change
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
<b>Priority 2 – Engaging, supporting and working with communities, victims and partner organisations</b>			
% 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%
<b>Priority 3 – Leading the police to be efficient and effective</b>			
% 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%

Measure	2022/23	2023/24	Change
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%
<b>Priority 4 – Increasing the legitimacy of, and public confidence in, the police and criminal justice system</b>			
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

<b>Priority 1 – Preventing and fighting crime</b>
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.
<b>Priority 2 – Engaging, supporting and working with communities, victims and partner organisations</b>
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"> <li>• ‘Watch’ meetings such as Neighbourhood Watch, Farm Watch or Business Watch</li> <li>• Other police or council Neighbourhood Meetings or forums</li> <li>• Volunteering as a Special Constable</li> <li>• Volunteering in another policing or community safety related way</li> <li>• Community SpeedWatch</li> <li>• Police webchats</li> </ul>
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.
<b>Priority 3 – Leading the police to be efficient and effective</b>
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"> <li>• Immediate – 15 minutes for urban areas and 20 minutes for rural areas</li> <li>• Priority – 1 hour</li> <li>• Routine – 12 hours</li> </ul>
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.
<b>Priority 4 – Increasing the legitimacy of, and public confidence in, the police and criminal justice system</b>

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.uk](http://www.avonandsomerset-pcc.gov.uk)<sup>7</sup>.

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
- ✚ Quarterly Performance Reports

<sup>7</sup> [www.avonandsomerset-pcc.gov.uk/reports-publications/oversight-boards/](http://www.avonandsomerset-pcc.gov.uk/reports-publications/oversight-boards/)



### **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](http://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
<b>Failure to deliver the Police and Crime Plan (SR2)</b>	<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 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>

Risk	Progress
	It is also worth noting that a new PCC term started in May 2024 and a new Police and Crime Plan will be published.
<b>Financial incapability or ineffectiveness (SR3)</b>	<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.



**Clare Moody**

Police and Crime Commissioner  
5<sup>th</sup> November 2024



**Paul Butler**

Chief Finance Officer to PCC  
5<sup>th</sup> November 2024



**Alice Ripley**

Chief of Staff to the PCC  
5<sup>th</sup> November 2024

# 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
<b>Expenditure</b>						
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
<b>550,833</b>	<b>-58,711</b>	<b>492,122</b>	<b>Net cost of police services</b>	<b>498,927</b>	<b>-74,049</b>	<b>424,878</b>
		-52,909	Police pension top-up grant			-58,607
		-1,974	Gain on disposal of non-current assets			-4,119
		<b>-54,883</b>	<b>Other operating expenditure</b>			<b>-62,726</b>
		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
			<b>Financial and investment income and expenditure</b>			<b>123,240</b>
		-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
		<b>-357,663</b>	<b>Taxation and non-specific grant income</b>			<b>-369,375</b>
		<b>193,675</b>	<b>Deficit on provision of services</b>			<b>116,017</b>
		-1,879,534	Re-measurement of pension assets (Note 16) and liabilities			-117,909
		-5,128	Gain on revaluation			-8,851
		<b>-1,884,662</b>	<b>Other comprehensive income and expenditure</b>			<b>-126,760</b>
		<b>-1,690,987</b>	<b>Total comprehensive income and expenditure</b>			<b>-10,743</b>

# 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
<b>Expenditure</b>						
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
<b>10,932</b>	<b>-4,742</b>	<b>6,190</b>	<b>Net cost of police services before funding</b>	<b>11,345</b>	<b>-6,175</b>	<b>5,170</b>
539,901	-53,969	485,932	Intragroup funding adjustment	487,582	-67,874	419,708
<b>550,833</b>	<b>-58,711</b>	<b>492,122</b>	<b>Net cost of police services</b>	<b>498,927</b>	<b>-74,049</b>	<b>424,878</b>
		-52,909	Police pension top-up grant			-58,607
		-1,974	Gain on disposal of non-current assets			-4,119
		<b>-54,883</b>	<b>Other operating expenditure</b>			<b>-62,726</b>
		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
		<b>114,099</b>	<b>Financial and investment income and expenditure</b>			<b>123,240</b>
		-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
		<b>-357,663</b>	<b>Taxation and non-specific grant income</b>			<b>-369,375</b>
		<b>193,675</b>	<b>Deficit on provision of services</b>			<b>116,017</b>
		-1,879,534	Intragroup adjustment (Re-measurement of pension assets and liabilities)			-117,909
		-5,128	Gain on revaluation			-8,851
		<b>-1,884,662</b>	<b>Other comprehensive income and expenditure</b>			<b>-126,760</b>
		<b>-1,690,987</b>	<b>Total comprehensive income and expenditure</b>			<b>-10,743</b>

# 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
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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

## 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
			<b>Property, plant and equipment</b>				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	
			<b>Long term assets</b>				
0	799	799	Prepayments	0	857	857	
2,644,892	0	0	Long Term Liability - intragroup adjustment	2,634,843	0	0	
<b>2,644,892</b>	<b>223,709</b>	<b>223,709</b>	<b>Total non-current assets</b>	<b>2,634,843</b>	<b>230,951</b>	<b>230,951</b>	
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	
<b>17,075</b>	<b>114,695</b>	<b>114,695</b>	<b>Total current assets</b>	<b>19,104</b>	<b>111,504</b>	<b>111,504</b>	
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
<b>-17,075</b>	<b>-56,731</b>	<b>-56,731</b>	<b>Total current liabilities</b>	<b>-19,104</b>	<b>-65,353</b>	<b>-65,353</b>	
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	
<b>-2,644,892</b>	<b>-2,743,378</b>	<b>-2,743,378</b>	<b>Total long term liabilities</b>	<b>-2,634,843</b>	<b>-2,728,064</b>	<b>-2,728,064</b>	
<b>0</b>	<b>-2,461,705</b>	<b>-2,461,705</b>	<b>Net assets</b>	<b>0</b>	<b>-2,450,962</b>	<b>-2,450,962</b>	
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
<b>0</b>	<b>-2,461,705</b>	<b>-2,461,705</b>	<b>Total reserves</b>	<b>0</b>	<b>-2,450,962</b>	<b>-2,450,962</b>	



**Paul Butler**

Chief Finance Officer to PCC

5<sup>th</sup> November 2024



## Group Cash Flow Statement

OCC	PCC	Group	Cash Flow Statement	OCC	PCC	Group
£'000	*Restated £'000	*Restated 2022/2023 £'000		£'000	£'000	2023/2024 £'000
0	193,675	193,675	<b>Net surplus(-)/deficit on the provision of services</b>	0	116,017	<b>116,017</b>
0	-11,154	-11,154	Depreciation and impairment of property, plant and equipment	0	-15,210	<b>-15,210</b>
0	-25	-25	Amortisation of intangible assets	0	-25	<b>-25</b>
0	791	791	Movement in Fair Value Investment properties	0	13	<b>13</b>
0	0	0	Movement in Fair Value Financial Instruments	0	-400	<b>-400</b>
328	-682	-354	Increase(-)/decrease in provision charged back to service	-410	-694	<b>-1,104</b>
0	-198,932	-198,932	Charges for retirement benefits in accordance with IAS 19	0	-107,885	<b>-107,885</b>
0	-414	-414	Carrying amounts of non-current assets sold	0	-178	<b>-178</b>
0	0	0	Other	0	0	<b>0</b>
1,367	17,073	18,440	Increase/decrease(-) in long and short term debtors	2,005	12,322	<b>14,327</b>
-1,695	-3,023	-4,718	Increase(-)/decrease in long and short term creditors	-1,595	641	<b>-954</b>
0	48	48	Increase/decrease(-) in stock/WIP	0	387	<b>387</b>
<b>0</b>	<b>-196,318</b>	<b>-196,318</b>	<b>Adjust net surplus(-)/deficit on the provision of services for non-cash movements</b>	<b>0</b>	<b>-111,029</b>	<b>-111,029</b>
0	2,388	2,388	Proceeds from the sale of property, plant and equipment	0	4,297	<b>4,297</b>
0	84	84	Capital grants credited to the surplus or deficit on the provision of service	0	48	<b>48</b>
0	1,258	1,258	Interest received	0	2,713	<b>2,713</b>
0	-5,539	-5,539	Interest paid	0	-5,280	<b>-5,280</b>
<b>0</b>	<b>-1,809</b>	<b>-1,809</b>	<b>Adjust net surplus(-)/ deficit on the provision of services that are investing or financing activities</b>	<b>0</b>	<b>1,778</b>	<b>1,778</b>
<b>0</b>	<b>-4,452</b>	<b>-4,452</b>	<b>Net cash flows from operating activities</b>	<b>0</b>	<b>6,766</b>	<b>6,766</b>
0	7,678	7,678	Purchase of property, plant and equipment	0	14,117	<b>14,117</b>
0	-2,388	-2,388	Capital receipts	0	-4,297	<b>-4,297</b>
0	-84	-84	Capital grant/contribution income due for the year	0	-48	<b>-48</b>
0	22,000	22,000	Purchase of short & long term investments *	0	28,000	<b>28,000</b>
0	-23,000	-23,000	Proceeds of short & long term investments *	0	-22,000	<b>-22,000</b>
0	-1,258	-1,258	Interest received	0	-2,713	<b>-2,713</b>
<b>0</b>	<b>2,948</b>	<b>2,948</b>	<b>Net cash flow from investing activities</b>	<b>0</b>	<b>13,059</b>	<b>13,059</b>
0	0	0	New loans raised	0	-5,000	<b>-5,000</b>
0	1,147	1,147	Repayment of long term loans	0	1,147	<b>1,147</b>
0	1,877	1,877	Repayment of PFI liability	0	1,281	<b>1,281</b>
0	5,539	5,539	Interest paid	0	5,280	<b>5,280</b>
<b>0</b>	<b>8,563</b>	<b>8,563</b>	<b>Net cash flow from financing activities</b>	<b>0</b>	<b>2,708</b>	<b>2,708</b>
<b>0</b>	<b>7,059</b>	<b>7,059</b>	<b>Net increase(-)/decrease in cash and cash equivalents</b>	<b>0</b>	<b>22,533</b>	<b>22,533</b>
0	-35,559	-35,559	Cash and cash equivalents at the beginning of the reporting period	0	-28,500	<b>-28,500</b>
0	-28,500	-28,500	Cash and cash equivalents at the end of the reporting period	0	-5,967	<b>-5,967</b>

\* The purchase and proceeds of short & long term investments were consolidated but have now been separated to show gross basis, this does not change the outcome of the movement in cash and cash equivalents.

# 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 as a proxy for current value. 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

- ✚ 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
<b>Estimated impact on 1 April 2024 statement of financial position</b>		
Additional right of use assets recognised	480	5,630
Additional lease obligations recognised	-480	-5,630
<b>Net impact on net assets on 1 April 2024</b>	<b>0</b>	<b>0</b>
<b>Estimated in-year impact in 2024/25</b>		
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 expenditure	234	
Lease rentals no longer charged to operating expenditure		1,047
<b>Estimated impact on surplus / (deficit) in 2024/25</b>	<b>53</b>	<b>-241</b>

- 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.

<b>Police Officer Sensitivity Analysis</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	2,580,129	2,621,719	2,664,431
Projected service cost	37,944	39,507	41,125
<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	2,626,496	2,621,719	2,616,970
Projected service cost	39,534	39,507	39,479
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	2,660,453	2,621,719	2,584,040
Projected service cost	41,148	39,507	37,923
<b>Adjustment to life expectancy assumptions</b>	<b>+1 year</b>	<b>None</b>	<b>-1 year</b>
Present value of total obligation	2,711,015	2,621,719	2,535,512
Projected service cost	40,930	39,507	38,118

<b>Police Staff Sensitivity Analysis</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	521,323	531,786	542,567
Projected service cost	16,176	16,843	17,535
<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	532,752	531,786	530,830
Projected service cost	16,854	16,843	16,832
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	541,809	531,786	522,064
Projected service cost	17,545	16,843	16,166
<b>Adjustment to life expectancy assumptions</b>	<b>+1 year</b>	<b>None</b>	<b>-1 year</b>
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% year on year. 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 Net expenditure chargeable to general fund	Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E	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
£'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
<b>353,706</b>	<b>54,089</b>	<b>407,795</b>	<b>84,327</b>	<b>492,122</b>	<b>Net cost of police services</b>	<b>369,473</b>	<b>66,537</b>	<b>436,010</b>	<b>-11,132</b>	<b>424,878</b>
		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
		<b>-52,909</b>	<b>-1,974</b>	<b>-54,883</b>	<b>Other operating expenditure</b>			<b>-58,607</b>	<b>-4,119</b>	<b>-62,726</b>
		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	Income from Investment properties				-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
		<b>0</b>	<b>114,099</b>	<b>114,099</b>	<b>Financial and investment income and expenditure</b>			<b>0</b>	<b>123,240</b>	<b>123,240</b>
		-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
		<b>-356,304</b>	<b>-1,359</b>	<b>-357,663</b>	<b>Taxation and non-specific grant income</b>			<b>-369,264</b>	<b>-111</b>	<b>-369,375</b>
<b>353,706</b>	<b>54,089</b>	<b>-409,213</b>	<b>110,766</b>	<b>-298,447</b>		<b>369,473</b>	<b>66,537</b>	<b>-427,871</b>	<b>119,010</b>	<b>-308,861</b>
		-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		
		<b>55,286</b>			<b>Closing balance of general fund</b>			<b>47,147</b>		

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



Capital Purposes £'000	2022/2023			Group Expenditure and Funding Analysis Adjustment between accounting & funding basis	Capital Purposes £'000	2023/2024		
	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000			Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000
-1,131	87,945	-2,487	84,327	Police Services - OCC	2,194	-13,615	289	-11,132
<b>-1,131</b>	<b>87,945</b>	<b>-2,487</b>	<b>84,327</b>	<b>Net cost of police services</b>	<b>2,194</b>	<b>-13,615</b>	<b>289</b>	<b>-11,132</b>
-1,974	0	0	-1,974	Gain on disposal of non-current assets	-4,119	0	0	-4,119
<b>-1,974</b>	<b>0</b>	<b>0</b>	<b>-1,974</b>	<b>Other operating expenditure</b>	<b>-4,119</b>	<b>0</b>	<b>0</b>	<b>-4,119</b>
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
<b>0</b>	<b>110,987</b>	<b>3,111</b>	<b>114,098</b>	<b>Financial and investment income and expenditure</b>	<b>0</b>	<b>121,500</b>	<b>1,740</b>	<b>123,240</b>
-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
<b>-84</b>	<b>0</b>	<b>-1,275</b>	<b>-1,359</b>	<b>Taxation and non-specific grant income</b>	<b>-48</b>	<b>0</b>	<b>-63</b>	<b>-111</b>
<b>-2,058</b>	<b>110,987</b>	<b>1,836</b>	<b>110,765</b>		<b>-4,167</b>	<b>121,500</b>	<b>1,677</b>	<b>119,010</b>
<b>-3,189</b>	<b>198,932</b>	<b>-651</b>	<b>195,092</b>	<b>Total adjustment between accounting and funding basis</b>	<b>-1,973</b>	<b>107,885</b>	<b>1,966</b>	<b>107,878</b>



## 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
<b>Balance as at 31 March 2023</b>	<b>55,286</b>	<b>8,546</b>	<b>63,832</b>	<b>1,478</b>	<b>91,193</b>	<b>0</b>	<b>-2,644,867</b>	<b>-11,813</b>	<b>38,472</b>	<b>-2,525,537</b>
Total comprehensive income and expenditure	-116,017	0	-116,017	0	8,851	0	117,909	0	0	126,760
<b>Adjustments between accounting &amp; funding basis under regulations</b>										
<b>Reversal of items included to I&amp;E</b>										
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
<b>Insert amounts excluded in I&amp;E</b>										
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
<b>Other adjustments include:</b>										
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
<b>Increase/decrease(-) in 2023/2024</b>	<b>-8,139</b>	<b>4,151</b>	<b>-3,988</b>	<b>63</b>	<b>8,851</b>	<b>-400</b>	<b>10,024</b>	<b>-1,642</b>	<b>-2,165</b>	<b>14,731</b>
<b>Balance as at 31 March 2024</b>	<b>47,147</b>	<b>12,697</b>	<b>59,844</b>	<b>1,541</b>	<b>100,044</b>	<b>-400</b>	<b>-2,634,843</b>	<b>-13,455</b>	<b>36,307</b>	<b>-2,510,806</b>

Group Movement in Reserves Statement 2022/2023	Revenue General Fund £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Collect Fund Adjustment £'000	Revaluation Reserve £'000	Pensions Reserve Account £'000	Short Term Absences Account £'000	Capital Adjustment Account £'000	Total Unusable Reserves £'000
<b>Balance as at 31 March 2022</b>	<b>53,868</b>	<b>6,375</b>	<b>60,243</b>	<b>202</b>	<b>87,202</b>	<b>-4,325,469</b>	<b>-10,396</b>	<b>35,526</b>	<b>-4,212,935</b>
Total comprehensive income and expenditure	-193,675	0	-193,675	0	5,128	1,879,534	0	0	1,884,662
<b>Adjustments between accounting &amp; funding basis under regulations</b>									
<b>Reversal of items included to I&amp;E</b>									
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
<b>Insert amounts excluded in I&amp;E</b>									
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
<b>Other adjustments include:</b>									
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
<b>Balance as at 31 March 2023</b>	<b>55,286</b>	<b>8,546</b>	<b>63,832</b>	<b>1,478</b>	<b>91,193</b>	<b>-2,644,867</b>	<b>-11,813</b>	<b>38,472</b>	<b>-2,525,537</b>

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
<b>Balance as at 31 March 2023</b>	<b>55,286</b>	<b>8,546</b>	<b>63,832</b>	<b>1,478</b>	<b>91,193</b>	<b>0</b>	<b>-2,644,867</b>	<b>-11,813</b>	<b>38,472</b>	<b>-2,525,537</b>
Total comprehensive income and expenditure	-116,017	0	-116,017	0	8,851	0	117,909	0	0	126,760
<b>Adjustments between accounting &amp; funding basis under regulations</b>										
<b>Reversal of items included to I&amp;E</b>										
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
<b>Insert amounts excluded in I&amp;E</b>										
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
<b>Other adjustments include:</b>										
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
<b>Increase/decrease(-) in 2023/2024</b>	<b>-8,139</b>	<b>4,151</b>	<b>-3,988</b>	<b>63</b>	<b>8,851</b>	<b>-400</b>	<b>10,024</b>	<b>-1,642</b>	<b>-2,165</b>	<b>14,731</b>
<b>Balance as at 31 March 2024</b>	<b>47,147</b>	<b>12,697</b>	<b>59,844</b>	<b>1,541</b>	<b>100,044</b>	<b>-400</b>	<b>-2,634,843</b>	<b>-13,455</b>	<b>36,307</b>	<b>-2,510,806</b>

<b>PCC Movement in Reserves Statement 2022/2023</b>	<b>Revenue General Fund £'000</b>	<b>Capital Receipts Reserve £'000</b>	<b>Total Usable Reserves £'000</b>	<b>Collect Fund Adjustment £'000</b>	<b>Revaluation Reserve £'000</b>	<b>Pensions Reserve Account £'000</b>	<b>Short Term Absences Account £'000</b>	<b>Capital Adjustment Account £'000</b>	<b>Total Unusable Reserves £'000</b>
<b>Balance as at 31 March 2022</b>	<b>53,868</b>	<b>6,375</b>	<b>60,243</b>	<b>202</b>	<b>87,202</b>	<b>-4,325,469</b>	<b>-10,396</b>	<b>35,526</b>	<b>-4,212,935</b>
Total comprehensive income and expenditure	-193,675	0	-193,675	0	5,128	1,879,534	0	0	1,884,662
<b>Adjustments between accounting &amp; funding basis under regulations</b>									
<b>Reversal of items included to I&amp;E</b>									
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
<b>Insert amounts excluded in I&amp;E</b>									
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
<b>Other adjustments include:</b>									
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
<b>Increase/decrease(-) in 2022/2023</b>	<b>1,418</b>	<b>2,171</b>	<b>3,589</b>	<b>1,276</b>	<b>3,991</b>	<b>1,680,602</b>	<b>-1,417</b>	<b>2,946</b>	<b>1,687,398</b>
<b>Balance as at 31 March 2023</b>	<b>55,286</b>	<b>8,546</b>	<b>63,832</b>	<b>1,478</b>	<b>91,193</b>	<b>-2,644,867</b>	<b>-11,813</b>	<b>38,472</b>	<b>-2,525,537</b>

## 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 Police 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
<b>0</b>	<b>665,559</b>	<b>665,559</b>	<b>Total expenditure</b>	<b>0</b>	<b>622,073</b>	<b>622,073</b>
-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
<b>0</b>	<b>-471,884</b>	<b>-471,884</b>	<b>Total income</b>	<b>0</b>	<b>-506,056</b>	<b>-506,056</b>
<b>0</b>	<b>193,675</b>	<b>193,675</b>	<b>Surplus/deficit on provision of services</b>	<b>0</b>	<b>116,017</b>	<b>116,017</b>

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
	<b>264,306</b>	<b>8,570</b>	<b>272,876</b>	<b>70,948</b>	<b>343,824</b>

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
	<b>256,462</b>	<b>11,466</b>	<b>267,927</b>	<b>66,502</b>	<b>334,429</b>

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

## 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
		£	£	£	£	£
<b>PCC Employees</b>						
Chief Finance Officer to the PCC		95,411	0	<b>95,411</b>	15,552	<b>110,963</b>
Chief of Staff and Monitoring Officer to the PCC		102,100	0	<b>102,100</b>	16,642	<b>118,742</b>
<b>OCC Employees</b>						
Deputy Chief Constable - N Watson		151,413	0	<b>151,413</b>	0	<b>151,413</b>
ACC - Strategic Improvement		119,294	0	<b>119,294</b>	34,656	<b>153,950</b>
ACC - Neighbourhoods, Partnerships & Response		127,830	0	<b>127,830</b>	37,302	<b>165,132</b>
ACC - Investigations & Operational Support	<b>1</b>	10,268	0	<b>10,268</b>	2,975	<b>13,244</b>
Chief Officer - Finance, Resources and Innovation		120,330	12,677	<b>133,007</b>	19,614	<b>152,620</b>
Chief Officer - People and Organisational Development	<b>2</b>	101,945	8,200	<b>110,145</b>	16,617	<b>126,762</b>
Chief Officer - People and Organisational Development	<b>3</b>	17,456	0	<b>17,456</b>	2,660	<b>20,115</b>
Force Medical Officer - D Bulpitt		161,854	0	<b>161,854</b>	26,382	<b>188,236</b>
		<b>1,007,900</b>	<b>20,877</b>	<b>1,028,777</b>	<b>172,401</b>	<b>1,201,178</b>

## 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
<b>844</b>	<b>5</b>	<b>849</b>		<b>1,194</b>	<b>7</b>	<b>1,201</b>

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
<b>24</b>	<b>335</b>		<b>10</b>	<b>150</b>

## 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
	<b>Police and Crime Commissioner:</b>	
32	Fees for external audit services paid to Grant Thornton	137
	<b>Chief Constable:</b>	
26	Fees for external audit services paid to Grant Thornton	58
<b>58</b>		<b>195</b>

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. These 2023/2024 figures also include £26k of prior year fees.

## 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
<b>146,169</b>		<b>157,233</b>

## 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	9,516
103	Regional ACC	164
23	Disaster Victim Identification / Casualty Bureau	34
368	Other Regional Programmes	381
<b>20,630</b>	<b>Total</b>	<b>23,684</b>

### 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
<b>7,432</b>		<b>6,547</b>

## 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
<b>-2,644,867</b>		<b>-2,634,843</b>

	Police Staff		Police Officers		Total	
	2022/2023 *	2023/2024	2022/2023 *	2023/2024	2022/2023 *	2023/2024
	Restated		Restated		Restated	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Comprehensive income and expenditure statement</b>						
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
<b>Total post employment benefits charged to the surplus or deficit on the provision of services</b>	<b>57,574</b>	<b>13,912</b>	<b>202,896</b>	<b>163,514</b>	<b>260,470</b>	<b>177,426</b>
<b>Other post employment benefits charged to the comprehensive income and expenditure statement</b>						
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
<b>Total other comprehensive income</b>	<b>-399,815</b>	<b>-11,442</b>	<b>-1,479,719</b>	<b>-106,467</b>	<b>-1,879,534</b>	<b>-117,909</b>
<b>Movement in reserves statement</b>						
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
<b>Actual amount charged against the general fund balance for pensions in the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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

\* The signage for the Comprehensive income and expenditure statement impact has been corrected to be consistent with the main statement.

## 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
<b>52,909</b>	<b>Balance met from PCC Group</b>	<b>58,607</b>

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
<b>Current pensioners</b>			
	Males	21.3	21.2
	Females	23.4	23.5
<b>Retiring in 20 years</b>			
	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
	<b>Movements in the year</b>	
-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
<b>-2,611,528</b>	<b>Present value of schemes liability as at 31 March</b>	<b>-2,621,719</b>

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
	<b>Movements in the year</b>	
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
<b>0</b>	<b>Present value of schemes assets as at 31 March</b>	<b>0</b>

## 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		Payments	Percentage
£'000	of Employees' Contributions		£'000	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 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
<b>Current pensioners</b>			
	Males	21.1	21.4
	Females	23.0	23.2
<b>Retiring in 20 years</b>			
	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	%
		<b>Equities</b>		
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
<b>363,758</b>	<b>74.6</b>		<b>414,594</b>	<b>73.4</b>
		<b>Gilts - Public Sector</b>		
8,719	1.8	UK fixed interest	12,071	2.1
8,719	1.8	UK index linked	12,127	2.2
<b>17,437</b>	<b>3.6</b>		<b>24,198</b>	<b>4.3</b>
		<b>Other Bonds</b>		
34,825	7.14	UK	45,735	8.0
15,850	3.3	Overseas	22,868	4.0
<b>50,675</b>	<b>10.4</b>		<b>68,603</b>	<b>12.0</b>
39,130	8.0	<b>Property</b>	40,572	7.2
16,693	3.4	<b>Cash (invested internally)</b>	16,556	2.9
<b>487,693</b>	<b>100</b>	<b>Total assets</b>	<b>564,523</b>	<b>100</b>

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
<b>-33,339</b>	<b>Deficiency in fund</b>	<b>-13,124</b>

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
<b>-882,896</b>	Present value of defined obligations as at 1 April	<b>-521,032</b>
	<b>Movements in the year</b>	
-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
<b>-521,032</b>	<b>Present value of defined obligations as at 31 March</b>	<b>-531,786</b>

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
<b>488,920</b>	Fair value of scheme assets as at 1 April	<b>487,693</b>
	<b>Movements in the year</b>	
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
<b>487,693</b>	<b>Fair value of scheme assets as at 31 March</b>	<b>564,523</b>

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
<b>Cost or valuation</b>					
As at 1 April 2023	201,349	73,302	320	2,277	277,248
Additions during year	225	9,823	1,307	2,262	13,617
Disposals	0	-30,668	0	0	-30,668
Reclassification	124	0	-124	2	2
<b>Revaluation gain/loss (-)</b>					
Recognised in revaluation reserve	3,462	0	0	-477	2,985
Recognised in surplus & deficit I&E	-287	0	0	-135	-422
<b>As at 31 March 2024</b>	<b>204,873</b>	<b>52,457</b>	<b>1,503</b>	<b>3,929</b>	<b>262,762</b>
<b>Depreciation and impairment</b>					
As at 1 April 2023	-1,668	-55,911	0	0	-57,579
Depreciation charge	-6,710	-8,556	0	-558	-15,824
Disposals	0	30,603	0	0	30,603
Reclassification	0	0	0	0	0
<b>Revaluation gain/loss (-)</b>					
Recognised in revaluation reserve	5,199	0	0	667	5,866
Recognised in surplus & deficit I&E	1,037	0	0	0	1,037
<b>As at 31 March 2024</b>	<b>-2,142</b>	<b>-33,864</b>	<b>0</b>	<b>109</b>	<b>-35,897</b>
<b>Net book value</b>					
<b>As at 31 March 2024</b>	<b>202,731</b>	<b>18,593</b>	<b>1,503</b>	<b>4,038</b>	<b>226,865</b>
<b>As at 31 March 2023</b>	<b>199,681</b>	<b>17,391</b>	<b>320</b>	<b>2,277</b>	<b>219,669</b>

Property, Plant and Equipment 2022/2023	Land and Buildings	Vehicles, Plant, Machinery and Equipment *Restated	Assets Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
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	-25,475	0	0	-25,475
Reclassification	-3,685	0	-300	2,000	-1,985
<b>Revaluation gain/loss (-)</b>					
Recognised in revaluation reserve	365	0	0	27	392
Recognised in surplus & deficit I&E	1,427	0	0	0	1,427
<b>As at 31 March 2023 *</b>	<b>201,349</b>	<b>73,302</b>	<b>320</b>	<b>2,277</b>	<b>277,248</b>
<b>Depreciation and impairment</b>					
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	25,467	0	0	25,467
Reclassification	-21	0	0	21	0
<b>Revaluation gain/loss (-)</b>					
Recognised in revaluation reserve	4,737	0	0	0	4,737
Recognised in surplus & deficit I&E	1,339	0	0	-21	1,318
<b>As at 31 March 2023 *</b>	<b>-1,668</b>	<b>-55,911</b>	<b>0</b>	<b>0</b>	<b>-57,579</b>
<b>Net book value</b>					
<b>As at 31 March 2023</b>	<b>199,681</b>	<b>17,391</b>	<b>320</b>	<b>2,277</b>	<b>219,669</b>
<b>As at 31 March 2022</b>	<b>201,507</b>	<b>16,224</b>	<b>544</b>	<b>250</b>	<b>218,525</b>

Restated disposal figure in 2022/2023 from cost of £1,617,000 to £25,475,000 and depreciation of £1,609,000 to £25,467,000. This is to reflect the nil Net Book Value review of ICT assets in 2023/2024 and correcting the allocation of some of the disposals made in 2023/2024 to 2022/2023. Therefore, the closing gross cost has changed from £97,160,000 to £73,302,000 and the closing gross depreciation and impairment has changed from £79,769,000 to £55,911,000.

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
	<b>202,731</b>	<b>18,593</b>	<b>1,503</b>	<b>4,038</b>	<b>226,865</b>

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
	<b>199,681</b>	<b>17,391</b>	<b>320</b>	<b>2,277</b>	<b>219,669</b>

## Capital Commitments

At 31<sup>st</sup> 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 31<sup>st</sup> 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	2,776
<b>Balance at start of the year</b>	
<b>Additions:</b>	
0 Purchases	0
0 Construction	0
0 Subsequent expenditure	0
<b>Disposals</b>	0
791 <b>Net gains from fair value adjustments</b>	13
<b>Transfers:</b>	
0 to/from inventories	0
1,985 from property plant and equipment	0
<b>2,776 As at 31 March</b>	<b>2,789</b>

## 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

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

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
<b>49,693</b>	<b>Finance Liability at 31 March</b>	<b>48,412</b>

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

<b>PFI Charges</b>	<b>Service Charge</b>	<b>Lifecycle Replacement Costs</b>	<b>Interest Charge</b>	<b>Liability</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Rental paid 2023/2024	2,424	1,596	3,824	1,281
<b>Rentals payable in future years</b>				
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
<b>Total</b>	<b>37,591</b>	<b>16,006</b>	<b>37,023</b>	<b>48,412</b>

## 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.

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

## 23 Cash and Cash Equivalents

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

## 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
<b>43,162</b>	<b>Total</b>	<b>47,016</b>
	Less:	
-1,147	Transferred to short term borrowings (repayable in 2023/2024)	-8,922
<b>42,015</b>		<b>38,094</b>

## 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
<b>12,975</b>	<b>32,512</b>	<b>45,487</b>	<b>Balance as at 31 March</b>	<b>14,570</b>	<b>31,371</b>	<b>45,941</b>

## 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
	<b>12,509</b>	<b>-194</b>	<b>-3,048</b>	<b>4,468</b>	<b>13,735</b>

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 brought 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
<b>Total discretionary reserves</b>	<b>6,686</b>	<b>-1,289</b>	<b>0</b>	<b>5,397</b>
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
<b>Total non-discretionary reserves</b>	<b>8,937</b>	<b>-1,340</b>	<b>759</b>	<b>8,356</b>
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
<b>Total capital and PFI reserves</b>	<b>27,454</b>	<b>-7,682</b>	<b>1,620</b>	<b>21,392</b>
Council tax income guarantee Reserve	209	-209	0	0
<b>Total earmarked reserves</b>	<b>43,286</b>	<b>-10,520</b>	<b>2,379</b>	<b>35,145</b>
General Fund	12,000	0	0	12,000
<b>Total General Fund Balance</b>	<b>55,286</b>	<b>-10,520</b>	<b>2,379</b>	<b>47,145</b>

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
<b>Total discretionary reserves</b>	<b>4,755</b>	<b>-2,353</b>	<b>4,284</b>	<b>6,686</b>
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
<b>Total non-discretionary reserves</b>	<b>8,073</b>	<b>-5,585</b>	<b>6,449</b>	<b>8,937</b>
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
<b>Total capital and PFI reserves</b>	<b>28,623</b>	<b>-3,950</b>	<b>2,781</b>	<b>27,454</b>
Council tax income guarantee Reserve	417	-208	0	209
<b>Total earmarked reserves</b>	<b>41,868</b>	<b>-12,096</b>	<b>13,514</b>	<b>43,286</b>
General Fund	12,000	0	0	12,000
<b>Total General Fund Balance</b>	<b>53,868</b>	<b>-12,096</b>	<b>13,514</b>	<b>55,286</b>

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
	<b>Capital investment</b>	
9,163	Property, plant and equipment	13,618
	<b>Sources of finance</b>	
-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	<b>Closing capital finance requirements</b>	93,893
	<b>Explanation of movements in year</b>	
-3,561	Increase/decrease(-) in underlying need to borrow	382
-3,561	<b>Increase/decrease(-) in capital financing requirement</b>	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
	Bank overdraft £'000	Borrowings £'000	Creditors £'000	Borrowings £'000	31st March 2024 £'000
Fair value through profit or loss	0	0	0	0	0
Amortised cost	3,470	8,922	24,703	38,094	75,189
Amortised cost - PFI liabilities	0	1,938	0	46,474	48,412
<b>Total financial liabilities</b>	<b>3,470</b>	<b>10,860</b>	<b>24,703</b>	<b>84,568</b>	<b>123,601</b>
Other liabilities not defined as financial instruments:					
Tax	0	0	6,668	0	6,668
OCC payroll accruals	0	0	14,570	0	14,570
<b>Total</b>	<b>3,470</b>	<b>10,860</b>	<b>45,941</b>	<b>84,568</b>	<b>144,839</b>

Financial liabilities 2022/2023	Current			Non-current	Total
	Bank overdraft £'000	Borrowings £'000	Creditors £'000	Borrowings £'000	31st March 2023 £'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
<b>Total financial liabilities</b>	<b>4,391</b>	<b>2,428</b>	<b>25,258</b>	<b>90,428</b>	<b>122,505</b>
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
<b>Total</b>	<b>4,391</b>	<b>2,428</b>	<b>45,487</b>	<b>90,428</b>	<b>142,734</b>

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	2,600	0	3,960
Amortised cost	8,077	25,000	55,221	88,298
<b>Total financial assets</b>	<b>9,437</b>	<b>27,600</b>	<b>55,221</b>	<b>92,258</b>
Other assets not defined as financial instruments:				
VAT	0	0	4,065	4,065
Payments in advance	0	0	13,619	13,619
<b>Total</b>	<b>9,437</b>	<b>27,600</b>	<b>72,905</b>	<b>109,942</b>

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
<b>Total financial assets</b>	<b>32,891</b>	<b>22,000</b>	<b>42,270</b>	<b>97,161</b>
Other assets not defined as financial instruments:				
VAT	0	0	1,998	1,998
Payments in advance	0	0	14,248	14,248
<b>Total</b>	<b>32,891</b>	<b>22,000</b>	<b>58,515</b>	<b>113,406</b>

## 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
<b>Financial liabilities held at amortised cost</b>				
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	24,703	24,703	25,258	25,258
PFI liabilities	48,412	61,140	49,693	62,630
<b>Total</b>	<b>123,600</b>	<b>132,444</b>	<b>122,504</b>	<b>132,794</b>

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.

<b>Lender Option Borrower Option (LOBO)</b>						
<b>2023 £'000</b>	<b>Drawdown Date</b>	<b>2024 £'000</b>	<b>Period</b>	<b>Next Option Date</b>	<b>End Date</b>	<b>Interest Rate %</b>
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
<b>5,275</b>	<b>Total</b>	<b>5,275</b>				

### 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
<b>Financial assets held at amortised cost</b>				
Cash and cash equivalents	8,077	8,414	18,106	21,218
Investments - Short term	25,000	25,969	22,000	19,074
Debtors	55,221	55,221	42,270	42,270
<b>Total</b>	<b>88,298</b>	<b>89,604</b>	<b>82,376</b>	<b>82,562</b>
<b>Financial assets held at Fair Value</b>				
Cash and cash equivalents	4,360	3,960	14,785	14,541
Investments - Short term	2,600	2,600	0	0
<b>Total</b>	<b>6,960</b>	<b>6,560</b>	<b>14,785</b>	<b>14,541</b>

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 £9,773,980, and short term investments at £28,569,086. 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
	<b>54,785</b>		<b>Total</b>		<b>37,360</b>	

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
<b>1,518</b>		<b>2,004</b>

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

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
	<b>Current assets</b>	
0	Amounts due from Central Government	0
	<b>Current liabilities</b>	
0	Amounts owing to pensioners	0
<hr/> 0	<b>Net assets</b>	<hr/> 0

## Glossary of Terms

<b>Term</b>	<b>Definition</b>
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

<b>Term</b>	<b>Definition</b>
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



<b>Term</b>	<b>Definition</b>
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

<b>Term</b>	<b>Definition</b>
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



Further information can be obtained online at:-

[www.avonandsomerset-pcc.gov.uk](http://www.avonandsomerset-pcc.gov.uk) (PCC Website)

[www.avonandsomerset.police.uk](http://www.avonandsomerset.police.uk) (Constabulary Website)

Or in writing to:-

**The Chief Finance Officer**

Office of the PCC for Avon & Somerset

PO Box 37, Valley Road

Portishead, Bristol BS20 8QJ

Telephone: **01278 646188**



<http://www.facebook.com/AandSPCC>



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

Auditor's Annual Report for  
the year ended 31 March 2024

5 November 2024



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Police and Crime Commissioner and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner and Chief Constable’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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 completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. 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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# Introduction



## Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for the Police and Crime Commissioner (the PCC) and the Chief Constable (CC) for Avon and Somerset Police during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements.

All PCCs and CCs are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The PCC's and CC's responsibilities are set out in Appendix A.

PCCs and CCs report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statements.

## Responsibilities of the appointed auditor

### Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the PCC and CC as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

### Value for money

We report our judgements on whether the PCC and CC has proper arrangements in place regarding arrangements under the three specified criteria:

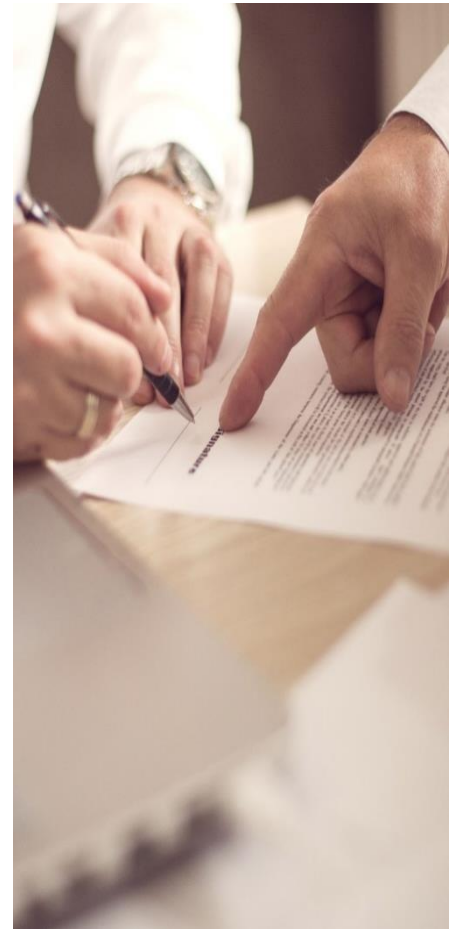
- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

### Auditor powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 9 with a commentary on whether any of these powers have been used during this audit period.



# Executive summary





# Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Police and Crime Commissioner (PCC) and the Chief Constable (CC) in charge of Avon and Somerset Police (the Force) have put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources. Our summary findings are set out below. Our recommendations and management responses are summarised in the section starting on page 22.



## Financial sustainability

The PCC and CC have a good track record of sound financial management and delivered a breakeven revenue outturn in 2023/24, after year-end adjustments. The PCC and CC have also continued to keep reserves at an appropriate level to help manage the financial risks moving forward.

The Medium-term Financial Plan (MTFP) clearly articulates future financial plans, the challenges and risks associated with these, and the assumptions applied in its creation. Whilst the MTFP does show a challenging financial position into the future, this is understood, and appropriate work is underway to manage to gap.

Overall, we are satisfied that the PCC and CC had appropriate arrangements in place to manage the risks they faced in respect of their financial resilience. Our work has not identified any significant weaknesses regarding financial sustainability.



## Governance

Governance arrangements remain fit for purpose, offering reassurance to the PCC and CC. During this period, the Constabulary made updates to governance structures to further enhance these arrangements.

Overall, we found no significant weaknesses in the governance practices of the PCC or CC in terms of making informed decisions and managing risks appropriately.



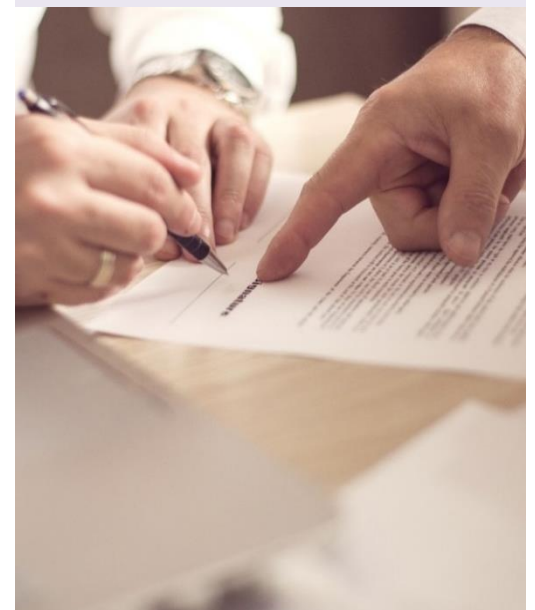
## Improving economy, efficiency and effectiveness

The PCC and Constabulary have established effective measures to boost economy, efficiency, and effectiveness. Regular performance reports guarantee transparency and accountability for officers.

The March 2023 PEEL inspection by His Majesty's Inspectorate of Constabulary, Fire & Rescue Services (HMICFRS) rated the Constabulary as "Good" in resource use with some areas requiring improvement. HMICFRS is currently conducting their latest review, with results pending.



We have completed our audit of your financial statements and issued an unqualified opinion on the financial statements for the PCC and CC on 5 November 2024. We reported our audit findings at the Joint Audit Committee meeting on 12 September 2024. Our findings are set out in further detail on page 8.





# Executive summary (continued)



## Overall summary of our Value for Money assessment of the Police and Crime Commissioner's and the Chief Constable's arrangements

Auditors are required to report their commentary on the PCC's and the CC's arrangements under specified criteria and 2023/24 is the fourth year that these arrangements have been in place. 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 completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. A summary of our judgements are set out in the table below.

Criteria	2022/23 Auditor judgement on arrangements		2023/24 Risk assessment		2023/24 Auditor judgement on arrangements	Direction of travel
Financial sustainability	G	No significant weaknesses in arrangements identified	No significant weaknesses in arrangements identified	G	No significant weaknesses in arrangements identified	↔
Governance	G	No significant weaknesses in arrangements identified	No significant weaknesses in arrangements identified	G	No significant weaknesses in arrangements identified	↔
Improving economy, efficiency and effectiveness	A	No significant weaknesses in arrangements identified but one improvement recommendation made	No significant weaknesses in arrangements identified	A	No significant weaknesses in arrangements identified. We have made one improvement recommendation.	↔

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

# **Opinion on the financial statements and use of auditor's powers**



# Opinion on the financial statements



## Audit opinion on the financial statements

We issued an unqualified opinion on the PCC's and the CC's financial statements following receipt of the final signed financial statements from the PCC and CC on 5 November 2024. The opinion on the financial statements has been issued ahead of the backstop date for the completion of 2023/24 financial year audits of 28 February 2025.

The full opinions are included in the PCC's and the CC's audited accounts for 2023/24, which can be obtained from the PCC's and CC's websites.

## Audit Findings Report

We report the findings from our audit in our Joint Audit Findings Report. Our report was presented to the PCC's and CC's Joint Independent Audit Committee on 12 September 2024. A final Audit Findings Report was issued to the PCC and CC on 5 November 2024, at the conclusion of our audit. Requests for this report should be directed to the PCC.

## Grant Thornton provides an independent opinion on whether the PCC's and CC's financial statements:

- give a true and fair view of the financial position of the PCC and the CC as at 31 March 2024 and of their expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the PCC and the CC in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

## Findings from the audit of the financial statements

The PCC and the CC provided draft accounts in line with the national deadline. Draft financial statements were of a good standard and supported by detailed working papers. Finance officers were cooperative with our audit enquiries and we received good support throughout the progress of the audit.

In response to our significant risk around management override of controls, as part of our IT audit work our specialists identified a number of significant control deficiencies which have reoccurred from the prior period and will be addressed through the implementation of the new finance system in 2025. As a result of the significant deficiencies identified, we performed additional work to gain assurance over the completeness and accuracy of system reports and enhanced our journals testing to review a greater number of journals.

In response our significant risk around Property, Plant and Equipment valuations, whilst we did not identify any significant matters around the valuation process, we did undertake further work in relation to the Force's IT and equipment disposals. An exercise was performed within 2023/24 to write out a large gross value of assets of £54m that had a reported net book value of zero. Further work was performed to ensure these assets had been derecognised in the appropriate period. Following conclusion of our work, management reclassified approximately £24m of disposals written out in the 2023/24 PCC Group draft accounts Note 19 into the 2022/23 comparative table and added an explanatory note underneath this Note to explain why the change has been made to the prior period, as this was the appropriate period to recognise the disposals in. There was no impact to the Net book value or reported value of Property, Plant and Equipment in the PCC Group Balance Sheet as these assets all had a NBV of nil at the beginning on 2022/23.

In response to our significant risk around the valuation of the pensions assets and liabilities, the Force has had to consider the impact of IFRIC 14 for the first time, due its surplus position held within Somerset Pension Fund. 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. Management also sought further information from the actuary as to whether there was a previously undisclosed impact of IFRIC 14 on the comparative 2022/23 period. The actuary provided an analysis and further calculations, which were reviewed by the audit team and we concluded that there was no material impact on 2022/23 and therefore no restatement was required.

Furthermore, the Force incorrectly used the 2024/25 projected employers contributions in Note 16 & 17 of the PCC Group accounts (Note 13 & 14 of the CC accounts) instead of the actual employer contributions for 2023/24. This required the 'Other Actuarial gains' and 'Contributions by employer' to change from £52,379k to £58,782k and £45,880k to £39,477k respectively.

A number of other control deficiencies were reported to management and those charged with governance through our findings report.

# Use of auditor's powers

We bring the following matters to your attention:

2023/24

## Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly.

We did not make any written recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.

## Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a public interest report.

## Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not make an application to the Court.

## Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue any advisory notices.

## Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not make an application for judicial review.

# **Value for Money Commentary on arrangements**



# The current policing landscape

**It is within this context that we set out our commentary on the PCC's and the CC's value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.**

## National context



The police service faces an array of challenges. Levels of public trust are at historically low levels – a consequence of recent scandals and repeated failures to address these; alongside a general and widespread belief that the police cannot adequately deal with crime. Police resources have been stretched by the combination of increasing crime complexity and growing non-crime demands. Whilst overall levels of reported crime have declined over the last 10 years, charge rates had also declined, although this decline is being addressed. The absolute number of charges increased in 2022/23 for the first time since 2013/24. Forces are increasing their focus on sexual assaults and addressing violence against women and girls, while aiming to reduce the amount of time spent on non-crime demands such as responding to mental health incidents.

Police spending has increased significantly in recent years, largely to support the successful recruitment of an additional 20,000 police officers in England and Wales financed by ring-fenced Police Uplift Programme (PUP) Funding. Forces are under financial strain to maintain increased officer numbers, whilst the rapid recruitment to meet the conditions pertinent to receipt of PUP Funding has resulted in concerns over the adequacy of vetting arrangements and the burden placed on supervising officers whose capacity is stretched. It will take time to assess whether changes in officer numbers can result in sustained increases in the number of charges, and improvements in public trust. Aligned to these challenges, the police allocation formula used to allocate funding to forces has not changed since 2013. No revision has been made to the formula to reflect changes in population or local policing need. Police bodies and His Majesty's Inspectorate of Constabulary and Fire & Rescue Services continue to lobby for the formula to be reviewed at the earliest opportunity.

Policing is under an increasing spotlight in terms of how the sector responds to the financial challenge it faces and delivers efficiencies. When presenting the Provisional Police Grant Report (England and Wales) 2024/25 in Parliament on 14 December 2023, the incumbent Minister of State for Crime, Policing and Fire referenced the Policing Productivity Review ("the Review"). The Review was published in November 2023 following the Home Office commissioning of the National Police Chiefs' Council in 2022 to review police productivity and provide recommendations to improve efficiency and effectiveness in policing. The Government's formal response to the review was due to be published during 2024. Pending this the Minister's statement to the House confirmed the Government's expectation that policing should continue to deliver on opportunities presented by new technology and innovation to deliver productivity improvements and drive forward efficiencies in order to maximise officer time and service to the public.

Given the general election that occurred on 4 July 2024 any changes to government policy relating to the sector, including review of the police allocation formula and response to the Policing Productivity Review are at present uncertain.

## Local context



The Police and Crime Commissioner (PCC) and Avon and Somerset Police (the Force) are separate legal entities. The PCC is elected by the public every four years with a responsibility to secure the maintenance of an efficient and effective police force and to hold the Force to account for the exercise of operational policing duties under the Police Act 1996. The CC has a statutory responsibility for the control, direction and delivery of operational policing services in Avon and Somerset. The PCC for Avon and Somerset during 2023/24 was Mark Shelford, however, following the elections in May 2024, Clare Moody took office. The CC for Avon and Somerset during 2023/24 was Sarah Crew who took up her post in November 2021.

The PCC launched his Police and Crime plan (PCP) in October 2021 covering the period 2021 to 2025. The PCP is set around four key themes: 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 is scrutinised by the Police and Crime Panel ("PCP"). Somerset Council is the lead authority responsible for the establishment and administration of the PCP. Home Office guidelines state that Panels must be made up of at least one elected representative from each local authority (unitary, county and district) within the force area plus two independent co-optees. There must also be at least 10 elected representatives on the Panel, with membership also reflecting the geographical and political balance of the area. The PCP is a Joint Committee and strategic joint partnership made up of representatives from the five unitary authorities in the Avon and Somerset Police force area; Somerset, North Somerset, Bath and North East Somerset, South Gloucestershire and Bristol. The Panel's membership includes 14 elected members and 3 Independent Co-opted Members. Somerset Council is the designated Host Authority and is therefore responsible for the administrative and specialist officer support provided to the Panel. The PCP's powers include consideration of the: Commissioner's Annual Report; Commissioner's Precept proposal; Police and Crime Plan; Commissioner's decisions/actions; arrangements for dealings with complaints against the Commissioner; confirmatory hearings.

# Financial sustainability



We considered how the audited bodies:

Commentary on arrangements

Assessment

ensures that they identify all the significant financial pressures that are relevant to their short and medium-term plans and builds these into them;

We have considered how Avon and Somerset Police identifies all the significant financial pressures that are relevant to its budget and MTFP plans and builds these into them.

The PCC and CC have a good track record of sound financial management and delivered a breakeven revenue outturn in 2022/23, after year-end adjustments.

For 2023/24, the financial performance is reported by the Police and Crime Panel. After adjustments, a break-even position has been achieved during 2023/24. The underlying performance showed a £2.8 million or 0.8% underspend.

Avon and Somerset Police have set a balanced budget for the 2024/25 financial year and it included reasonable financial assumptions.

Cash flow and treasury management is carried out by Somerset Council on behalf of the PCC and the Force. The Treasury Management Strategy, the mid-year and end of year reports have been produced, in-line with the requirements of the CIPFA Treasury Management Code.

G

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

# Financial sustainability



We considered how the audited bodies:

Commentary on arrangements

Assessment

plans to bridge funding gaps and identify achievable savings

We considered how Avon and Somerset Police develops plans to bridge its funding gaps and identifies achievable savings.

The 2024/25 MTFP was presented to the 'Finance & Assets Committee' in January 2024. It considered the revenue funding, revenue budget, savings plans, capital programme & funding and reserves and risk.

Over the medium-term there has been a £12.2m budget gap identified, with deficits forecast to start in 2026/27. Growth in costs is resulting from inflationary pressures, including significant increases in the costs of running police buildings, the fleet of police vehicles, as well as the cost increases resulting from pay awards and pensions.

The Force's ongoing transformation needs capital investment, particularly for digital transformation, estate, and fleet. While capital funding faces increasing pressure, these plans include provisions for it by continuing direct revenue contributions and planning for borrowing on specific projects. Currently, there's an £8.8m shortfall over 2027/28 and 2028/29, and further efforts will be made to bridge this gap.

Useable reserve levels stood at £63.8m at the end of March 2023 and decreased to £59.844m by March 2024. By the end of March 2029, the forecast projects that useable reserves will stand at £23.8m, representing the recurring prudent level beyond which they are unlikely to drop much further.

The MTFP shows that the 2024/25 and 2025/26 revenue budgets are balanced after accounting for savings already identified. The identification of new savings from 2025/26 and into the future remains and will require further work.

Savings are monitored and reported on via the Quarterly performance reports to the Governance and Scrutiny Board. The Force have made savings of more than £95m since 2010/11 and so has a solid track record of making savings where these are required. That said, the current challenge is especially tough as Police operational staffing will be exempt from any cuts. Without the savings plans in place which cover the whole of the medium-term, the current reserves will be insufficient to cover the financial gaps, meaning that the importance of the savings plans cannot be overstated.

G



# Financial sustainability



## We considered how the audited bodies:

## Commentary on arrangements

## Assessment

plan finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>The PCC and CC have arrangements in place ensure they plan their finances to support the sustainable delivery of services in accordance with strategic and statutory priorities within the Police Crime Plan. These priorities are monitored through the Integrated Performance and Quality Report and feed into the budgeting process and MTFP on an annual basis.</p> <p>The new Police and Crime Plan 2025-29 has been drafted and is in the process of consultation.</p>	G
ensure their financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	<p>The Police and Crime Plan 2021-2025 includes sections on resources and spending, incorporating workforce, revenue, capital and investment planning which feed into the budget setting and MTFP process on an annual basis.</p> <p>The Force's capital plan sets out the capital plans for the 5-year period, as outlined in the 24/25 MTFP. These are reported on quarterly via the Financial performance reports and variances are explained there where appropriate. Quarterly Capital monitoring reports are presented to the 'Finance &amp; Assets Committee'. There has not been any evidence of major capital investment being postponed or cancelled without rationale.</p>	G
Identify and manage risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underly their plans	<p>The MTFP includes considerable detail about the finances and associated risks to the PCC and Force. It also includes specific sections which deal with risks, scenario planning and the assumptions made in the financial planning exercise.</p> <p>Quarterly Revenue and Capital monitoring reports are presented to the 'Finance &amp; Assets Committee' and cover the budget variances and year-end forecast.</p>	G

# Governance



We considered how the Audited Bodies:

Commentary on arrangements

Assessment

monitor and assess risk and gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The PCC and CC maintain separate risk registers that are updated regularly and reported to the Joint Audit Committee (JAC). Risks have unique reference numbers, associated owners, have details regarding impacts and mitigations and are scored.

Risk is RAG rated and 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.

As of June 2024, the highest strategic risks were:

- Failure to deliver the Police and Crime Plan
- Failure to act as the voice of local people

And the highest corporate risks were:

- Inability to deliver a sustainably balanced budget
- Failure to grow, develop and then maintain workforce
- Recognising that an inability to maintain confidence and legitimacy effects their ability to police by consent.

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.

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 throughout 2023/24. Nine of the audits resulted in a reasonable assurance opinion and one resulted in a limited assurance opinion. The conclusion of the internal auditors was that they were able to offer a reasonable assurance annual opinion. They were 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.

A whistleblowing policy and Gifts & Hospitality procedures are in place in respect of the prevention and detection of fraud.

G

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

# Governance



## We considered how the Audited Bodies:

## Commentary on arrangements

## Assessment

approach and carry out the annual budget setting process	<p>Our review confirmed that the budget follows the MTFP and involved the PCC, CC, and key stakeholders. The budget strategy and MTFP were approved at the GSB in September 2023. The latest MTFP (2024/25) outlines key assumptions like general inflation, utilities inflation, fuel costs, IT costs, cleaning contracts, and Business Rates. It also highlights main expenditure pressures and potential savings.</p> <p>These elements were incorporated into the draft budget and MTFP, which was reviewed in January 2024 before refining for the GSB submission in February 2024. We find the MTFP assumptions to be prudent and reasonable.</p>	G
Ensure effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports statutory financial reporting; and ensure corrective action is taken where needed, including in relation to significant partnerships	<p>Monitoring of the MTFP and budget occurs monthly, with budget variances reported to both the Constabulary Management Board (CMB) and the GSB quarterly via the financial performance report. These quarterly reports provide updates on both the Office of the Police and Crime Commissioner as well as the Constabulary forecast outturns. The reports are comprehensive, detailing the forecast revenue outturn and capital budget performance, with further breakdowns by Directorate to explain over and underspends. Additionally, a high-level summary is provided to set the context and enable decision makers to focus on key areas of potential concern.</p>	G
Ensure they make properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	<p>The 'Police and Crime Board' responsibilities are split between the Governance and Scrutiny Board (GSB) and the Portfolio Steering Board (PSB).</p> <p>The purpose of the Joint Audit Committee (JAC) is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements to the PCC and CC. The Committee's role in ensuring that there is sufficient assurance over governance, risk and control gives greater confidence to those charged with governance that those arrangements are effective.</p> <p>The JAC at Avon &amp; Somerset Police currently comprises three independent members and met four times in 2023/24. From our attendance at the JAC and also via our review of the minutes and papers we are satisfied that the committee is fulfilling its duties adequately and continues to be effective in its role.</p> <p>Our review of papers submitted to the GSB, PSB, Constabulary Management Board (CMB) and the Joint Audit Committee (JAC) indicates that a good standard of documentation is presented to those committees. Reports are clear, well-structured and give the committee members the information they require to make informed decisions.</p> <p>It is concluded that the oversight committees fulfil their roles effectively, with appropriate 'tone from the top'. The 'Joint Governance Framework sets out expectations of behaviour.</p>	G

# Governance



We considered how the Audited Bodies:

monitor and ensure appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commissions services.

Commentary on arrangements

Both the Office of the Police and Crime Commissioner and the Constabulary have a range of policies and procedures in place to monitor and ensure compliance with legislation and regulatory standards. These include the Joint Scheme of Governance, Police Officer Standards of Behaviour, Police Staff Standards of Professional Behaviour, Whistleblowing Policy, Financial Regulations and Gifts and Hospitality policies. Additionally, the Police and Crime Commissioner and the Force actively participate in national bodies, which helps them stay informed about legal and regulatory changes and implement necessary actions at a local level.

There is no evidence to suggest that there has been a breach of legislative or regulatory requirements and no serious data breach has been recorded. No compromise agreements have been made and declarations of interest are made via the Centurion system, ensuring that any conflicts can be logged and monitored.

Assessment

G

# Improving economy, efficiency and effectiveness – commentary on arrangements



We considered how the audited bodies:

## Commentary on arrangements

## Assessment

use financial and performance information to assess performance to identify areas for improvement

The section of the OPCC website which carries the Police and Crime Plan has a link directly to the Performance against the plan. The performance data can also be accessed from the Performance section of the website.

Constabulary Management Board is the highest level of Governance within the organisation. The Deputy CC chairs this meeting. It's where performance is reviewed, assessed and questioned to find ways to support the team to drive performance improvement. It's where all major decisions are brought and a significant part of the agenda is performance focussed. There's two products used:

- a monthly Integrated Performance and Quality Report (IPQR) which interrogates performance. It includes areas of focus (AFIs), key themes (which are linked to the PEEL questions and associated metrics) and operational focus areas.
- performance control quality assessment (PQA) - this is an in-depth self-assessment through each of the PEEL question lenses to understand performance against them.

Our review of the reports has led us to conclude that the quality of the reports is good allowing the Board to get a deep understanding of activities taking place to deliver against the priorities, the associated risks and importantly how the Constabulary is managing those risks. The Constabulary continues to make good use of its Qlik Sense software tool to support its performance management process and accordingly there is no evidence to suggest that strategic priorities are not being evaluated.

Currently HMCIFRS are undertaking inspections at Avon & Somerset Police for the next PEEL assessment.

G

G

No significant weaknesses in arrangements identified or improvement recommendation made.

A

No significant weaknesses in arrangements identified, but improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendations made.

# Improving economy, efficiency and effectiveness – commentary on arrangements



We considered how the audited bodies:

## Commentary on arrangements

## Assessment

evaluate the services they provide to assess performance and identify areas for improvement

The last PEEL assessment covered the financial year 2021/22, but this wasn't finalised and reported until 2022/23. There were no areas of inadequate performance reported in this report that would be indicative of a significant weakness. Four of the nine areas under review were rated good or adequate, and we note that treatment of the public was regarded as outstanding. There were four areas that required improvement around which the Force has developed a recovery plan. We have considered this further on the next page. Currently HMICFRS are undertaking inspections at Avon & Somerset Police for their next PEEL assessment.

Good governance arrangements are in place. Strategic Performance reports via the IPQR process, interrogate and challenge performance enabling the cost-effectiveness of activities to be assessed at CMB.

There is no evidence to suggest that minimum service standards have not been met. The Constabulary continues to monitor its performance via its IPQR reports that allow for appropriate challenge and any relevant actions to be taken.

Avon and Somerset Police historically have been innovative in the field of automation and have been recognised as a pathfinder force in the country. They are receiving funding to support the development of robotics in other Police forces. Their use of data, investment in Qlik Sense and data analytics is embedded across the Force and is continuing to develop annually, for example in their fleet management. The Force has a progressive tech culture with embedded Robotics capability and continued exploration of new innovative solutions (e.g. Soze and AI).

**G**

**G**

No significant weaknesses in arrangements identified or improvement recommendation made.

**A**

No significant weaknesses in arrangements identified, but improvement recommendations made.

**R**

Significant weaknesses in arrangements identified and key recommendations made.

# Improving economy, efficiency and effectiveness



**HMICFRS**

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) independently assesses the effectiveness and efficiency of police forces and fire and rescue services in the public interest.

They:

- Inspect and monitor the 43 territorial police forces in England and Wales reporting on their effectiveness, efficiency and legitimacy via PEEL assessments
- Work with other inspectorates within criminal justice and more broadly to address problems involving more than one agency. For example, the programme of police custody inspections with the Care Quality Commission (CQC)
- Assess and report on the efficiency, effectiveness and people of the 44 fire and rescue services in England.

External Auditors consider the outcome of PEEL assessments when performing our VFM work. Particularly in assessing Police Bodies' arrangements to assess performance and identify areas for improvement in outcomes.

## Responding to His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) PEEL Report

The latest PEEL inspection report for the Constabulary was issued in January 2023. Their judgements are summarised in the table below.

### Our judgments

Our inspection assessed how good Avon and Somerset Constabulary is in ten areas of policing. We make graded judgments in nine of these ten as follows:

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	

Source: HMICFRS PEEL report Avon & Somerset Police January 2023

We note that the Force has been working hard to address the areas of improvement raised in the 2022 PEEL report and have reviewed the detailed submission made to the current inspection team to demonstrate progress. This process has been driven by an effective improvement programme, supported by a board structure who have met regularly to ensure that a good level of progress is made. The results of the latest inspection have not yet been reported; however, we are satisfied that there are appropriate arrangements in place that should enable the Force to demonstrate the required improvements. We will continue to monitor the outcome of this process in our 2024/25 Vfm review.

The Constabulary use these assessments to monitor their performance against and report regularly to CMB.

HMICFRS are currently undertaking their latest review, the results of which are not yet published.

# Improving economy, efficiency and effectiveness – commentary on arrangements



We considered how the audited bodies:

## Commentary on arrangements

## Assessment

ensure they deliver their role within significant partnerships and engages with stakeholders they have identified, in order to assess whether they are meeting their objectives

Avon and Somerset Police have had and continue to have strong partnership working relations; they work with partner agencies to develop policing services which helps meet their service objectives and the Police and Crime Plan priorities. The Police and Crime Plan sets out the four priorities of the Police and Crime Commissioner, with the second priority being “Engaging, supporting and working with communities, victims and partner organisations” showing the importance that the Commissioner places on Partnership working. Latest Police and Crime Plan also lists some of the Force's partnerships, including Community Safety and safeguarding Partnerships.

The 2021/22 HMICFRS PEEL report reported that “we found the constabulary works effectively with a wide partnership of agencies to protect the vulnerable and reduce demand. One of many good examples of this involved the constabulary working with the local authority, health service, fire and rescue service and a dementia charity.”

This is positive evidence of a strong partnership working culture and appropriate arrangements.

Avon and Somerset Police have a dedicated section on the website to publicly report grants etc given to Partners. The website also shows the work undertaken to reduce reoffending and the how the Violence Reduction Units are used to help tackle serious violence with early intervention projects.

IPQR performance interrogation reports are reviewed at CMB meetings each month with specific areas being under focus at each meeting.

G

G

No significant weaknesses in arrangements identified or improvement recommendation made.

A

No significant weaknesses in arrangements identified, but improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendations made.



# Improving economy, efficiency and effectiveness – commentary on arrangements



We considered how the audited bodies:

## Commentary on arrangements

## Assessment

Commission or procure services, assessing whether they are realising the expected benefits

Avon and Somerset Police are part of collaborative arrangement with four other Police Forces (Devon and Cornwall, Dorset, Gloucestershire and Wiltshire), called 'South West Police Procurement Service (SWPPS)'. This appears to be working well with over £1.5m worth of procurement savings over the last twelve months. Contract monitoring is largely devolved and is dealt with by the relevant service manager. Single tender actions are reported as part of the Revenue and Capital Performance Report presented to GSB.

The Constabulary contract standing orders and financial regulations are incorporated into their joint scheme of governance, which is owned and overseen by the Office of the PCC. These are published on the PCC's website and are subject to periodic review which last occurred in 2022.

We note that the Force is in the process of procuring and implementing a new Enterprise Resource Planning (ERP) system that will replace the current systems used to provide core functions such as financial management and general ledger, human resource management and payroll. We note that the implementation date has slipped in 2023/24 and is set to slip further.

The implementation of new ERP systems can carry a high risk to the Force's ability to deliver core operational management functions should the implementation not be effectively managed. We have considered the high-level arrangements in place across the Force and PCC and are satisfied that these should provide an appropriate mechanism for managing this risk. The programme is currently going through a testing phase, and this has identified some challenges, particularly around the interface between finance, payroll and resource management modules. The decision to delay implementation further to ensure that these elements are corrected prior to the system 'going live' reflects a robust process that is actively recognising and managing the risks. While we support the decision to delay until the system is ready to implement, we also recognise that there is an additional cost associated with this that will need to be managed through measures such as the use of earmarked reserves. We will continue to monitor progress in delivering the new ERP system in our 2024/25 VfM review.

We recommend that the ERP programme team provides a regular estimate of the cost of delay and undertaking remedial work to support the implementation of the new system cross checked against the earmarked reserves and other funds available to cover this cost. This should be regularly reported to the PCC and those charged with governance in an open and transparent manner, alongside the rationale for the delay and the importance of managing identified risks, to demonstrate that value for money is being achieved (Improvement Recommendation IR1).

A

# **Value for Money Recommendations raised in 2023/24**



# Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR1 - We recommend that the ERP programme team provides a regular estimate of the cost of delay and undertaking remedial work to support the implementation of the new system cross checked against the earmarked reserves and other funds available to cover this cost. This should be regularly reported to the PCC and those charged with governance in an open and transparent manner, alongside the rationale for the delay and the importance of managing identified risks, in order to demonstrate that value for money is being achieved.	Improvement Recommendation	Economy, Efficiency and Effectiveness	Discussion with programme leads and review of reporting.	Provide greater transparency on the estimated cost of decisions relating to the implementation of the ERP system.	<p><b>Management Response</b></p> <p>The ERP programme is undergoing a period of re-planning, which is being overseen by the ERP programme board, chaired by the Constabulary CFO. As part of this work, a revision of the financial projections and commercial agreements is being modelled, and will be included within our revised 2025/26 budget and MTFP. Progress updates are being provided monthly into the Constabulary Portfolio Steering Board meetings and the PCC's Governance and Scrutiny Board meeting.</p> <p><b>Responsible Officer:</b> Nick Lilley, Director of IT</p> <p><b>Target date:</b> February 2025</p>

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Appendices

# Appendix A: Responsibilities of the Police and Crime Commissioner (PCC) and the Chief Constable (CC)

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the PCC's and the Force's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the PCC and CC will no longer be provided.

The PCC and the CC are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B:

## Value for Money Auditor responsibilities



### Value for Money arrangements work

All Police and Crime Commissioners (PCCs) and Chief Constables (CCs) are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The audited body's responsibilities are set out in Appendix A.

PCCs and CCs report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 we are required to satisfy ourselves that the PCC and the CC have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



#### Financial Sustainability

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



#### Improving economy, efficiency and effectiveness

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

2023/24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

### Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the PCC's and CC's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period

### Information which informs our risk assessment

Cumulative knowledge and experience of the audited body	Annual Governance Statement and the Head of Internal Audit annual opinion
Interviews and discussions with key stakeholders	The work of inspectorates and other regulatory bodies
Progress with implementing recommendations	Key documents provided by the audited body
Findings from our opinion audit	Our knowledge of the sector as a whole

### Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

### Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the PCC's and CC's auditors as follows:

- **Statutory recommendations** – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and require discussion at a public meeting and a public response.
- **Key recommendations** – actions which should be taken by the PCC and CC where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the PCC's and CC's arrangements.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
1 The PCC should report on the number and value of waivers to Governance & Scrutiny Board annually.	Improvement	December 2023	The PCC have implemented this recommendation, the number and value of waivers was included in their annual year-end report to GSB, under the 'Single Tender Actions' heading.	Yes	No

\*Explanations of the different types of recommendations which can be made are summarised in Appendix B.





# The Joint Audit Findings for Avon and Somerset Police

Year ended 31 March 2024





## Private and Confidential

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

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

5 November 2024

Grant Thornton UK LLP

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Bristol  
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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](http://transparency-report-2023.pdf) ([grantthornton.co.uk](http://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

#### 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 November 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"><li>• give a true and fair view of the financial positions of the PCC and Chief Constable’s income and expenditure for the year; and</li><li>• 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.</li></ul> <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 has now concluded. Our findings for the audit are summarised on pages 9 to 43. From the work undertaken, we have identified one adjustment that impacts the figures with the primary statements of the Chief Constable, PCC or PCC Group, however this adjustment does not impact the outcome of the Chief Constable, PCC or PCC Group’s financial outturn position or reserves. We have identified a number of other disclosure amendments to the Chief Constable and PCC Group financial statements and notes to the financial statements. Full details of all 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 now complete, and there are no matters of which we are aware that would require modification of our audit opinions for the group, PCC or Chief Constable financial statements. We intend to issue an unqualified audit opinion on the PCC and Chief Constable’s financial statements.</p> <p>We have concluded 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.</p>

# 1. Headlines

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## 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

We have completed our VFM work, which is summarised on pages 24 & 25, and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report. We are satisfied that the PCC and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources and have not identified any significant weaknesses from our assessment.

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## 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.

We confirm all work is complete to enable us certify the completion of the 2023-24 audit when we give our audit opinion.

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## 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.

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# 1. Headlines

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## National context – audit backlog

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### Government proposals around the backstop

On 30 July 2024, the Minister of State for Local Government and English Devolution, Jim McMahon, provided the following written statement to Parliament [Written statements - Written questions, answers and statements - UK Parliament](#) This confirm the government's intention to introduce a backstop date for English local authority audits up to 2022/23 of 13 December 2024 and for 2023/24 audits of 28 February. We are pleased to confirm that we anticipate concluding your 2023/24 audit in advance of the backstop date, with the 2022/23 audit previously completed in late 2023.

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.

### New National Audit Office Code

As part of ongoing reforms to local audit, the National Audit Office has also laid a new Code before Parliament. One of the objectives is the new Code is to ensure more timely reporting of audit work, including Value for Money. The Code requires that from 2025, auditors will issue their Annual Auditor's Report by November each year. We have already put resource plans in place to ensure we achieve this deadline across all audited bodies.

## National context – level of borrowing

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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 completed our audit of your financial statements and intend to issue an unqualified audit opinion on the financial statements of both the PCC and the Chief Constable.

#### Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff at the PCC and CC. As highlighted later in this Audit Findings Report, additional matters were identified during the course of the audit relating to assessing the appropriateness of the accounting treatment for the reported pensions asset in accordance with IFRIC 14 and in our audit testing and evaluation of errors in relation to the write out of PPE disposals in the financial statements to allow us to sufficiently conclude these were recorded within the correct accounting period. This resulted in us having to carry out additional audit procedures, as summarised on page 44, to gain sufficient audit assurance in respect of our auditor's opinion on the financial statements.



## 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
<b>Management override of controls</b>  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.	PCC / Chief Constable / Group	<p>We have:</p> <ul style="list-style-type: none"> <li>evaluated the design and implementation of management controls over journals;</li> <li>analysed the journals listing and determined the criteria for selecting high risk unusual journals;</li> <li>identified unusual journals made during the year and the accounts production stage for further audit testing;</li> <li>gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness; and</li> <li>evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> <li>testing unusual journals made during the year and the accounts production stage for appropriateness and corroboration;</li> </ul> <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><b>IT Audit Control Findings</b></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 three accounting 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><b>Journals Control Findings</b></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><b>Valuation of land and buildings</b></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"> <li>evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;</li> <li>evaluated the competence, capabilities and objectivity of the valuation expert;</li> <li>written to the valuer to confirm the basis on which the valuation was carried out;</li> <li>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;</li> <li>engaged our own valuation expert to assess the instructions to PCC's valuers, the valuers report and the assumptions that underpin the valuation; and</li> <li>tested, 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</li> <li>Evaluated on a sample basis, the assumptions made by the valuer, and management, for those assets revalued at 31 March 2024.</li> </ul> <p>Findings from this work are outlined below:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

# 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><b>Valuation of the net defined benefit liability (LGPS and Police Pension Schemes)</b></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"> <li>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;</li> <li>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;</li> <li>assessed the competence, capabilities and objectivity of the actuary who carried out the Group's pension fund valuation;</li> <li>assessed the accuracy and completeness of the information provided by the Group to the actuary to estimate the liability;</li> <li>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;</li> <li>received assurances from the auditor of the Somerset Pension Fund regarding 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; and</li> <li>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.</li> </ul> <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 pensions surplus reported within Somerset Pension Fund at 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. Management also sought further information from the actuary as to whether there was a previously undisclosed impact of IFRIC 14 on the comparative 2022/23 period. The actuary provided an analysis and further calculations, which were reviewed by the audit team and we concluded that there was no material impact on 2022/23 and therefore no prior year restatement was required.</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 did not identify 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>

## 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
<b>IFRS 16 implementation</b> <ul style="list-style-type: none"> <li>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</li> </ul>	<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. The entity have also added a disclosure in the CC accounts under Note 3 to highlight that the impact on the CC is unknown currently, which we deem appropriate and transparent for the reader.</p>
<b>Recognition and Presentation of Grant Income</b> <ul style="list-style-type: none"> <li>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</li> </ul>	<p>We have reviewed grants received by the PCC to ensure accuracy of recognition and appropriateness of classification.</p>	<p>We found no instances of inappropriate grant recognition or classification in our audit testing.</p>
<b>IT Control deficiencies</b> <ul style="list-style-type: none"> <li>An update on the 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.</li> </ul>	<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>
<b>Restatement of Disposals</b> <ul style="list-style-type: none"> <li>A large write out of Vehicles, Plant, Machinery and Equipment was noted as presented in Note 19 of the PCC Group accounts. The audit team had to perform additional work to understand the material accuracy of the recognition of these disposals in the 2023/24 period.</li> </ul>	<p>Initial audit work indicated that a material amount of disposals recognised in 2023/24, should have been recognised in the 2022/23 period. The entity performed a further exercise to evaluate the extent of the restatement, please see Appendix C for more detail of work performed and Appendix D for detail of the adjustment made.</p>	<p>We recognise that the exercise to write out assets no longer in use was in response to an audit recommendation raised in the 2022/23 period, where no such exercise was carried out. We have gained assurance over the revised Note 19 in the PCC Group accounts and are comfortable that the figures disclosed for disposals in 2023/24 and 2022/23 are materially appropriate. There was no impact on the Balance Sheet as all assets had a nil net book value at both the 2022/23 and 2023/24 year ends.</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"> <li>assessment of management's expert to ensure suitably qualified and independent;</li> <li>assessed the completeness and accuracy of the underlying information used to determine the estimate;</li> <li>assessed the appropriateness of any alternative site assumptions;</li> <li>assessed the consistency of estimate against market data; and</li> <li>assessed the adequacy of disclosure of estimate in the financial statements.</li> <li>consultation of our auditor's expert, discussing the methods and assumptions applied by the valuer.</li> <li>See data control and assumption recommendations raised in Appendix B, page 30.</li> </ul>	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"><li>assessed management’s expert to ensure they are suitably qualified and independent;</li><li>assessed the actuary’s approach to confirm reasonableness of approach;</li><li>used an auditor’s expert (PwC) to assess the methods and assumptions used by management’s actuary (see table below for consideration of assumptions);</li><li>gained assurance over the completeness and accuracy of the underlying information used to determine the estimate;</li><li>assessed the impact of any changes to valuation method;</li><li>assessed the reasonableness of decrease in estimate; and</li><li>assessed 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.</li></ul> <p>We received a letter of assurance from the auditor of Somerset Pension Fund in respect of assurances requested for the year ended 2023/24. No significant matters were highlighted from this work.</p> <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	24.4/23.0	24.1-25.7/22.6-24.3	●	Light Purple
		LGPS Assumptions Assumption	Actuary Value	PwC range	Assessment																							
Discount rate	4.95%	4.80%-4.95%	●																									
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Life expectancy – Males currently aged 45/65	22.4/21.1	20.6-23.1/19.2-21.8	●																									
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### Assessment

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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>Whist 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"><li>assessed management's expert (Barnett Waddingham) to ensure they are suitably qualified and independent;</li><li>assessed the actuary's approach to confirm reasonableness of approach;</li><li>used an auditor's expert (PwC) to assess the methods and assumptions used by management's actuary (see table below for consideration of assumptions);</li><li>gained assurance over the completeness and accuracy of the underlying information used to determine the estimate;</li><li>assessed the impact of any changes to valuation method;</li><li>assessed the reasonableness of decrease in estimate; and</li><li>assessed 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.</li></ul>	Light Purple																							
		<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	●
		Police Pension Scheme Assumptions	Actuary Value		PwC range	Assessment																					
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<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

Assessment

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- [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"> <li>reviewed the updated PFI model to ensure inputs can be evidenced;</li> <li>agreed the unitary charge included within the accounting model back to supporting invoices;</li> <li>agreed the liability figures back to the evidence to support PFI model;</li> <li>compared management's PFI model to a model produced by ourselves.</li> <li>assessed the adequacy of disclosures of estimate in the financial statements;</li> <li>assessed the completeness and accuracy of the underlying information used to determine the estimate; and</li> <li>ensured that the PCC is correctly recording their share of the liability in accordance with the Tri-Force agreement.</li> <li>gained assurance over the material accuracy and appropriate presentation of the PFI disclosures in the PCC Group accounts.</li> </ul>	Light Purple

### Assessment

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- [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 have</p> <ul style="list-style-type: none"> <li>Assessed provisions for completeness and ensured method of estimation is reasonable and consistent with previous periods.</li> <li>agreed the method of calculation and assumptions used by Management's expert (Marsh) in calculating the Insurance provision.</li> </ul> <p>No issues were noted with this work, we are satisfied this estimate is materially appropriate.</p>	Light Purple

### Assessment

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# 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)	●	●	●	●	Management override of controls	The IT findings have been considered in our journals testing
Active Directory	ITGC assessment (design and implementation effectiveness only)	●	●	●	●	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 received 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 sought.
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"> <li>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</li> <li>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.</li> </ul> <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"> <li>the nature of the PCC and Chief Constable and the environment in which they operate</li> <li>the PCC's and Chief Constable's financial reporting framework</li> <li>the PCC's and Chief Constable's system of internal control for identifying events or conditions relevant to going concern</li> <li>management's going concern assessment.</li> </ul> <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"> <li>a material uncertainty related to going concern has not been identified for either the PCC or the Chief Constable</li> <li>management's use of the going concern basis of accounting in the preparation of both sets of financial statements is appropriate.</li> </ul>

## 2. Financial Statements: other responsibilities under the Code

Issue	Commentary
<b>Other information</b>	<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. We plan to issue an unmodified opinion in this respect – refer to Appendix H and Appendix I.</p>
<b>Matters on which we report by exception</b>	<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"> <li>• 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,</li> <li>• if we have applied any of our statutory powers or duties.</li> <li>• where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es.</li> </ul> <p>We have nothing to report on these matters.</p>
<b>Specified procedures for Whole of Government Accounts</b>	<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>
<b>Certification of the closure of the audit</b>	<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



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# 3. VFM: our procedures and conclusions

We have completed our VFM work and our detailed commentary is set out in the separate Auditor’s Annual Report, which is presented alongside this report.

As part of our work, we considered whether there were any significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Following our work, we are satisfied that the PCC and CC have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

## 4. Independence and ethics

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms).

In this context, there are no independence matters that we would like to report to you.

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

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.

Following this consideration we can confirm that we are independent and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

# 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><b>Management response</b></p> <p><b>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</b></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 &amp; 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><b>Management response</b></p> <p><b>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.</b></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><b>Management response</b></p> <p><b>We will implement this for 24/25 and future years</b></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
Partial	<p><b>Nil Net Book Value Assets (22/23)</b></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 noted that there was a gross book value and gross depreciation write out of approximately £54m presented in the PCC Group accounts because of this so therefore further work was performed to ensure these assets had been derecognised in the appropriate period.</p> <p>On conclusion of this work, Management reclassified approximately £24m of disposals written out in the 2023/24 PCC Group draft accounts Note 19 into the 2022/23 comparative table and added an explanatory note underneath this Note to explain why the change has been made to the prior period, as this was the appropriate period to recognise the disposals in. More detail can be seen in Appendix D. There was no impact to the Net book value or reported value of Property, Plant and Equipment in the PCC Group Balance Sheet as these assets all had a NBV of nil at the beginning on 2022/23.</p> <p>Nil Net Book value assets still remain in the Asset Register at year end, that are still in use, but fully depreciated. We continue to recommend that the entity reviews the useful lives applied to ensure that depreciation is being recognised across the actual life of the asset, however we deem the impact on the depreciation charged in year to be immaterial and this is also immaterial to the net reporting value of these assets.</p>
✓	<p><b>Leases (22/23)</b></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>
✓	<p><b>Useful Economic Lives (22/23)</b></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 in 2023/24 found no instances of inappropriate UELs applied to assets, therefore we consider this recommendation actioned and closed.</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
✓	<b>Completeness Testing (22/23)</b> 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.	No such errors were identified through similar testing in 2023/24 and therefore we consider this closed.
X	<b>Fixed Asset Register Reconciliations (22/23)</b> 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.
✓	<b>Cash &amp; Bank Reconciliations (22/23)</b> 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 found that there were a small amount of reconciling items that were over 12 months old remaining in the year end reconciliations (totaling £2k). The entity agreed to write these off as insignificant, which the audit team concurred was appropriate and therefore we consider this issue closed as it has been resolved.
X	<b>IT Audit Control Findings (22/23 and previous years)</b> 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	<b>Journals (22/23 and previous years)</b> 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. We have not found any inappropriate journal postings in our work.
X	<b>Journals (22/23 and previous years)</b> 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. During the course of our work, we have not found any inappropriate journal postings in our testing.
X	<b>Journals(22/23 and previous years)</b> 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 undertaken, we have not identified any instances where evidence was not attached to journals we have selected for testing, however we are aware from walkthroughs and enquiries undertaken, that completion of the evidence field is not mandatory to submit the journal for review. We would encourage that evidence is submitted alongside all 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><b>Historic balances on general ledger codes (21/22 and then updated in 22/23)</b></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><b>Valuation of land and buildings (first raised in 20/21 and carried forward)</b></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 two 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 gain’ 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 identified an equivalent error, details of which can be seen on page 42.	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

# 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><b>Management response</b></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 &amp; 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><b>Management response</b></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><b>Management response</b></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 &amp; 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><b>Management response</b></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><b>Management response</b></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><b>Management response</b></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><b>Management response</b></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><b>Management response</b></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 &amp; 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><b>Management response</b></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><b>Management response</b></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><b>Management response</b></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><b>Management response</b></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 credit 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><b>Management response</b></p> <p>Narrative in note 30.6 (PCC group) now reads as 'trade receivable expected losses'.</p>	✓
<p>PCC Narrative Report</p> <p>Information containing commentary on Treasury Management, Capital Expenditure and references to the KPIs in the Annual Report was not seen in the draft Narrative Report.</p>	<p>We recommend management add detail on these areas to bring the report in line with the CIPFA Code requirements</p> <p><b>Management response</b></p> <p>Detail has been added to the Narrative Report to cover these areas.</p>	✓

# D. Audit Adjustments – PCC Group, PCC and CC

## Misclassification and disclosure changes (continued)

Disclosure/issue/Omission	Auditor recommendations	Adjusted?
<p>PCC Group Cash Flow Statement</p> <p>Purchase of Short and Long Term Investments' was shown on a net basis in the draft accounts, however a gross basis is required by the CIPFA Code.</p> <p>This was an error that was corrected in both the 2023/24 statement and the 2022/23 statement. The impact on the 2023/24 statement was that the £6,000k net basis figure has been split into £28,000k (Purchase) and -£22,000k (proceeds). The impact on the 2022/23 statement was that the -£1,000k net basis figure has been split into £22,000k (Purchase) and -£23,000k (proceeds).</p> <p>This did not adjust the PCC Group's year end cash position. An explanatory note under the statement has been added to explain the prior period adjustment to the reader.</p>	<p>We recommended that the statement was updated to bring the disclosure in line with the CIPFA Code requirements.</p> <p><b>Management response</b></p> <p>The Group Cash Flow statement was updated accordingly, with no impact on the CC accounts as no investments are held by the CC.</p>	✓
<p>PCC Group Cash Flow Statement</p> <p>The line for 'Interest Received' disclosed in the draft statements of £3,466k was not reconciling through to the entity's working papers.</p> <p>The line has been updated to £2,713k, a difference of £753k.</p> <p>No impact on the reported cash position or change in cash position was noted due to the presentation error in the accounts.</p>	<p>We recommended that management revised the statement to ensure this figure was appropriately disclosed and consistent, allowing the cash flow position to be reported accurately.</p> <p><b>Management response</b></p> <p>The Group Cash Flow statement was updated accordingly, with no impact on the CC accounts.</p>	✓
<p>Vehicles, Plant &amp; Machinery and Equipment disposals</p> <p>A reclassification of £23,858k was processed from 2023/24 Gross Book value of disposals and gross depreciation written out on disposal.</p> <p>The figures in Note 19 of the draft accounts showed £54,526k under Vehicles, Plant, Machinery and Equipment – Cost or Valuation – Disposals and this now shows as £30,668k in the final accounts.</p> <p>The draft accounts showed £54,461k under Vehicles, Plant, Machinery and Equipment – Depreciation and Impairment – Disposals and this now shows as £30,603k in the final accounts.</p> <p>Equal and opposite adjustments have been reflected in the 2022/23 comparative table and these flow through to the opening balances of the Cost and Depreciation sections.</p> <p>There is no impact on the Net Book Value or reporting position in the Group Balance Sheet for either 2022/23 and 2023/24 figures. An explanatory note under Note 19 has been added to explain the prior period adjustment to the reader.</p>	<p>Through sample testing and challenge of these disposals disclosures, we recommended management revise the figures in the accounts to represent the appropriate year in which assets should have been derecognised. See Appendix C for more details.</p> <p><b>Management response</b></p> <p>Note 19 in the PCC Group was updated accordingly following revision of the appropriate year in which assets should have been disposed of.</p>	✓

# D. Audit Adjustments – PCC Group, PCC and CC

## Misclassification and disclosure changes (continued)

Disclosure/issue/Omission	Auditor recommendations	Adjusted?
<p>Joint Arrangements</p> <p>There was a £722k inconsistency noted in the 'South West Forensic Services' line within the Joint Arrangements Note (Note 14 in PCC Group and Note 12 in CC accounts). This was disclosed in the draft statements as £8,743k, but should have been £9,516k.</p>	<p>We recommend management update the disclosure to ensure consistency with the Force records.</p> <p><b>Management response</b></p> <p>Both sets of accounts will be corrected before finalisation.</p>	✓
<p>Other changes (PCC group and CC)</p> <p>Various small accounting policy wording, 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><b>Management response</b></p> <p>Both sets of accounts will be corrected before finalisation.</p>	✓



# D. Audit Adjustments – PCC Group, PCC and CC

## Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2023/24 audit which have not been made within the final set of financial statements. The PCC is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
<p>PCC Group Only</p> <p>One issue identified within our testing in relation to the Force stating posting a Receipt in advance accrual for in relation to money that they had not actually received yet. This means that the receipt in advance line has been overstated in the accounts. Given that the Force only have £872k worth of Receipts in Advance (in Note 25), there is no risk of a material error therefore the maximum projected error is this amount. No creditors are accounted for by the CC, therefore no impact on these accounts.</p>	Cr Income 872	Dr Receipts in Advance 872	Cr 872	Cr 872	Projected error that is not material
Overall impact	(872)	872	(872)	(872)	

# D. Audit Adjustments – PCC Group, PCC and CC

## Impact of prior year unadjusted misstatements

The table below provides details of adjustments identified during the 2023/24 audit relating to 2022/23 figures which had not been made within the final set of 2022/23 or 2023/24 financial statements would impact the 2023/24 balances

Detail	Comprehensive Income and Expenditure Statement 2022/23 £000	Balance Sheet £000	Impact on total net expenditure £000	Impact on general fund £000	Reason for not adjusting
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	Not material
The Force have incorrectly used the 2023/24 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 2022/23. This would have caused the 'Other Actuarial gains' and 'Contributions by employer' to change from £52,813k to £53,305k and £36,422k to £35,930k respectively. A difference of £492k. The movements in these figures impact the primary statements as outlined (right) and we can see that the net impact would have been nil on the primary statements and therefore no carried forward consideration for 2023/24.	Net Cost of Police Services Dr 492				
	Remeasurement of Pension Assets Cr 492				
	<u>PCC Only Accounts</u>				
	Intragroup funding adjustment (PCC Only) Dr 492				
	Intragroup adjustment (remeasurement) (PCC Only) Cr 492				
	<u>CC Accounts</u>				
	Net Cost of Police Services Dr 492				
	Intragroup funding adjustment Cr 492				
	Intragroup adjustment (remeasurement) Dr 492				
	Remeasurement of Pension Assets Cr 492				
Overall impact	0	0	0	0	

# D. Audit Adjustments – PCC Group, PCC and CC

## Impact of prior year unadjusted misstatements

The table below provides details of adjustments identified during the prior year audit which had not been made within the final set of 2022/23 financial statements would impact the 2023/24 opening balances

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
<b>PCC Group Only</b>  In our work on provisions, we identified that £600k had been paid against provisions in year but was still included in the year end provisions balance.		Dr Provisions 600	(600)	Cr General Fund £600	Not material
<b>Overall impact</b>	0	600	0	(600)	

# E. Fees and non-audit services

We confirm below our final proposed fees charged for the audit. Please note, the fees aside from the Scale fee require final agreement with management, and PSAA approval before billing and payment.

Audit fees	PCC	Chief Constable
Scale fee	£103,111	£56,603
Use of expert for PPE valuations (estimated)	£4,000	
ISA 315 consideration (updated from audit plan to reflect final confirmed PSAA rates)	£4,710	£4,710
IFRIC 14 consideration		£5,200
Additional work performed on errors in write out of PPE disposals, extended testing and consultation and evaluation of errors within central technical review teams	£5,100	
<b>Total audit fees (excluding VAT)</b>	<b>£116,921</b>	<b>£66,513</b>

The fees for ISA 315 consideration have been updated from those communicated in the 2023-24 plan and have increase to £4,710 per entity, in accordance with final confirmed ISA315 fees notified by PSAA.

The additional fee with respect to IFRIC 14 relates to additional work required to assess the impact of the reported pensions asset at 31 March 2024 and completion of additional work to assess the reasonableness of the accounting treatment applied. These fees were not identified in the audit plan as the presence of a pensions assets was only identified upon receipt of the draft financial statements. The final fee of £5,200 reflects the final time inputs recorded to complete this further work and have reduced from the £10,000 estimate initially provided in the previous version of the audit findings report. This work included further inquiries with the Force’s actuary, additional recalculation and review of the asset ceiling methodology and outputs.

The additional fee proposed in relation to PPE disposals arose due to errors identified during the course of our audit, with extended testing and further challenge required as detail in Appendix C and Appendix D.

All fees in addition to the Scale fee await approval from PSAA before billing and payment by the entity. The reconciliation to the accounts for audit fees presented in the 2023/24 statements on page 45 represents the accounts position should all these fees be approved.

# E. Fees and non-audit services (continued)

The proposed total fees of £116,921 for the PCC and £66,513 for the Chief Constable do not reconcile to the financial statements total fee disclosure of £137,000 for the PCC and £58,000 for the Chief Constable due the following reconciling items:

<b>Audit fees reconciliation</b>	<b>PCC</b>	<b>Chief Constable</b>
Audit fees per financial statements	£137,000	£58,000
Total proposed audit fee (per above)	£116,921	£66,313
<i>Variance</i>	<i>£20,079</i>	<i>-£8,313</i>
Scale fee variations for 2022/23 audit billed in 2023/24	£26,000	
Additional ISA 315 fee (uplift from planned figure considered in accounts)	£1,032	£1,032
IFRIC 14 consideration		£5,200
Additional Disposals work following errors identified	£5,100	
<b>Total (over/under) accrual made by the Force</b>	<b>£211</b>	<b>-£2,081</b>

The fees in the financial statements will not be updated to match total fees due to the trivial difference remaining.

None of the above services were provided on a contingent fee basis.

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 the date of this report as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

# F. Management Letter of Representation - PCC

Letter has been shared with Management and is to be received alongside the conclusion of the audit and signing of the opinion.

Grant Thornton UK LLP  
2 Glass Wharf  
Bristol  
BS2 0EL

**[Date] – {TO BE DATED SAME DATE AS DATE OF AUDIT OPINION}**

Dear Grant Thornton UK LLP

**Police and Crime Commissioner for Avon and Somerset Group**  
**Financial Statements for the year ended 31 March 2024**

This representation letter is provided in connection with the audit of the financial statements of the Police and Crime Commissioner for Avon and Somerset (PCC) and its subsidiary undertaking, the Chief Constable for Avon and Somerset for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the group and PCC financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

## Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the group and PCC's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the group and PCC and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The PCC has complied with all aspects of contractual agreements that could have a material effect on the group and PCC financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the valuation of land and buildings and the net defined benefit pension liability. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

## F. Management Letter of Representation - PCC

- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the group and PCC financial statements:
  - a. there are no unrecorded liabilities, actual or contingent
  - b. none of the assets of the group and PCC has been assigned, pledged or mortgaged
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The group and PCC financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached in Appendix below. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the PCC Group and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xii. The prior period adjustments disclosed in the Cash Flow Statement, Note 16 (Pensions Costs and Liabilities – OCC) and Note 19 (Property, Plant & Equipment) are accurate and complete. There are no other material prior period errors to bring to your attention.
- xiii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiv. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xv. We have updated our going concern assessment. We continue to believe that the group and PCC's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that :
  - a. the nature of the group and PCC means that, notwithstanding any intention to cease the group and PCC operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
  - b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
  - c. the group and PCC's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the group and PCC's ability to continue as a going concern need to be made in the financial statements

# F. Management Letter of Representation - PCC

xvi. The group and PCC has complied with all aspects of ring-fenced grants that could have a material effect on the group and PCC's financial statements in the event of non-compliance.

## Information Provided

xvii. We have provided you with:

- a. access to all information of which we are aware that is relevant to the preparation of the group and PCC's financial statements such as records, documentation and other matters;
- b. additional information that you have requested from us for the purpose of your audit; and
- c. access to persons within the PCC via remote arrangements, from whom you determined it necessary to obtain audit evidence.

xviii. We have communicated to you all deficiencies in internal control of which management is aware.

xix. All transactions have been recorded in the accounting records and are reflected in the financial statements.

xx. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

xxi. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the group and PCC, and involves:

- a. management;
- b. employees who have significant roles in internal control; or
- c. others where the fraud could have a material effect on the financial statements.

xxii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

xxiii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

xxiv. We have disclosed to you the identity of the group and PCC's related parties and all the related party relationships and transactions of which we are aware.

xxv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

## Annual Governance Statement

xxvi. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the PCC's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

## Narrative Report

xxvii. The disclosures within the Narrative Report fairly reflect our understanding of the group and PCC's financial and operating performance over the period covered by the financial statements.



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# F. Management Letter of Representation - PCC

**Approval**

The approval of this letter of representation was made by the PCC on 5 November 2024.

Yours faithfully

Name.....

Position: Police and Crime Commissioner

Date.....

Name.....

Position: Chief Finance Officer

Date.....

# G. Management Letter of Representation – Chief Constable

Grant Thornton UK LLP

2 Glass Wharf

Bristol

BS2 0EL

**[Date] – {TO BE DATED SAME DATE AS DATE OF AUDIT OPINION}**

Dear Grant Thornton UK LLP

## **Chief Constable for Avon and Somerset Financial Statements for the year ended 31 March 2024**

This representation letter is provided in connection with the audit of the financial statements of Chief Constable for Avon and Somerset (The CC) for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the CC financial statements give a true and fair view in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### **Financial Statements**

- i. We have fulfilled our responsibilities for the preparation of the CC's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the CC and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The CC has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include valuation of net defined benefit pension liability. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.

# G. Management Letter of Representation – Chief Constable

- vii. Except as disclosed in the financial statements:
- a. there are no unrecorded liabilities, actual or contingent
  - b. none of the assets of the CC has been assigned, pledged or mortgaged
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The CC's financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached in Appendix below. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the CC and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xii. The prior period adjustments disclosed in Note 13 (Pensions Costs and Liabilities) are accurate and complete. There are no other material prior period errors to bring to your attention.
- xiii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiv. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xv. We have updated our going concern assessment. We continue to believe that the CC's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:
- a. the nature of the CC means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
  - b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
  - c. the CC's system of internal control has not identified any events or conditions relevant to going concern.
- We believe that no further disclosures relating to the CC's ability to continue as a going concern need to be made in the financial statements
- xvi. The CC has complied with all aspects of ring-fenced grants that could have a material effect on the CC's financial statements in the event of non-compliance.

# G. Management Letter of Representation – Chief Constable

## Information Provided

- xvii. We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of the CC's financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. access to persons within the CC via remote arrangements from whom you determined it necessary to obtain audit evidence.
- xviii. We have communicated to you all deficiencies in internal control of which management is aware.
- xix. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xx. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxi. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the CC and involves:
  - a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
- xxii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxiii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxiv. We have disclosed to you the identity of the CC's related parties and all the related party relationships and transactions of which we are aware.
- xxv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

## Annual Governance Statement

- xxvi. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the CC's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

## Narrative Report

- xxvii. The disclosures within the Narrative Report fairly reflect our understanding of the CC's financial and operating performance over the period covered by the CC's financial statements.

# G. Management Letter of Representation – Chief Constable

**Approval**

The approval of this letter of representation was made by the Chief Constable on 5 November 2024.

Yours faithfully

Name.....

Position: Chief Constable

Date.....

Name.....

Position: Chief Officer for Finance, Resources and Innovation

Date.....

# H. Audit opinion- PCC

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

## Report on the audit of the financial statements

### Opinion on financial statements

We have audited the financial statements of the Police and Crime Commissioner for Avon and Somerset (the 'Police and Crime Commissioner') and its subsidiary the Chief Constable (the 'group') for the year ended 31 March 2024, which comprise the Group Comprehensive Income and Expenditure Statement, PCC Comprehensive Income and Expenditure Statement, Group Movement in Reserves Statement, PCC Movement in Reserves Statement, Group Balance Sheet, Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the Police Officer's Pension Fund Account Statements comprising the Police Officers Pension Fund Account and Pension Fund Net Assets Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Police and Crime Commissioner as at 31 March 2024 and of the group's expenditure and income and the Police and Crime Commissioner's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Police and Crime Commissioner and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Police and Crime Commissioner and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Police and Crime Commissioner and the group to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Police and Crime Commissioner and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Police and Crime Commissioner and the group. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed

the reasonableness of the basis of preparation used by the Police and Crime Commissioner and group and the Police and Crime Commissioner and group's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

### Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Police and Crime Commissioner under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

# H. Audit opinion- PCC

- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

## Responsibilities of the Police and Crime Commissioner and the Chief Finance Officer

As explained more fully in the Statement of Responsibilities, the Police and Crime Commissioner is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Police and Crime Commissioner's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Police and Crime Commissioner and the group without the transfer of its services to another public sector entity.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Police and Crime Commissioner and the group and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003, Police Reform and Social Responsibility Act 2011, Public Service Pensions Act 2013, Police Pension Fund Regulations 2006 and Police Pensions Regulations 2015).

We enquired of management and the Police and Crime Commissioner concerning the Police and Crime Commissioner and group's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Police and Crime Commissioner whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Police and Crime Commissioner and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of override of controls and the use of significant accounting estimates. We determined that the principal risks were in relation to manual journal entries posted around the reporting date which had an impact on the Comprehensive Income and Expenditure Statement and potential management bias in determining accounting estimates and judgements made in respect of the valuation of land and buildings assets, pensions assets and pensions liabilities in the Balance Sheet. Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on material year end journals impacting financial position, year end cash adjustment journals and journals posted and approved by the same individual.
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of land & buildings valuations and valuation of the pensions assets and pensions liability (Local Government Pension Scheme and Police Pension Scheme), and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition through management override of controls; and the significant accounting estimates related to land and buildings valuations and pensions assets and pensions liabilities. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the police sector
- understanding of the legal and regulatory requirements specific to the Police and Crime Commissioner and group including:
  - the provisions of the applicable legislation
  - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.

# H. Audit opinion- PCC

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Police and Crime Commissioner and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Police and Crime Commissioner and group's control environment, including the policies and procedures implemented by the Police and Crime Commissioner and group to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

### Matter on which we are required to report by exception – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter.

### Responsibilities of the Police and Crime Commissioner

The Police and Crime Commissioner is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

### Auditor's responsibilities for the review of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Police and Crime Commissioner plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Police and Crime Commissioner ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Police and Crime Commissioner uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Police and Crime Commissioner has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

## Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Police and Crime Commissioner for Avon and Somerset for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

### Use of our report

This report is made solely to the Police and Crime Commissioner, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those matters we are required to state to the Police and Crime Commissioner in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner as a body, for our audit work, for this report, or for the opinions we have formed.

*Julie Masci*

Julie Masci, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

5 November 2024



# I. Audit opinion- Chief Constable

## Independent auditor's report to the Chief Constable for Avon and Somerset

### Report on the audit of the financial statements

#### Opinion on financial statements

We have audited the financial statements of the Chief Constable for Avon and Somerset (the 'Chief Constable') for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the Police Officer's Pension Fund Account Statements comprising the Police Officers Pension Fund Account and Pension Fund Net Assets Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chief Constable's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Chief Constable to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# I. Audit opinion- Chief Constable

## Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

## Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Chief Constable under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

## Responsibilities of the Chief Constable and the Chief Finance Officer

As explained more fully in the Statement of Responsibilities, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Chief Constable without the transfer of its services to another public sector entity.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003, Police Reform and Social Responsibility Act 2011, Public Service Pensions Act 2013, Police Pension Fund Regulations 2006 and Police Pensions Regulations 2015).

We enquired of management and the Chief Constable concerning the Chief Constable's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Chief Constable whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of override of controls and the use of significant accounting estimates. We determined that the principal risks were in relation to manual journal entries posted around the reporting date which had an impact on the Comprehensive Income and Expenditure Statement and potential management bias in determining accounting estimates and judgements made in respect of pensions assets and pensions liabilities in the Balance Sheet.

# I. Audit opinion- Chief Constable

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on material year end journals impacting financial position, year end cash adjustment journals and journals posted and approved by the same individual.
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of valuation of pensions assets and pensions liabilities (Local Government Pension Scheme and Police Pension Scheme), and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition through management override of controls; and the significant accounting estimates related to the valuation of pensions assets and pensions liabilities. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the police sector
- understanding of the legal and regulatory requirements specific to the Chief Constable including:
  - the provisions of the applicable legislation
  - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Chief Constable's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.

- the Chief Constable's control environment, including the policies and procedures implemented by the Chief Constable to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

### Matter on which we are required to report by exception – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter.

### Responsibilities of the Chief Constable

The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

### Auditor's responsibilities for the review of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Chief Constable plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Chief Constable ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services.

# I. Audit opinion- Chief Constable

We document our understanding of the arrangements the Chief Constable has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

## Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of the Chief Constable for Avon and Somerset for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

## Use of our report

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

*Julie Masci*

Julie Masci, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

5 November 2024





**AVON &  
SOMERSET**  
POLICE & CRIME  
COMMISSIONER



**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 – December 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 September 2024, the following audits have been completed:

- Information Governance
- Criminal Justice
- Treasury Management

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
<b><u>Delivery of Annual Audit Plan</u></b>	
Completed	24%
Reporting	15%
In Progress	11%
Ready to Start/Scoping	16%
Not Yet Due (Q4)	23%
Ongoing Support (Planning, reporting & Advice)	11%

The **Culture within Specialist Teams** and **Business Continuity** reviews are both at reporting stage. The **Ammunition and Armoury Management** review is in progress, and the **User Access Management** and the **OPCC Statutory Functions** reviews are both ready to start. The **Regional Vetting** review is currently at scoping stage, however, we are awaiting confirmation from CFOs whether we should proceed in light of an internal review already undertaken.

The 2023/24 deferred **Regional Recruitment & Retention** review also remains in progress due to delays with the provision of data/information by other forces.

# 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	Completed	Reasonable	3	-	2	1
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
Criminal Justice	Q2	£3,862.50	Completed	Limited	3	0	0	3
Treasury Management	Q2	£4,776.00	Completed	Reasonable	5	0	2	3
Regional – Recruitment and Retention Benchmarking Review	Q1	£3,862.50	In Progress	Agreed with S151 Officer to defer audit to 2024/25.				
Culture within Specialist Teams	Q2	£5,970.00	Reporting	-	-	-	-	-
ICT User Access Management	Q2	£4,776.00	Ready to Start	-	-	-	-	-
OPCC Statutory Functions	Q3	£4,776.00	Ready to Start	-	-	-	-	-
Ammunition and Armoury Management	Q3	£5,970.00	In Progress	-	-	-	-	-
Business Continuity	Q3	£4,776.00	Reporting	-	-	-	-	-
Regional – Vetting	Q3	£1,990.00	Scoping	-	-	-	-	-
Property Stores and Records Management	Q4	£5,970.00	Not Yet Due	-	-	-	-	-




Audit Area	Period	Estimated Cost	Status	Opinion	No of Recs	1 = Major	↔	3 = Minor
						Recommendations		
						1	2	3
Interpreters – Value for Money	Q4	£3,862.50	Not Yet Due	-	-	-	-	-
Network Boundary Defences	Q4	£4,776.00	Not Yet Due	-	-	-	-	-
Regional – Telematics	Q4	£1,990.00	Not Yet Due	-	-	-	-	-
Planning, Reporting & Advice	Q1-4	£7,960.00	Ongoing	N/A	-	-	-	-





## Audit Objective

To provide assurance over the Force's internal controls surrounding the processing, recording, retention, and disposal of data.

## Executive Summary

	Assurance Opinion	Management Actions		Organisational Risk Assessment	Medium	
	The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives.	Priority 1	0	Our audit work includes areas that we consider have a medium organisational risk and potential impact.		
		Priority 2	2			
		Priority 3	1	The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.		
		Total	3			

## Key Conclusions

Key Conclusions		Audit Scope
	During our review of the current Record of Processing Activities (ROPA), we found that it was missing required details. There is a new template that has been prepared to be deployed as the new ROPA, which does contain the details missing from the current ROPA. Without sufficient details, the ROPA may not meet legal requirements set for recording processing activities.	<p>As part of this we reviewed the following:</p> <ul style="list-style-type: none"> <li>How the Force ensures compliance with the conditions for processing personal data including special categories under the Data Protection Act 2018 and adherences to the ICO's Codes of Practice. This included a review of how the Force records its processing activities and the completion of Data Protection Impact Assessments.</li> <li>The Force's data retention processes which included a review of how the Force sets, records and updates its retention periods.</li> <li>An assessment of data disposal processes and whether these are secure, protect against accidental loss, damage and destruction and prevent unauthorised access.</li> <li>This audit excluded a review of data breach notification, data subject rights and international transfer of data.</li> </ul>
	We were informed that currently some retention periods are not being met. This was confirmed by details in the current ROPA. Without meeting retention periods, data is being held for longer than it is required for, potentially breaching GDPR and the Data Protection Act.	
	During our review of documentation, we were informed that there is an Information Security Manual in place that needs review. This review will involve splitting the current Information Security Manual into an overarching Information Security Policy and sub-policies, enabling easier review and approval. Without up-to-date documentation, processes may not meet corporate policy requirements, and therefore may breach legal requirements.	
	As part of this audit, we met with the Data Protection Officer and their team. All officers were very knowledgeable about their roles within the organisation and how they drive data protection and information security within those roles. We found that the current system for Data Protection Impact Assessment screenings and subsequent assessments is robust and ensures that the required details are captured. We evidenced a Data Breach Risk Assessment tool which assesses the risk of each record and also records mitigations such as making contact with the data subject.	

## Summary

The findings detailed above have actions agreed in the Appendix. The Data Protection Officer and their team already have plans in place to complete these actions.

## Audit Findings & Management Action Plan – September 2024

<p><b>Finding 1: - Record of Processing Activities (ROPA) Missing Required Details</b></p> <p>We were provided with the Record of Processing Activities (ROPA). During our review, we found that some details required as part of documenting processing activities were not present, such as details of Joint Controllers where relevant. We also found that there were multiple blank details where this information would be required.</p> <p>We evidenced that a new template for the ROPA is ready to be deployed and this will contain sections for the missing details required.</p> <p>Without a complete ROPA, there may be issues in dealing with potential data breaches, as well as other data protection activity such as Subject Access Requests and Deletion Requests.</p>	<p><b>Action</b></p> <p>Management will ensure that the improved ROPA template is deployed. As part of this, an exercise will be conducted to ensure all details are captured where applicable for each processing activity. Periodic review of the records within will be maintained.</p> <table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#4805</td></tr><tr><td>Responsible Officer</td><td colspan="3">Data Protection Officer &amp; IG Manager</td></tr><tr><td>Timescale</td><td colspan="3">28<sup>th</sup> February 2025</td></tr></table>	Priority	2	SWAP Reference	AP#4805	Responsible Officer	Data Protection Officer & IG Manager			Timescale	28 <sup>th</sup> February 2025		
Priority	2	SWAP Reference	AP#4805										
Responsible Officer	Data Protection Officer & IG Manager												
Timescale	28 <sup>th</sup> February 2025												
<p><b>Finding 2: - Not Currently Meeting Retention Periods</b></p> <p>We were informed that currently the retention schedule is not being met for all systems and data.</p> <p>Without retention periods being applied uniformly across systems and data, there may be an increased impact to data breaches where there could have been a reduction in data loss. This also has the potential to cause breach of trust with the public where data is retained for longer than required.</p>	<p><b>Action</b></p> <p>Management will ensure that retention periods are set within systems where possible to automate deletion. Where this is not possible, regular processes of checking and deleting records should be implemented, or risk managed internally where systems do not allow this.</p> <table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#4807</td></tr><tr><td>Responsible Officer</td><td colspan="3">Data Protection Officer &amp; Senior Information Disclosure Manager</td></tr><tr><td>Timescale</td><td colspan="3">31<sup>st</sup> August 2026 (For full project completion)</td></tr></table>	Priority	2	SWAP Reference	AP#4807	Responsible Officer	Data Protection Officer & Senior Information Disclosure Manager			Timescale	31 <sup>st</sup> August 2026 (For full project completion)		
Priority	2	SWAP Reference	AP#4807										
Responsible Officer	Data Protection Officer & Senior Information Disclosure Manager												
Timescale	31 <sup>st</sup> August 2026 (For full project completion)												
<p><b>Finding 3: - Information Security Policy requires update</b></p> <p>We were informed that the Information Security Policy requires updating to be more concise, as an overarching policy and a number of sub-policies.</p> <p>An Information Security Policy and policies for retention and disposal of data should be in place to govern how data is retained, kept secure and disposed of.</p> <p>Without up to date policy and procedure documents, data security practices may not be observed, data may be kept longer than required, or deleted ineffectively.</p>	<p><b>Action</b></p> <p>Management will ensure that the Information Security Policy is updated and disseminated to all appropriate staff.</p> <table><tr><td>Priority</td><td>3</td><td>SWAP Reference</td><td>AP#4808</td></tr><tr><td>Responsible Officer</td><td colspan="3">Data Protection Officer &amp; Information Security Officer</td></tr><tr><td>Timescale</td><td colspan="3">31<sup>st</sup> August 2025</td></tr></table>	Priority	3	SWAP Reference	AP#4808	Responsible Officer	Data Protection Officer & Information Security Officer			Timescale	31 <sup>st</sup> August 2025		
Priority	3	SWAP Reference	AP#4808										
Responsible Officer	Data Protection Officer & Information Security Officer												
Timescale	31 <sup>st</sup> August 2025												



## Audit Assessment of Agreed Themes

Theme	RAG Rating	Rationale
Leadership and Culture		The Data Protection Officer and their team appear to foster a good culture of approachability regarding data protection, information governance and information security. This drives the organisation to work with them and in turn ensures they can lead the organisation to be consistent in their practices.
Learning		There is documentation in place that allows people in the organisation to learn more about their roles in supporting data protection, in addition to the culture of approaching the Data Protection Officer and their team.
Diversity and Inclusion		Support available from the Data Protection Officer and their team ensures their processes are inclusive.

## Audit Objective

To provide assurance on the processes in place for responding to Action Plans and No Further Action (NFA) decisions to cases from the Crown Prosecution Service (CPS), including challenge/escalation where appropriate.

## 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	0
Priority 3	3
<b>Total</b>	<b>3</b>

### 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



In 2022, the Criminal Justice Department (CJ) underwent a transformational programme/project and restructure, costing approximately £330k with the changes taking effect in January 2023. The project aimed to improve file quality, reduce action plans, and lower 'no further action' (NFA) rates. However, performance data indicates that the Force is not consistently meeting its targets for file quality and action plans. Additionally, no clear benchmark has been established for what constitutes a good NFA rate. Further efforts to improve performance are either planned or already in progress, and these are being monitored through the Operation Holmes action plan (see below).



Operation Holmes (Ops Holmes) was created with the objective of improving investigative standards and the quality of case files submitted to the court. An action plan with over 70 tasks is in place, with more than 75% of these currently in progress. However, the action plan was found to lack critical information, such as progress updates and target dates that may limit its effectiveness.



In April 2024, the Force conducted a Post Implementation Review (PIR) to evaluate the achievement of the five key benefits outlined at the start of the CJ transformational project. The review found that the intended outcomes (such as improved case file submission, file quality, and better results for victims) had only been partially achieved or not fully realised. The PIR highlighted additional improvement activities needed to achieve these benefits which were linked to actions in the Ops Holmes action plan. However, we were unable to clearly trace which actions in the Ops Holmes plan stemmed from the PIR, raising the possibility that some may have been overlooked. Since none of the benefits were fully realised at the time of the review, the Force should consider reassessing the realisation of these benefits at a later date.

## Audit Scope

We considered the following areas as part of the audit:

- A review of a sample of cases where Action Plans have been received or listed as No Further Action (NFA'd) to understand the rationale for these decisions taken by the CPS.
- Controls introduced to improve performance around Action Plans following the completion of our original audit in March 2022.

Given that the Force recognises it challenges and areas for improvement in relation to file quality, action plans and NFAs, whole population data was review (instead of sampling) together with the governance arrangement in place to direct and deliver improvement.

## Conclusion

Our opinion is reflective of the Force's performance in meeting file quality standards and reducing action plans following the CJ transformational project, as well as the efforts planned or currently in progress through Ops Holmes which could drive further improvements over these areas as well as others related to improved investigative standards.



## 1.1 Case file quality, action plan rates and no further action decisions.

Operation Holmes (Ops Holmes) was established with the goal of improving investigative standards and the quality of case files presented to the court, in alignment with the Force's strategic and other related objectives. Each month, Ops Holmes brings together stakeholders from across the Force to oversee the delivery of improvements under the direction of the Investigative Standards Forum (ISF). Amongst other things, Ops Holmes seeks to improve case file quality and reduce the number of action plans it receives from the CPS. The Terms of Reference (ToR) for Ops Holmes sets some measures for what good looks like including specific standards for file quality and action plans.

File quality is assessed against the National File Standard (NFS), which outlines the required materials for the first hearing and provides guidance on how the file should be developed throughout the case. If a file fails to meet the NFS, it is returned to the Force for correction. Each month, the CPS shares the Force's file quality compliance rates, and this data is uploaded into Qlik. According to the Terms of Reference (ToR) for Ops Holmes, a compliance rate of 70% is considered good by the Force. Higher file quality compliance rates mean better performance. We reviewed three months (March 2024 – May 2024) of file quality statistics provided by the Crown Prosecution Service (CPS) and found that the Force did not meet its target of 70% compliance in any month. On average across the period, the Force's compliance rate was 47% which fell below the national average in the same period of 59%. In all three months, the Force fell in the bottom quartile for file quality performance nationally. Of the 249 cases which did not comply with file quality in the period, the Force challenged/disputed two.

An action plan is issued to the Force when the CPS determines that there is insufficient evidence to charge a suspect during the initial assessment but believes additional evidence could be gathered to strengthen the case. Each month, the CPS provides action plan data to the Force, which is then uploaded into Qlik. According to the Terms of Reference (ToR) for Ops Holmes, a 25% action plan rate is considered good. Lower action plan rates mean better performance. We reviewed 12 months of action plan data against this benchmark. During the period from August 2023 to July 2024, the Force did not meet the 25% action plan rate in any month. The average action plan rate was 45%, and in most months, the Force performed below the national average. In 9 out of 12 months, the Force ranked in the bottom half of national comparisons with other Forces. The performance data provides a total average number of days action plans are with the Force for resolution. However, this information is a snapshot in time and is not considered to be reliable given that a single case could inflate the numbers significantly. CJ has introduced a relatively new process which aims to remind officers to resolve an action plan where one has been with them for an unreasonable period of time.

Op Holmes also aims to improve positive outcomes for victims of crime, with a key focus on reducing the number of 'no further action' (NFA) decisions. Lowering NFA rates would support this goal, although a standard for what good looks like has not yet been set. However, generally lower NFA rates would mean a better outcome for victims. The CPS provides monthly reports to the Force on NFA decisions. We reviewed 12 months of data (August 2023 to July 2024), during which the Force had an average NFA rate of 19%. In most months, the Force's NFA rate was lower than the national average. In 7 out of 12 months, the Force ranked in the top half nationally for NFA rates.

Whilst file quality compliance and action plan rates currently fall below the expectations set by Ops Holmes, an action plan is in place to improve performance over these areas and other related areas which includes challenging CPS assessments, improving timeliness of case file progression and responding to action plans. The Ops Holmes action plan has been discussed further below.

## 1.1a Action

The Head of Criminal Justice in liaison with the Investigative Standards Forum and Operation Holmes to set a benchmark for each of the measures outlined within the Terms of Reference for Operation Holmes.

Priority	3	SWAP Ref.	5084
Responsible Officer	Head of Criminal Justice		
Timescale	31/01/2025		

## 1.2 Operation Holmes action plan.

The action plan (the Plan) for Ops Holmes was reviewed as part of our audit. There are a total of 77 actions captured within the Plan. The status of each action together with our findings from the review of the Plan have been summarised below:

- 4 actions are complete, 60 are in progress and 13 have not been started.
- 32/60 actions that are stated to be in progress have no update provided against them.
- There are no target dates assigned to any of the actions within the action plan.

Therefore, the actions for Ops Holmes may not be SMART (specific, measurable, achievable, relevant, and timebound) meaning they may not be as effective. Ops Holmes has no dedicated resource which means it is the responsibility of action owners to update their actions.

## 1.2a Action

The Head of Criminal Justice to ensure all action owners update their actions in the Ops Holmes action plan with the latest activity and assign a timescale for completion.

Priority	3	SWAP Ref.	5085
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Responsible Officer	Head of Criminal Justice
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Timescale	31/01/2025
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## 1.3 Post Implementation Review improvement activity.

In 2022, the Criminal Justice underwent a transformational programme/project and restructure which went live in January 2023. The strategic objective of the project was to design an operating model capable of achieving an outstanding level of service whilst meeting current and future demands. The project had four objectives:

- Improving efficiency in case progression processes
- Improving case file submissions (via the TWIF)
- Reducing CPS action plan and No Further Action rates
- Improving disclosure standards.

The intended benefits of the project were:

- CJ001: Improved efficiency in case progressions.
- CJ002: Improved case file submissions.
- CJ003: Improved file quality through the more pro-active involvement of CJ at an earlier stage in the process.
- CJ004: Outstanding service for the public delivering better outcomes for victims.
- CJ005: Appropriate use of front- line demand and capacity through improved service provision. Right people doing the right task at the right time.

In April 2024, the Force completed a Post Implementation Review (PIR) of the project. The review found that the intended benefits had only been partially realised for some (CJ001, CJ002) and not fully realised for others (CJ003, CJ004 and CJ005). The PIR identified further improvement activity to ensure all benefits are realised, linking these improvements to actions outlined in the Ops Holmes action plan. However, upon reviewing the Ops Holmes action plan, we were unable to clearly identify which specific actions the PIR was referencing and therefore, these could have been omitted. Given that none of the benefits of the project have been realised fully, management should revisit this review after a reasonable period (e.g., once the identified improvement activity has been completed).

## 1.3a Action

The Head of Criminal Justice to ensure:

- The Operation Holmes action plan captures the improvement activity noted within the Criminal Justice's transformation programme's Post Implementation Review.
- A further benefits realisation review is undertaken after the completion of the improvement activity noted within the Post Implementation Review.

Priority	3	SWAP Ref.	5086
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Responsible Officer	Head of Criminal Justice
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Timescale	31/07/2025
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## Audit Assessment of Agreed Themes

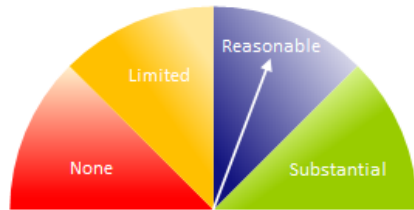
Theme	RAG Rating	Rationale
Leadership & Culture		Senior leaders strive to improve file quality compliance and action plan rates and agreed to restructuring the Criminal Justice Department to achieve this. The restructure costs £330k and the changes went live in January 2023. Although standards are still below what is expected, improvement activity is either underway or planned to help achieve the strategic and related objectives via the Ops Holmes action plan. The ISF (which is a strategic meeting chaired by an ACC each month) is given regular updates against the delivery of
Learning		This area has been assessed as amber given the current performance and improvement work still in progress (see Section 1.1).
Diversity & Inclusion	Not Assessed	We have been unable to provide an opinion on diversity and inclusion specific to the criminal justice processes we have reviewed.



## Audit Objective

To provide assurance that key treasury management controls are operating effectively, and associated arrangements are compliant with statutory regulations.

## Executive Summary



### Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives.

### Management Actions

Priority 1	0
Priority 2	2
Priority 3	3
<b>Total</b>	<b>5</b>

### 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 noted that the treasury management contract had expired (31<sup>st</sup> March 2024) and that negotiations were ongoing. One bank signatory was not confirmed as being a current employee at testing conclusion.



The OPCC's Treasury Management Practices require updating to reflect the current Prudential Code, and one short-term borrowing had not been minuted as reported by the service provider to the OPCC.



Cash balances were at their lowest levels since 2019, during the transition from 2023/24 to 2024/25, and three instances of short-term borrowing were required. Increased funding in 2024/25 should remedy this.



Transactions conducted by the service provider appear to meet the OPCC's Treasury Management Strategy/Counterparty requirements and returns are above benchmarked, but not target, performance.



Appropriate levels of seniority and experience are involved in the management of the OPCC's treasury management activities and no breaches have been reported to Management during the periods reviewed.

## Audit Scope

Our scope included the period 2023/24 and 2024/25 year to date.

The audit scope agreed in our Audit Brief was to review:

- Treasury management strategy compliance (investments and borrowing).
- Service arrangements with the treasury management service provider (Somerset Council).
- Cashflow forecasting and monitoring.
- Performance indicator monitoring and reporting of breaches.

The OPCC Chief Finance Officer highlighted no specific concerns regarding treasury management service provision (contracted out to Somerset Council) but sought to confirm if sufficient flexibility existed to maximise returns prudently.

## Summary

As part of the contract negotiations currently underway, the Force/OPCC should ensure that any renewed agreements fully meet their specifications and that these requirements are met via performance monitoring. A review of areas discussed in performance reports and at associated meetings should also be conducted to ensure sufficient scrutiny is applied.

## Audit Findings & Management Action Plan - October 2024

Finding 1. Treasury Management Service Provider Contract	Action			
<p>The OPCC Chief Finance Officer (CFO) queried whether agreed limits were flexible enough to maximise returns whilst ensuring prudent cash management in the current economic environment. We therefore compared counterparty limits with other regional forces.</p> <p>We noted that the OPCC operated flexibly when investing in ‘banks and other organisations AA- rating and above’. Rather than limit these investments to a blanket number of years as per other forces, the threshold is split into less than 13 months and more than 13 months, with a limit of £8m in total, of which only £3m can be invested for more than 13 months.</p> <p>There is no upper limit to this timeframe and an unlimited timeframe is in place for the UK Government (3 years max at a similar force) with higher limits for minimum A- rated banks.</p> <p>In addition, we noted that the OPCC operated with higher counterparty limits for Local Authorities &amp; Other Government Entities, Money Market Funds, Pooled Funds and individual countries (£10m limit compared to £6m at a similar force and £1m at smaller forces).</p> <p>We were satisfied that contractual treasury management service requirements were being completed by the service provider and any omissions had evolved by mutual agreement. These requirements will need to be refreshed, however, as part of the renegotiation of the contract that has expired; as will an update of the Treasury Management Practices. The OPCC may also wish to review its counterparty limits in line with other forces and confirm its satisfaction with their risk exposure.</p>	<p>The OPCC Chief Finance Officer has agreed to finalise treasury management contract arrangements; ensuring that all contractual obligations are reviewed and subsequently delivered.</p>			
	Priority	2	SWAP Reference	AP#5111
	Responsible Officer		OPCC Chief Finance Officer	
	Timescale		30 November 2024	
Finding 2. Bank Signatories	Action			
<p>We reviewed the NatWest bank signatories provided to us by the service provider at Somerset Council (SC) and verified the named individuals with the Inspection &amp; Audit Team at Avon &amp; Somerset Police (ASP) to confirm their roles and responsibilities.</p> <p>We identified six names that could not be found on the People Directory on Pocketbook. The Head of Finance reviewed these with the Deputy Admin Hub Manager and established:</p> <ul style="list-style-type: none"><li>5/6 employees had left the organisation (plus 1 additional leaver identified); and</li><li>1/6 employees was not known to the Deputy Admin Hub Manager.</li></ul> <p>We requested that the unknown signatory’s transactions be promptly reviewed and for all redundant signatories to be removed immediately. This was in progress at our conclusion.</p>	<p>The Head of Finance has agreed to ensure that the unknown name/leavers are removed as bank signatories; associated transactions are reviewed; the bank signatory list is updated and reasons for their inclusion used to inform improvements to the process.</p>			
	Priority	2	SWAP Reference	AP#5526
	Responsible Officer		Head of Finance	
	Timescale		31 October 2024	



## Finding 3. Treasury Management Practices

The 'ASP PCC and ASC Joint Scheme of Governance' states that the Police & Crime Commissioner (PCC) has adopted the CIPFA Code of Practice (the Code). The Code's requirements include approved Treasury Management Practices (TMPs), and the 2024/25 Treasury Management Strategy states *"The current TMPs are attached for information as Appendix C to this report and set out the main categories of risk that may impact on the achievement of Treasury Management objectives."*

A copy of the TMPs was provided by the service provider; these were dated 24/10/19 however, and do not refer to the most recent version of the Prudential Code. The OPCC CFO should request for these to be updated and for future interest rate risk exposure and price risk analysis to be included during this process. This work has now been initiated by SC.

## Action

The OPCC Chief Finance Officer has agreed to ensure that the service provider updates the PCC's Treasury Management Practices to reflect the current Prudential Code.

Priority	3	SWAP Reference	AP#5112
Responsible Officer	OPCC Chief Finance Officer		
Timescale	31 December 2024		

## Finding 4. Short-Term Borrowing Reporting

All reporting expectations appear to have been met for 2023/24 and 2024/25; both for publication (mid and end of year treasury management reports) and for internal review by the PCC CFO (monthly charts plus an extended quarterly pack with narrative).

Short-term borrowing was not reported in the quarter one 2024/25 report to the OPCC CFO, however, and should be highlighted by the service provider in light of recent low cash balances and the associated cost of short-term borrowing.

The service provider stated that *"The fact that we need to borrow short-term occasionally can be seen as a good thing, as if we didn't, it could indicate that we are leaving too much cash short-term and not optimising investments. Cash flow will always have an element of unpredictability."*

## Action

The OPCC Chief Finance Officer has agreed to request that the service provider includes all short-term borrowing requirements in regular performance monitoring reports; including narrative regarding the cause/benefit relative to the cost of the borrowing.

Priority	3	SWAP Reference	AP#5113
Responsible Officer	OPCC Chief Finance Officer		
Timescale	30 November 2024		



## Finding 5. Cashflow Levels, Monitoring & Forecasting

Treasury Management activities from Apr-23 to Jun-24 have been conducted in accordance with the OPCC's Prudential Indicators, according to treasury management reports reviewed.

Observations regarding cashflow transactions and reports reviewed include:

- Cash performance for 2023/24 delivered an average rate of 5.07% compared to a target\* of 5.46%; £318k below target with c.£41k in short-term borrowing costs.
- Cash performance for 2024/25 year to date delivered an average rate of 5.51% compared to a target of 5.66%; c.£19k below target with £4k in short-term borrowing costs year to date.
- Cash balances in the first quarter of 2024/25 are at their lowest levels since 2019.
- A £2m deposit with South Ayrshire Council is due to mature on 31 January 2025.
- The Force/OPCC is ranked third of the eight forces in its Most Similar Group (MSG) in terms of total borrowing at 2023/24 year-end (for comparative purposes).

\*7-day MMR + 50bps

The OPCC CFO may wish to further discuss the treasury management position with the service provider and ensure that sufficient liaison work is completed between all parties to ensure cashflow forecasting is robust and working balances are sufficient. We noted the service provider's reasoning in Finding 4 and the increased pension funding due in 2024/25. Cash performance is above benchmark and targets may be reviewed to reflect parameters.

## Action

The OPCC Chief Finance Officer has agreed to ensure that cashflow monitoring and forecasting discussions, at service provider performance meetings, are comprehensive and key points/decisions are minuted.

Priority	3	SWAP Reference	AP#5115
Responsible Officer	The OPCC Chief Finance Officer		
Timescale	31 December 2024		

## Audit Assessment of Agreed Themes

Theme	RAG Rating	Rationale
Leadership & Culture		Treasury Management activities are the responsibility of the OPCC Chief Finance Officer in liaison with the OPCC's service provider (Somerset Council). No issues regarding leadership or culture were identified.
Learning		Bank signatory lists initially provided by the service provider were out of date and not all signatories could be immediately identified by the Force. Treasury Management Practices were also out of date. Improvements to the controls in these areas are recommended.
Diversity & Inclusion	Not Assessed	We have been unable to provide an opinion on diversity and inclusion specific to the treasury management processes we have reviewed.