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NOTTINGHAMSHIRE  
**POLICE**

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PROUD TO SERVE

**The Chief Constable of  
Nottinghamshire  
Statement of Accounts  
2012 - 2013**

# The Chief Constable of Nottinghamshire Statement of Accounts Contents Page

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## **Explanatory Foreword**

### **1. Introduction**

This is the statement of accounts for the legal entity of the Chief Constable as created under the Police Reform and Social Responsibility Act 2011 (The Act). The Act was a major reform to the governance of policing. It created two legal entities the Chief Constable of Nottinghamshire (CCN) and the Police & Crime Commissioner (the Commissioner).

Each legal entity is required to produce its own statement of accounts and annual governance statement. The accounts are consolidated into the group accounts (the Group) of the Police & Crime Commissioner and therefore the Chief Constables accounts are similar to those of a subsidiary company in the private sector.

The resources provided by the Commissioner to the Chief Constable are used to achieve the requirements of the Police & Crime Plan (the Plan) and the Commissioner holds the Chief Constable to account in relation to delivery against the Plan. Based upon this principle these accounts are memorandum accounts to reflect the cost of the service that the Chief Constable has provided in the achievement of the Plan and not the detailed set of accounts as produced by the Nottinghamshire Office of the Police and Crime Commissioner (NOPCC).

Whilst the election of the Commissioner did not take place until November 2012 the Act requires both legal entities to assume financial responsibility retrospectively from 1 April 2012. This is given further clarification in LAAP 95.

### **2. Purpose**

The purpose of this foreword is to provide a clear guide to the most significant matters reported in the Memorandum Accounts Statement. The values within the financial statements are disclosed with roundings that are appropriate to their individual presentation. The roundings are explained within the header for each statement that has financial information.

### **3. Background**

Under the stage 1 transfer of the Act all police staff, assets and liabilities transferred to the Commissioner and it will not be until 1<sup>st</sup> April 2014 that any transfers are made to the Chief Constable. The full division of services will be agreed between the PCC and the CCN during 2013 and becomes operational from 1 April 2014.

The Chief Constable has responsibility for operational policing and therefore has used staff and assets in the provision of the policing of Nottinghamshire. In order to reflect the cost of providing this service these accounts contain a memorandum to the Comprehensive Income and Expenditure Statement.

### **4. The Financial Statements**

The Accounts are prepared in accordance with the Code of Practice on Local Authority Accounting 2012-2013 (The Code) which fully incorporates International Financial Reporting Standards (IFRS).

The main sections contained within the Statement of Accounts are:

- **Annual Governance Statement (page 22)**  
This sets out governance arrangements.
- **The Statement of Accounting Policies (Page 8)**  
This states the policies adopted in compiling the Statement of Accounts. These are congruent with policies as adopted by the NOPCC.
- **The Statement of Responsibilities (Page 11)**  
This sets out the respective responsibilities of the Chief Constable of Nottinghamshire and the Chief Financial Officer and also includes the signed certificate of approval.
- **Comprehensive Income & Expenditure Statement (Page 13)**  
This Statement shows the accounting cost in the year of providing services in accordance with The Code. There is appended a memorandum note stating the resources used in providing the policing service, this has been calculated at true economic cost.
- **Movement in Reserves Statement (Page 14)**  
The Chief Constable holds no reserves.
- **Balance Sheet (Page 14)**  
The Chief Constable holds no assets or liabilities.
- **Cash Flow Statement (Page 14)**  
The Chief Constable holds no cash and cash equivalents.
- **Notes to the Accounts (Page 15)**  
These provide additional information concerning items in the above statements and additional relevant information.
- **Independent Auditor's Report (Page 20)**  
The Auditors opinion will be provided in one report that will be included in the Group Statement of Accounts.

## 5. Governance Arrangements

The Chief Constable of Nottinghamshire is responsible for the operational activities of the Force. This responsibility is discharged in accordance with statutory requirements, the Oath of Police Officers, the Police Discipline Code, Police Regulations and the Scheme of Delegation. There is joint responsibility with the NOPCC for ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. In discharging this accountability senior officers are responsible for putting in place proper procedures for the governance and the stewardship of the resources at its disposal. The annual review of the system of Governance and Internal Control has been included within the arrangements for the Annual Governance Statement. The Annual Governance Statement details how the CCN does the right things, in the right way, for the people of Nottinghamshire, in a timely, inclusive, open, honest and accountable manner.

## 6. Budget Management Statement of the Resources used

<b>Actual 2011-12 £m</b>	<b>Revenue Expenditure</b>	<b>Budget 2012-13 £m</b>	<b>Actual 2012-13 £m</b>	<b>Variance + (-) £m</b>	<b>NOTE</b>
166.5	Employee Costs	161.1	157.8	-3.3	1
5.8	Premises Maintenance	6.2	6.1	-0.1	2
6.2	Transport	6.4	6.0	-0.4	3
14.4	Supplies and Services	14.7	13.6	-1.1	4
4.3	Agency costs	4.1	7.8	3.7	5
2.8	Capital Financing	3.9	3.2	-0.7	6
4.6	Pensions	3.4	3.7	0.3	7
-11.2	Income	-9.2	-10.9	-1.7	8
<b>193.4</b>	<b>Net Expenditure</b>	<b>190.6</b>	<b>187.3</b>	<b>-3.3</b>	

### Notes:

- 1 The reduction in expenditure year on year reflects largely the fact that a higher number of officers have left throughout the year than originally assumed within the budget. Police staff savings resulted from the phasing of PCSO recruitment and a lower average pension rate compared to budget assumption.
- 2 The increase in expenditure year on year is largely on maintenance and repairs, higher energy costs and a provision for dilapidations.
- 3 The main reason for the saving versus budget is due to fuel costs with usage and price being lower than forecast assumptions and vehicle availability charge and the release of an insurance provision for third party claims following the quarterly review.
- 4 The reduction in expenditure represents savings made on several categories within this heading.
- 5 The increase in expenditure year on year and against budget reflects additional regional collaboration contributions for activities/services undertaken during 2012/13, both new and full year impacts. These activities/services include legal, learning & development, occupational health services and East Midlands serious & organised crime function.
- 6 The increase in expenditure year on year reflects a full year impact on interest of the loans taken out during 2011/12. The reduction in expenditure against budget reflects the lower interest rate achieved on loans taken out during the year compared to those used in the budget assumptions and a minimum revenue provision (MRP) charge due to the lower capital spend in 2011/12 compared to the assumptions used in the budget.
- 7 The reduction in expenditure year on year reflects a reduced number and the costs of officers leaving on medical retirements.
- 8 The decrease in income year on year reflects income received in respect of disturbances., plus the re-allocation of grants.

## **7. Pensions**

Both Police Officers and Police Staff participate in different defined benefit pension schemes. These provide members with retirement lump sums and monthly pensions related to pay and service. The Police Officers scheme is unfunded and met by payments from the Home Office. Police Staff are, subject to certain criteria, eligible to join the Local Government Pension Scheme; this is a funded scheme administered by Nottinghamshire County Council.

Pension Costs are included in the cost of service provision. The memorandum note of resources used reflects the cost of pensions at current service cost adjustment.

## **8. Changes to Accounting Policies**

The Accounting Policies have been harmonised with the NOPCC. The Accounting Policies have been reviewed and there are no changes other than the ones specifically dealing with the creation of the PCC. The Accounting Policies included here are the ones relevant to this year's accounts.

## **9. Post Balance Sheet Events**

There are no Post Balance Sheet events which have affected the Accounts presented.

## **10. Jointly Controlled Operations**

There are a number of regional collaborations in place which the Chief Constable and Commissioner have entered into collaboration agreements for the provision of. These are included in the memorandum account as a cost against the specific category of expenditure. This includes operational and support functions. The detailed accounts relating to the Jointly Controlled Operations (JCO) are provided in the Group Accounts.

## **11. Future Outlook**

This statement of accounts and the statement for 2013-2014 will be produced on the same basis. However, the changes resulting from the Stage 2 Transition Order, of the Act, will come into effect from 1<sup>st</sup> April 2014. Consequentially there will be significant changes in the accounts to reflect the transfers of staff from the employment of the PCC to the CCN.

In 2013-2014 the Air Support Service, which is currently a collaboration with Derbyshire will transfer to the National Police Air Support Service and this will be reflected in the accounts.

Over the next couple of years a review at national level of the Funding Formula will take place, which together with austerity cuts in grant funding will impact on the resources available.

## **12. Going Concern**

The Accounts have been prepared on the basis that the CCN is a going concern. The Phase 2 of the PCC transition will involve transfers of services from the NOPCC to the CCN; however it is considered that the essence of policing for Nottinghamshire by the Group will remain unchanged.

### **13. Accounting Standards Issued but not Adopted**

The adoption by the Code of amendments to IAS 19 Employee Benefits (June 2011 amendments) will also take effect for the accounting period beginning 1 April 2013. These amendments will make it easier for users of financial statements to understand how defined benefit plans affect an entity's financial position, financial performance and cash flows.

There will be no changes to pension liabilities of the NOPCC. Assets in the Local Government Pension Scheme will be affected. The effect of the change will be adopted retrospectively as per IAS8 leading to an increase of approximately £1.4m on the CIES to 31 March 2013.

## **Statement of Accounting Policies**

### **1. General Principles**

Until the transfer from the Commissioner to the Chief Constable takes place the Chief Constable is utilising staff and officers employed and paid for by the Commissioner to provide the policing service in Nottinghamshire and in the achievement of the Plan.

The Memorandum Statement summarises transactions for the 2012-2013 financial year. Annual Statement of Accounts are required to be published under the Accounts and Audit Regulations 2011, in accordance with proper accounting practices. These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2012-2013 (The Code) and the Best Value Accounting Code of Practice 2012-2013, supported by International Financial Reporting Standards (IFRS). The phase 2 transitional arrangements for the PCC are not considered to affect the applicability of this principle. Under The Act, CCN and NOPCC, are separate 'Corporation Sole' bodies. Both are required to prepare separate Statement of Accounts.

### **2. Accruals of Income and Expenditure**

Revenue is measured at fair value in the year to which it relates, and not when cash payments are made or received. All the expenditure is paid for by NOPCC, but recognition in the Group and CCN Accounts is based on the economic benefit of resources consumed.

In particular:

- Fees, charges and rents due are accounted for as income at the date of supply.
- Supplies are recorded as expenditure when they are used.
- Expenditure in relation to services received is recorded as services are received rather than when payments are made
- Interest receivable on investments and payable on borrowings is accounted for as income or expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where debts are doubtful, the debt is written off by a charge to the CIES.

### **3. Acquisitions and Discontinued Operations**

The replacement of the Police Authority with the NOPCC and the recognition of the CCN as a Corporation Sole is not considered to require particular treatment under this accounting principle. This is because the new entities are essentially the same as the previous entity in that they are publicly funded bodies providing the Nottinghamshire public with a Police Service.

### **4. Exceptional Items**

There are no exceptional items applicable to the Chief Constable in 2012-2013.



## **5. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

There are no prior period adjustments applicable to the Chief Constable in 2012-2013..

New Policies are included this year to accommodate the changes arising from the implementation of the Police Reform and Social Responsibility Act 2011. These are policy number 3 Acquisitions and discontinued operations and policy number 10 Interests in companies and other entities.

## **6. Charges to Revenue for Non-Current Assets**

The CIES is charged with the following amounts to record the true cost of holding fixed assets:

- Depreciation of Non-Current Assets.
- Revaluation and Impairment losses on assets used where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Revaluation Gains reversing previous losses charged to the CIES.
- Amortisation of Intangible Assets.

The memorandum accounts reflect the cost of these.

## **7. Employee Benefits**

### **Benefits Payable during Employment**

Short-term Employee Benefits are those due to be settled within 12 months of the year-end. This includes salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars). An accrual is made for the cost of holiday entitlements or any form of leave, e.g. time off in lieu earned, but not taken before the year-end, which employees can carry forward into the next financial year, The accrual is made at the payment rates applicable in the following accounting year, being the period in which the employee takes the benefit.

### **Termination Benefits**

Termination benefits are amounts payable as a result of a decision to terminate an employee's employment before the normal retirement date or an acceptance of voluntary redundancy. These are charged to the CIES when the Group is demonstrably committed to the decision.

## **8. Post Balance Sheet Events**

There are no post balance sheet events for the Chief Constable relating to 2012-2013.

## **9. Government Grants and Contributions**

All grants, third party contributions and donations are paid to the Commissioner.

## **10. Interests in Companies and Other Entities**

The NOPCC is a separate entity to the Chief Constable and the relationship is clearly defined in the Governance Arrangements. The NOPCC is the lead controlling influence in the Group.

## **11. Jointly Controlled Operations and Jointly Controlled Assets**

These are accounted for in accordance with IAS 31- Interests in Joint Ventures, according to agreed proportions of use. They are all governed by Section 23 Agreements.

## **12. Overhead Costs**

The Service analysis is based on Service Expenditure analysis Code of Practice (SeRCOP) 2012-2013, as modified by the Police Objective Analysis. The costs of overheads are fully allocated to services. The one exception is that the cost of discretionary benefits awarded to employees retiring early is a Non distributed cost unless the cost is significant.

## **13. Depreciation**

A charge to reflect depreciation is provided for on operational Property, Plant and Equipment assets by the systematic allocation of their depreciable value over their useful lives after allowing for residual values. This is included as a proxy for asset rental within the statement of resources used.

## **14. Private Finance Initiative (PFI)**

PFI and similar contracts are agreements with the Commissioner to receive services, where the responsibility for making available the Property, Plant and Equipment needed to provide the services remains with the PFI contractor. The memorandum account reflects the charge made for these agreements in providing assets for use by the Chief Constable.

## **15. Provisions**

Provisions are made where an event has taken place that gives 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 amount of the obligation.

The memorandum account reflects the transfer to or from provisions made during the year and not the value of the provision which remains within the Commissioners accounts.

## **16. VAT**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income. The CCN does not submit a VAT return. The NOPCC submits a single VAT return on behalf of the group

## **Statement of Responsibilities**

### **The Chief Constable of Nottinghamshire's Responsibilities**

The CCN is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. The CCN has designated the Chief Financial Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safe guard its assets;
- Ensure that there is an adequate Annual Governance Statement.
- Approve the Statement of Accounts.

### **The Chief Financial Officer Responsibilities**

The Chief Financial Officer is responsible for the preparation of the CCN's Statement of Accounts in accordance with proper practices as set out in the CIPFA-LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. The statement is required to present fairly, the financial position of the CCN at the accounting date and its Income and Expenditure for the year ended 31 March 2013.

In preparing the Accounts, the Chief Financial Officer has:

- Selected suitable Accounting Policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code of Practice.
- Kept proper records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that in my opinion the Statement of Accounts present a true and fair view of the financial position of the Chief Constable of Nottinghamshire at 31 March 2013 and its income and expenditure for the year ended 31 March 2013.

### **M Monckton ACA**

#### **Chief Financial Officer to the Chief Constable of Nottinghamshire**

I certify on behalf of the the Chief Constable of Nottinghamshire that the Statement of Accounts presents a true and fair view of the financial position of the Chief Constable of Nottinghamshire at 31 March 2013 and its income and expenditure for the year ended 31 March 2013.

**C Eyre**  
**The Chief Constable**

**24 September 2013**

## **Core Financial Statements**

- CS1. Comprehensive Income and Expenditure Statement
- CS2 Movement in Reserves Statement
- CS3 Balance Sheet
- CS4 Cash Flow Statement

## CS1. Comprehensive Income and Expenditure Statement

There are no transactions.

### Memorandum Account

Statement of Resources Consumed in the Provision of Police Services

2011-2012				2012-2013		
Gross Exp' £000	Gross Income £000	Net Exp' £000		Gross Exp' £000	Gross Income £000	CCN Net Exp' £000
126,192	-11,067	115,125	Local Policing	(a) 103,468	-11,384	92,084
16,232	-116	16,116	Dealing with the Public	16,120	-234	15,885
16,614	-651	15,963	Criminal Justice Arrangements	13,663	-576	13,088
5,046	-2,370	2,676	Road Policing	5,002	-3,639	1,363
13,678	-403	13,275	Specialist Operations	12,702	-226	12,476
11,690	-703	10,987	Intelligence	15,007	-739	14,267
29,026	-1,215	27,811	Investigation	(b) 55,036	-1,342	53,694
6,798	-49	6,749	Investigative Support	(c) 3,223	-21	3,202
4,601	-2,756	1,845	National Policing	5,299	-3,949	1,350
210	0	210	Corporate and Democratic Core	216	0	216
2,372	0	2,372	Non Distributed Costs	387	0	387
<b>232,459</b>	<b>-19,330</b>	<b>213,129</b>	<b>Cost Of Services</b>	<b>230,124</b>	<b>-22,111</b>	<b>208,014</b>

- (a) Local Policing A number of areas previously classified here are now part of Investigation. Neighbourhood Policing Grant now nets down this code instead of being a general income.
- (b) Investigation This now includes 'Local' investigation previously part of Local Policing. This now includes Crime Scene Investigation and Forensics.
- (c) Investigative Support This previously included Crime Scene Investigation and Forensics.

**CS2. Movement in Reserves**

There are no transactions all reserves are with the NOPCC

**CS3. Balance Sheet**

There are no transactions all assets and liabilities are with the NOPCC accounts

**CS4. Cash Flow Statement**

There are no transactions

## **Notes to the Accounts**

### **1. Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out on pages 8-10, the CCN has had to make certain judgements about complex transactions or those involving uncertainty about future events. There are no critical judgements made in the Statement of Accounts. The largest area of estimation included within the Accounts is in staff related costs. Accruals for overtime, bonuses, early retirement costs and other one off payments have been checked retrospectively and found to be reasonable.

### **2. Prior Period Adjustments and Post Balance Sheet Events**

There are no prior period adjustments in 2012-2013. There are no post balance sheet events which have affected the Accounts presented.

### **3. Statement of Resources used in Provision of Police Services**

Although all transactions relating to 2012-13 are solely within the accounts of the NOPCC and all assets are owned by the PCC, the CCN has in reality had the operational control of policing. This memorandum account is included to show the true value of those resources used in the achievement of the Plan. It includes the cost of depreciation on assets owned as a proxy for the rental value. It includes all adjustments required under IFRS for accrued employee benefits and pension costs.

This memorandum is shown within the Comprehensive Income and Expenditure Account of the NOPCC and Group

### **4. Jointly Controlled Operations**

The cost relating to these activities are shown within the memorandum accounts. Full details are included within the Group Accounts.

### **5. External Audit Costs**

The Audit Commission has outsourced the work formerly undertaken by its Audit Practice. KPMG were appointed as external auditor on 1 September 2012, for 2012-2013 onwards. The cost of was £0.020m.

### **6. Pensions**

#### **Defined Benefit Pension Schemes**

As part of employment conditions, the Group makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the value of this is included within the statement of resources used. Full details of these schemes can be found within the accounts of the NOPCC and Group.

## 7. Leases and PFI

Leases and PFI agreements are treated in accordance with IFRS and the value of these are included within the statement of resources used. Full details of these schemes can be found within the accounts of the NOPCC and Group.

## 8. Officer Emoluments

### 8.1 Employees earning over £50,000

All employees receiving more than £50,000 remuneration for the year were paid the following amounts excluding; senior officers reported in 8.2 and employers pension contributions. The table includes 4 Officers over the rank of Superintendent (7 in 2011-2012)

<b>2011-12 No of employees</b>	<b>Remuneration Band</b>	<b>2012-13 No of employees</b>
102	£50,000 - £54,999	115
67	£55,000 - £59,999	71
13	£60,000 - £64,999	10
5	£65,000 - £69,999	2
3	£70,000 - £74,999	6
12	£75,000 - £79,999	17
4	£80,000 - £84,999	2
1	£85,000 - £89,999	1
1	£90,000 - £94,999	1



## 8.2 Senior Officers Remuneration

The following table sets out the remuneration for senior officers posts. The officers included in this table are not included in table 8.1.

### SENIOR OFFICERS EMOLUMENTS 2012-2013

2012-2013 Post Holder Information	Notes	Salary £	Benefits in Kind £	Other Payment £	Sub Total £	Employer s Pension Contrib' £	Total inc Pension Contrib' £
			Note 7	Note 8			
Chief Constable - A	1	59,879	3,312	8,848	72,039	14,292	86,331
Chief Constable - B	2	142,143	4,649	3,554	150,346	34,399	184,745
Deputy Chief Constable	3	107,177	6,076	3,930	117,183	25,936	143,119
Assistant Chief Constable - Crime							0
Assistant Chief Constable - A	4	84,549	4,486	9,224	98,259	18,510	116,769
Assistant Chief Constable - B	5	28,983	0	931	29,914	8,905	38,819
Assistant Chief Constable - Territorial							0
Assistant Chief Constable - A	6	8,585	0	2,610	11,195	2,078	13,273
Assistant Chief Constable - B		105,849	8,002	8,003	121,854	25,615	147,469
Assistant Chief Officer ( Resources)		105,846	6,636	0	112,482	15,030	127,512
		643,011	33,161	37,100	713,272	144,765	858,037

Note 1: Chief Constable (A) retired on 31 August 2012.

Note 2: Chief Constable (B), Chris Eyre, was Acting Chief Constable from 1 April 2012 and substantive in post from 1 September 2012

Note 3: Deputy Chief Constable from 2 May 2012 (previously Assistant Chief Constable - Territorial A)

Note 4: Assistant Chief Constable B retired on 7 January 2013

Note 5: Acting Assistant Chief Constable from 10 December 2012. Previously a Chief Superintendent. The costs shown are only related to the period in the ACC role.

Note 6: Assistant Chief Constable (A) until 1 May 2012

Note 7: Benefits in Kind include taxable expenses such as mileage, car allowances, medical expenses and mortgage interest payments relating to relocation

Note 8: Other payments include Rent Allowance, Housing Allowance, Compensatory Grant and Compensation for Loss of Office

**SENIOR OFFICERS EMOLUMENTS 2011-2012**

2011-2012 Post Holder Information	Notes	Salary £	Expense All'ces £	Benefits in Kind £	Other Payment £	Sub Total £	Employers Pension Contrib' £	Total inc Pension Contrib' £
			Note 3	Note 4	Note 5			
Chief Constable		142,143	357	8,046	8,112	158,658	34,399	193,057
Deputy Chief Constable		139,119	591	7,870	3,554	151,134	33,667	184,801
Assistant Chief Constable (TKAP)	1	105,849	5,134	8,603	9,780	129,366	25,615	154,981
Assistant Chief Constable (Crime )		98,337	688	7,265	5,603	111,893	23,798	135,691
Assistant Chief Constable (Change)	2	90,408	20	5,570	2,828	98,826	20,404	119,230
Assistant Chief Constable (Territorial)		98,337	37	7,056	5,603	111,033	23,798	134,831
Assistant Chief Officer ( Resources)		96,780	29	7,517	0	104,326	13,743	118,069
		770,973	6,856	51,927	35,480	865,236	175,424	1,040,660

Note 1. Assistant Chief Constable (TKAP) was attached to the Home Office based in London.

Note 2. Assistant Chief Constable (Change) retired on 17th January 2013.

Note 3. Expenses include Travel, Accommodation, Subsistence and Relocation Expenses.

Note 4. Benefits in Kind include Car Allowance, Lease Car benefit, Medical Insurance, and Mortgage Interest Payments for relocation.

Note 5. Other Payments includes Rent Allowance, Housing Allowance, Compensatory Grant and Compensation for loss of Office

## 9. Termination Benefits

The contracts of 22 employees under the control of the Chief Constable were terminated in 2012-2013 (322 in 2011-2012), incurring costs of £0.6m (£4.2 m in 2011-2012). This comprised redundancy payments of £0.3 m, pension strain costs of £0.2 m, other payments £0.1 million. Other departures agreed covers voluntary redundancies and compromise agreements. The A19 regulation has not been used in 2012-2013.

Exit Package cost band (inc special payments)	Number of compulsory redundancies		Officers who left on A19 with lump sum		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12 £000	2012-13 £000
£0 - £20k	12	3	0	0	149	9	161	12	1,450	111
£20k -£40k	3	3	0	0	52	4	55	7	1,554	216
£40k -£60k	0	0	1	0	16	0	17	0	853	0
£60k -£80k	0	1	0	0	2	1	2	2	131	139
£80k -£100k	0	0	0	0	1	0	1	0	89	0
£100k -£150k	0	0	63	0	1	1	64	1	8,232	104
£150k -£200k	0	0	20	0	0	0	20	0	3,586	0
£200k -£250k	0	0	0	0	0	0	0	0	0	0
Over £250k	0	0	2	0	0	0	2	0	525	0
<b>Total</b>	<b>15</b>	<b>7</b>	<b>86</b>	<b>0</b>	<b>221</b>	<b>15</b>	<b>322</b>	<b>22</b>	<b>16,420</b>	<b>570</b>

## 10. Related Parties

The CCN is required to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the CCN or vice versa. Disclosure of these transactions allows transparency to the extent that the CCN might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely.

The NOPCC as the parent corporation asserts a significant influence over the CCN setting priorities through the Policing Plan.

Central Government has significant influence over the general operations of the CCN. It is responsible for providing the statutory framework within which the CCN operates.

Senior managers complete a declaration of personal interests because they influence decision making.

Joint arrangements and collaborations are areas where significant influence can be exerted by all parties. More information is included in the accounting policies note 11, and note 4

# **INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF NOTTINGHAMSHIRE**

We have audited the financial statements of the Chief Constable of Nottinghamshire for the year ended 31 March 2013 on pages 8 to 10 and 13 to 19. 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 2012-2013.

This report is made solely to the Chief Constable in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state 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 for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of the Chief Financial Officer and auditor**

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities, the Chief Financial 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, and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Chief Constable's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Financial Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2013 and of the Chief Constable's expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012-2013.

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

The Code of Audit Practice 2010 for Local Government Bodies requires us to report to you if:

- the annual governance statement set out on pages 22 to 34 does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
- the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- any matters have been reported in the public interest under section 8 of Audit Commission Act 1998 in the course of, or at the conclusion of, the audit; or
- any recommendations have been made under section 11 of the Audit Commission Act 1998; or
- any other special powers of the auditor have been exercised under the Audit Commission Act 1998.

We have nothing to report in respect of these matters.

## **Other matters on which we are required to conclude**

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources. I am also required by the Audit Commission's Code of Audit Practice to report any matters that prevent me being satisfied that the audited body has put in place such arrangements. We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission, we have considered the results of the following:

- our review of the annual governance statement; and
- the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities.

As a result, we have concluded that there are no matters to report.

## **Certificate**

We certify that we have completed the audit of the financial statements of the Chief Constable of Nottinghamshire in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for Local Government Bodies issued by the Audit Commission.

**John R Cornett, for and on behalf of KPMG LLP, Appointed Auditor**

KPMG LLP  
1 Waterloo Way,  
Leicester,  
LE1 6LP

27 September 2013

# **CHIEF CONSTABLE OF NOTTINGHAMSHIRE**

## **ANNUAL GOVERNANCE STATEMENT**

**2012-2013**

### **1. Scope of responsibility**

Nottinghamshire Police is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Force has the duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, Nottinghamshire Police is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Chief Constable of Nottinghamshire Police and the Police and Crime Commissioner for Nottinghamshire have approved and adopted a Joint Code of Corporate Governance, which is consistent with the principles of the CIPFA/ SOLACE Framework 'Delivering Good Governance in Local Government'. A copy of the Code of Governance can be obtained from our website at [www.nottinghamshire.police.uk](http://www.nottinghamshire.police.uk). This Annual Governance statement explains how Nottinghamshire Police has complied with the code and also meets with the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

### **2. The purpose of the governance framework**

The governance framework comprises the systems and processes, culture and values by which the Force is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the Force to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives and can therefore only provide reasonable and not absolute assurance to identify and prioritise the risks to the achievement of the Force's aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The systems, processes, cultures and values comprising Nottinghamshire Police's Governance Framework are regularly reviewed. The key elements are described in the following sections.

### **3. Creating a clear vision and purpose**

#### **The vision**

In 2012 Nottinghamshire Police introduced a new vision to be the best performing police force in England and Wales. Clear, measurable aims have been set in terms of reduction of crime and antisocial behaviour, resource management and victim satisfaction, so the Force will know when this has been achieved.

#### **Corporate plans**

To meet the challenges that lie ahead the Force has planned carefully how to use its resources, whilst retaining the flexibility to respond to new and emerging threats to the people and communities it serves. The Force plans are built from the ground up, taking account of the views of local people and partner agencies as well as analysis of available evidence, and utilising the vast amount of experience and expertise within the organisation so that the Force is confident it is addressing the right issues in the right way.

In November 2012 all police forces in England and Wales, except London, elected their first Police and Crime Commissioner. One of the Commissioner's key responsibilities was to issue a Police and Crime Plan to cover their period in office, in which they make clear their priorities and the objectives they are setting for the Force.

In April 2013 the Force published its new five year Policing Plan, outlining how it will translate the strategic objectives set by the Commissioner into action.

The Policing Plan was developed by the Chief Officer Team following a comprehensive joint strategic assessment, carried out with local community safety and criminal justice partners to identify what is being done well, areas for improvement and how well equipped we are to meet future challenges.

The Plan is built on strong foundations established over many years of working together with other police forces and law enforcement agencies, and in partnership with criminal justice agencies, local authorities and other organisations in the public, private and voluntary sectors.

In order to support the Policing Plan 2013/18 and the PCC's Police and Crime Plan a corporate approach has been taken to business planning throughout the Force. Each division and department now has a business plan in place in the form of a Corporate Improvement Plan. Activity is being delivered and monitored either through the Force Action Plan, the five Strategic Programmes, or through the Research and Review Schedule, depending on the most appropriate method of delivery.

#### **Delivering and monitoring the Policing Plan**

In order to achieve Force objectives it is necessary to continually review and revise Force activity. The Force Action Plan was introduced in 2012 to manage our response to improvement opportunities identified through independent inspections, internal audits, and other reports and research relevant to policing. In addition, major projects are managed within a framework of five strategic programmes, which focus on five themes: public, performance, partners, people and productivity.

A comprehensive performance framework was developed and published as an appendix to the Policing Plan 2013/18. It demonstrates how performance against Force objectives, under the three priorities, will be measured and monitored by the Police and Crime Commissioner and the Chief Constable.

Detailed Performance and Insight Reports are published on a monthly basis on the Nottinghamshire Office of the Police and Crime Commissioner's (NOPCC) website, and are reported to the Force's Corporate Performance Review meeting. The remit of this meeting is monitor and manage performance risks across all departments and divisions set against the requirement to meet the Force performance targets as set out in the Policing Plan.

The following areas are reported on under each Force priority:

- **Priority one: to cut crime and keep you safe.** Year to date performance information on all crime types, incidents of antisocial behaviour, detections rates and other performance information relating to targets set out in the Policing Plan, such as the value of assets recovered from the Proceeds of Crime Act.
- **Priority two: to spend your money wisely.** This report consists of detailed performance information concerning value for money and productivity. It includes a year to date comparison of projected spend against actual spend by Force and portfolio areas, overtime budget, number of days lost to sickness, fleet mileage and costs, vehicle hire and efficiency savings. There are also performance dashboards specific to each department within Corporate Services.
- **Priority three: to earn your trust and confidence.** This report includes year to date performance information on victim satisfaction, attendance at crime where required, percentage of people who feel that local issues are being dealt with, use of the Neighbourhood Alert facility and the average time to locally resolve allegations about the conduct of employees arising from public complaints.

### **Partnership working and performance monitoring**

The Force is committed to working in partnership to deliver its priorities. By working with other organisations and agencies the Force can provide the very best service to its communities. It is essential that working in partnership with others is underpinned by a common vision that is understood and agreed by all parties.

The City of Nottingham's 'Plan 2020' sets out a clear 10 year strategy with a shared vision, strategic priorities and cross-cutting aims, which all partners, including the Force will contribute to. The delivery of the strategy is governed by the One Nottingham Board which brings together the leaders of key public sector organisations and stakeholders across Nottingham City with the overriding purpose of promoting and ensuring the delivery of the 2020 Vision and Sustainable Community Strategy. The One Nottingham Executive Group is responsible for driving and managing the delivery of the strategy, and the medium term action plan around delivery of the wider strategy.

Each strategic priority is owned by a theme partnership, which is accountable to the One Nottingham Executive Group. Strategic Priority Five 'Safer Nottingham' is led by the Crime and Drugs Partnership, of which the Nottinghamshire Police City Division is a key member.

One Nottingham produces an annual report in June, which reports on progress toward headline indicators set under each priority.



In the County, strategic partnerships are underpinned by a common vision and objectives, which are documented in the terms of reference for the Safer Nottinghamshire Board (SNB).

The SNB is responsible for setting strategic direction for community safety and substance misuse, ensuring the effective delivery of the Nottinghamshire Community Safety Strategy, supporting the statutory local Community Safety Partnerships (CSPs) to deliver their community safety strategies and ensuring effective performance management arrangements are in place.

The four statutory CSPs are responsible for the delivery of local community safety strategies and action plans. The SNB Delivery Groups support the SNB and CSPs to implement the community safety strategies.

Performance is managed through problem profiles and action plans. Problem profiles provide a greater understanding of established and emerging crime or incident series, priority locations and other identified high risk issues in an area. Action plans describe the interventions that will be delivered to achieve measurable outcomes for local communities.

The SNB's Performance Group is tasked to provide a summary of performance to the Board at each meeting together with exception reports around areas of poor performance or areas of concern in order that the Board is then able to take key decisions.

The Force's internal auditors, RSM Tenon, undertook an audit of Partnership Governance Arrangements in July 2012. The review highlighted some weaknesses in the controls and arrangements associated with the identification and monitoring of partnership activity.

It is acknowledged that a corporate Partnership Working Policy should be developed in order to outline the key controls and arrangements to be followed establishing a partnership agreement at the beginning of a partnership and for monitoring partnership activity throughout the life of the partnership. This should include the requirement for consistent risk and financial management, documenting the vision and purpose of the partnership, roles and responsibilities of partnership members and dispute resolution.

The final audit report also recommended that a central partnership register should be established to ensure that the PCC and the Chief Officer Team are aware of exactly what partnerships are operating to enable them to proactively challenge the partnerships progress against its objectives and ensure the continued benefit of the Force's involvement.

Further recommendations, included the need to develop and document a formal and consistent process to ensure that risks are considered upon entering into, and through the lifecycle of a partnership, to ensure they are being appropriately managed. Regular formal reporting to the PCC was also recommended in order to hold the performance of the Force to account in delivering against set partnership objectives.

Finally, it was recommended that the Force establish a consistent statement of funding sources and proper financial administration around partnership working.

These recommendations have been captured and are being monitored through the Force Action Plan. Progress is reported to the Local Policing Board, chaired by the ACC for Local Policing, on a monthly basis.

## **4. Clearly defined functions and roles**

### **Scheme of delegation**

The Force is subject to the PCC's Scheme of Delegation, which details the functions delegated to the Chief Executive, the Chief Finance Officer (CFO) of the PCC the Assistant Chief Officer (ACO) Resources of the Force and the Head of Legal Services. The Force will develop its own Scheme of Delegation in the coming months to break down the accountabilities further for the organisation.

The Scheme enables the NOPCC and the Force to function in an efficient and effective manner. It sets out the extent to which the PCC has delegated decisions to the Chief Constable, Chief Executive and CFO that are the statutory responsibility of the PCC.

The ACO has a statutory responsibility to carry out the functions of the CFO as set out in the Police Reform and Social Responsibility Act 2011 and section 114 of the Local Government Act 2011 1988 ensuring that the financial affairs of the Force are properly administered having regard to probity, legality and appropriate standards. The requirements for the role of the Chief Constable's CFO are now formally documented in the ACO Resources job description.

### **Policing Protocol**

The Force endeavours to comply with the Policing Protocol, which was issued in accordance with the Police Reform and Social Responsibility Act 2011 and sets out how the functions of the PCC, Chief Constable and Police and Crime Panel will be exercised in relation to each other. It is intended to encourage an effective working relationship and mutual understanding of, and respect for, each party's statutory functions will serve to enhance policing for local communities.

### **Financial regulations**

Responsibilities within the Financial Regulations that have been in place during the 12 month period of 2012-2013 have been applied universally across the Force and there are no significant issues to be reported and no instances of non-compliance to be reported.

Going forward into 2013-2014 the Force will be adopting the PCC's Financial Regulations. All Divisional and Departmental Heads have formally acknowledged their responsibilities in accordance with the Force and the PCC's Financial Regulations that uphold the internal control and assurance framework.

### **Contract standing orders**

The Contract Procedure Rules and Standing Orders were reviewed and updated in February 2013 as a guide for our suppliers and staff to help those engaged in buying or providing goods and services, once formally approved these will be published on the PCC website.

## **5. Standards of conduct and behaviour**

### **Our Values**

The PROUD values were introduced in response to the 2012 staff survey. The values, to be professional, have respect of all, working as one team, having utmost honesty and integrity and by doing it differently; define what unites all officers and staff in delivering policing services within Nottinghamshire.

The Force values have been communicated widely to all staff through the Policing Plan, the Force intranet and via interactive briefings, which all officers and staff have taken part in. The values have also been integrated into the new PDR process. Officers and staff are asked to provide evidence on how they have actively demonstrated support for the Force's Values. Evidence of commitment must also be demonstrated during the recruitment and promotion process.

### **Standards of conduct**

Standards of conduct and personal behaviour expected of all officers and staff have been communicated formally through Police Conduct Regulations, 2012, and the Police Staff Misconduct Policy and Procedure. The latter was issued in 2012 to provide a clear and transparent framework to let police staff employees know what is expected of them in terms of standards of conduct and the likely consequence of failure in meeting those standards.

A National Code of Conduct for Officers is currently being developed as part of the Home Office integrity reforms, in order to support this, a new Force code of conduct has been published which aims to give greater clarity around the expected standards of behaviour of officer in staff in maintaining professional boundaries with victims, witnesses and offenders. This has been published and publicised on both the Force intranet and the Force website.

Professional Standards have an effective standards monitoring process in place. All matters of conduct are governed by the Professional Standards and Conduct Meeting, which is chaired by the Deputy Chief Constable and takes place on a monthly basis. The meeting's remit is to oversee and monitor standards of behaviour and conduct within the Force, ensuring that they are in line with the Force values and have a positive impact on Force reputation and public confidence. It forms an integral part of the Force's internal Governance arrangements by bringing together the relevant members of the Professional Standards and Human Resources management teams to review all matters of performance relating to conduct of Police Officers and Police Staff.

### **Conflicts of interest**

The Force has a Business Interests and Additional Employment for Police Officers and Police Staff Procedure which was revised in 2012 due to the publication of revised guidance from the Association of Chief Police Officers (ACPO) following the HMIC Integrity Review 'Without fear or favour', The guidance outlines the recommended approach to the management of business interests and additional occupation for those working in the Police Service of England and Wales. It is intended to provide consistency of application and enable appropriate decisions to be taken to ensure the reputation of the Police Service and the health, safety and wellbeing of members of staff. A Register of Interests is published on the Force website; any changes are reported on a monthly basis to the Professional Standards and Conduct Meeting.

The Notifiable Associations for Police Personnel Procedure was also reviewed in 2012 following the HMIC Integrity Review. It provides guidance to all personnel as to what could be interpreted as a 'notifiable association'. Furthermore, it identifies the procedures that should be followed should police personnel consider themselves the subject of, or suspect another member of staff to have, a notifiable association. This is available on the Force intranet and website.

### **Gifts and hospitality**

The Gifts, Gratuities and Hospitality Procedure provides both officers and staff with an ethical framework in which to determine the boundaries of acceptability around gifts, gratuities and hospitality. This was last reviewed in October 2012 following the issuing of ACPO guidance.

## **Managing complaints**

The Force has ensured there are effective, transparent and accessible mechanisms for managing complaints, which are managed in accordance with statutory guidance provided by the IPCC which was revised as a result of the Police Reform and Social Responsibility Act 2011.

Any complaints which may indicate a failure in service delivery are fed into the Service Improvement Plan, which is governed by the Professional Standards and Conduct Meeting. The process is subject to continual review and improvement.

All complainants receive regular updates and reports in respect of investigations taking place, in line with statutory guidance. Furthermore, once complaints have been investigated complainants are surveyed to ensure they are satisfied with the service they have received and the resolution reached.

Any lessons learned as a result of complaints which are investigated by the Independent Police Complaints Commission (IPCC) and Nottinghamshire Police are outlined and accompanied with resulting guidance for officers on the Professional Standards intranet page.

## **Whistle blowing**

The Force has a Professional Standards Reporting Procedure in place, which was reviewed and amended in 2012. The purpose of the procedure is to set out the ways in which individuals within Nottinghamshire Police can report breaches of professional standards in a supportive and confidential environment. Incidents can be reported via a confidential telephone line, through Integrity Messenger, which is a confidential IT reporting facility or direct to line management.

## **6. Decision making and risk management**

### **Governance structures and decision making**

The Chief Officer Team Meeting is the Force's primary decision making forum. It receives commissioned reports, presentations and business cases to provide the Chief Officer Team with the adequate information required for informed decision making. This meeting is minuted and decisions are published on the Force intranet to enable greater understanding and awareness amongst employees. The requirements for publishing minutes on the external website, in line with the Office of Information Commissioner's publication scheme, are currently being reviewed and appropriate action will be taken in line with the outcome of this. The reporting template is also being reviewed to ensure the Chief Officer Team receive sufficient information regarding legislative implications when making a decision.

Both the Assistant Chief Constable's and the ACO chair a portfolio board which has the remit for governance of one or more of the five strategic programmes. The progress of projects under each of the programmes is monitored and any arising risks are managed. The portfolio boards also review business cases, approve project initiation documents, review actions arising from internal and external audit, inspection and review and receive financial and HR updates. All portfolio boards are formally minuted and decisions documented.

The corporate meeting structure will be reviewed and updated during 2013 to ensure it reflects and meets the requirements of the PCC's governance arrangements and to ensure clear decision making processes and robust governance for systems of internal control are within the Force. The meeting structure, terms of reference and work plans are reviewed regularly to ensure effective governance and monitoring, real accountability to stakeholders and value for money.

## **Risk management**

The process for the production of this AGS identified that although Senior Managers were acutely aware of the risks facing their department or division; these were not necessarily documented or managed in a consistent manner.

In early 2013 the Force reviewed and updated its Corporate Risk Management Policy and Procedure. This has now been published on the Force intranet and website and is currently being implemented to ensure risk management is fully embedded with a consistent approach across all divisions and departments by the end of September 2013.

The Policy states that Divisional Commanders and Heads of Department will be responsible for managing their own risk registers, allocating responsibility for individual risks to members of their Senior Management Team and escalating potential strategic risks to the Chief Officer Team. In order to promote risk ownership at a senior level, members of the Chief Officer Team have taken ownership of individual strategic risks and nominated senior managers as coordinators to provide risk analysis.

The Policy and Procedure will be revised further in the coming months to create a joint risk management policy and procedure with the PCC. This will be supported with a Joint Strategic Risk Register, which is currently being developed. The Joint Register will document risks to the achievement of objectives within the Police and Crime Plan and under each of the Force priorities set out in the Policing Plan; it will be reported on a quarterly basis to the Joint Audit and Scrutiny Panel.

The Force intends to develop its approach to risk management further over the next three years and will develop and implement a strategy and improvement plan to facilitate this. The objective of this will be to embed risk management throughout the organisation and link with all areas of risk assessment throughout the organisation. An internal communication strategy will also be implemented for risk management to encourage the integration of risk management culture into the organisation.

An audit of the Force's Strategic Risk Management Framework was conducted in April 2013, it concluded that the NOPCC and the Force can take substantial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective.

## **Business Continuity**

The Force has facilitated business impact analyses and identification of all critical functions in all divisions and departments. These have gone through a risk assessment process to identify any weaknesses. An impact reduction method has been identified and business continuity plans have been produced for each division and department. Plans are exercised and reviewed at least annually with the support of the Force Business Continuity Lead.

## **Information management**

The Force experienced a number of data breaches in 2012-2013 and has a preliminary enforcement notice in place against it. A review is being carried out across Information Management and Information Security within the Force. The work is being led by an independent consultant and an improvement plan is being created to address issues such as Information Sharing Agreements and meeting the full requirements of the Data Protection Act.

## **Policy governance**

The Force is currently undertaking a review of its existing policies to ensure they are fit for purpose and appropriate governance is in place. As part of the policy governance framework we will formalise the arrangements by which policy decisions are made and documented.

There is also a need to identify the Force policies that will be jointly owned by the Force and the NOPCC in order to ensure they are centrally managed so that any amendments are consistent. Where there is a decision made not to use joint policy the NOPCC will need to establish and implement their own.

## **Legislative monitoring and compliance**

Legislative change in relation to crime and justice policy is monitored continually by the Force and reported on monthly. The Horizon Summary report is made available on the Force intranet and is sent directly to divisional and departmental heads for their information and action where necessary. Changes in legislation and statutory guidance are also communicated directly to senior management from professional bodies such as ACPO, CIPFA and the IPCC.

Where there is a risk that we may be in breach of our legislative obligations this will be recorded on the Force risk register and managed according to the Corporate Risk Management Policy and Procedure.

## **7. Development of Officers and Staff**

### **Training and induction**

In order to develop the capability of officers and staff individual training needs are assessed as part of the PDR process. HR People Meetings are also held on divisions to assess the training needs of operational staff and HR Partners attend Senior Management Team departmental meetings to ensure training is kept up to date for staff across the rest of the Force.

All Officers and Staff are required to complete mandatory e-learning packages from the National Centre for Applied Learning Techniques (NCALT) on topics such as Health and Safety, Information Assurance and CETIS, which provides them with an understanding of a range of legislation relating to the access and use of information and data held by the Force.

The Force's formal induction process is currently being reviewed and updated to ensure officers and staff are fully supported and given all the information required to carry out their roles effectively. This will include a pre employment information pack around the Force, a structured induction process and mentoring guidelines. Line managers will also have the opportunity to input information tailored to the individual's role and their specific department or function. To support this a three session mandatory training package will be run by Learning and Development covering areas such as the PROUD values, the PDR process and equality and diversity.

### **Individual performance**

Performance of individual officers and staff is reviewed and monitored through the PDR process, which is currently being enhanced to ensure effective arrangements are in place.

### **Succession planning**

A Succession Planning Framework is being developed by HR as part of the People Programme to ensure officers and staff have the key skills and competencies to fulfil their current and future roles. This action is being managed through the Force Action Plan and is monitored at the Corporate Services Programme Board.

## **8. Engagement and consultation**

### **Community engagement and consultation**

There are a number of engagement mechanisms in place to enable Nottinghamshire Police to meaningfully engage with the public and service users on subjects that matter to them, such as neighbourhood meetings, locality boards and Neighbourhood Watch meetings.

The Force has developed a robust structure of strategic and local Independent Advisory Groups (IAGs) which represent different community groups across the whole of the city and county. They provide an invaluable service to Nottinghamshire Police in three core areas; critical incidents, building trust and confidence and advising on strategies, policies and procedures.

The Neighbourhood Alert electronic communication system is designed to help members of the public communicate with their local Neighbourhood Policing Team and their local Neighbourhood Watch coordinator. The system can be used to report information about suspicious behaviour and antisocial behaviour and to allow users to be sent information about crime trends in their area and community safety and crime reduction advice.

The aim is to provide up-to-date information direct to registered members to support two-way communication between members of the public, Nottinghamshire Police and Neighbourhood Watch, in order to reduce crime.

The Neighbourhood Priority Survey was introduced as part of a commitment to creating safer neighbourhoods; it allows individuals in the community to influence how their area is policed by completing a short survey which is available on the Force website.

Recent developments in communication and engagement tools include the increased use of new media outlets such as Twitter and Facebook to engage with communities and the introduction of thematic online events. These are held to enable the public to interact with the Chief Officer Team, the NOPCC and with other members of the Force on matters such as Stop and Search and antisocial behaviour.

### **Workforce engagement and consultation**

The Staff Perception Survey gives employees of Nottinghamshire Police an opportunity to help shape the future of the Force on matters such as values and behaviours, leadership, motivation and morale.

The Force has a statutory obligation to formally consult with employees regarding terms and conditions, workforce change and health and safety. Where a statutory obligation is not present the Force has a duty to consult and when doing so it should be in the proper manner. The arrangements for consultation with staff are being reviewed and will be addressed as part of the Policy Development Framework.

There is a Trade Union Recognition Agreement in place to ensure the Force formally recognises trade unions, which represent members' interests. The Force will consult with them when proposing changes in pay and conditions which are not nationally determined and matters such as disciplinary procedures. Relevant issues, which impact on the Police Staff Associations, on which there is to be consultation will be brought to the Joint Negotiating and Staff Consultative Committee for Police and Support Staff Associations, chaired by the Chief Constable. A Memorandum of Understanding for Diversity and Support Associations is currently being updated.

## **9. Review of effectiveness**

Nottinghamshire Police has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Chief Officer Team, the Heads of Divisions and Departments and other senior managers within the Force who have responsibility for the development and maintenance of the governance environment. It is also informed by the reports of our internal and external auditors and other review agencies and inspectorates.

The review is made robust by obtaining assurance through the process of interviews with the Chief Officer Team and the Heads of Divisions and Departments and their senior management teams. Each Chief Officer and Divisional and Departmental Head has provided a comprehensive, signed Statement of Assurance which comments on their compliance with the Force's governance framework during 2012-2013. Potential areas for improvement where there are weaknesses in either controls or assurances have also been identified for 2013-2014. The areas already being addressed and those with specific new actions planned, are outlined in Section 10. The results of this review will be reported to the Joint Audit and Scrutiny Panel alongside the external auditor's annual report, which will set out their opinions in relation to accounts, governance and performance.

### **Joint Audit and Scrutiny Panel**

In accordance with the Financial Management Code of Practice for the police service issued by the Home Office, the PCC and the Chief Constable have established a Joint Audit and Scrutiny Panel. The Panel's role is to advise the PCC and Chief Constable on the adequacy and effectiveness of the systems of internal control and the arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness in terms of value for money.

The Panel will meet four times a year and will be made up of five independent members. The agenda, minutes and associated reports are made available on the PCC's website for members of the public in the interests of transparency and accountability.

### **Internal audit**

The primary role of internal audit is to give assurance to the Commissioner and Chief Constable, on the effectiveness of the controls in place to manage risks. Following consideration of internal audit reports by the Commissioner and Chief Constable, the Internal Auditor's, RSM Tenon, will report to the Joint Audit and Scrutiny Panel on a quarterly basis, highlighting any major control weaknesses identified.

The review of both corporate governance and risk management arrangements periodically feature in the annual audit plan which is subject to review by the Joint Audit and Scrutiny Panel. Corporate governance and risk management issues may arise through other reviews carried out by Internal Audit. In this case the issues will be raised through the relevant audit report.

### **External audit**

The Force's external auditors, KPMG LLP, audit the Commissioner's and Chief Constable's financial statements, Annual Governance Statement and performance management arrangements, as well as undertaking a number of thematic based reviews.

The External Auditor's plans and reports, including the Annual Audit Letter, will be considered by the Commissioner and Chief Constable and reviewed by the Joint Audit and Scrutiny Panel at appropriate times in the annual cycle of meetings.



## 10. Significant governance issues

The review process to support the production of the Annual Governance Statement in 2013-2014 identified the following significant governance issues. These have been agreed with the respective Divisional and Departmental Heads to address weaknesses identified in the Force's systems of internal control. These issues are significant in that they cover a large proportion of the organisation's activities and / or are key risk controls and therefore require a corporate solution.

<b>Area of assurance</b>	<b>Action</b>	<b>Responsible Officer</b>
Risk management	Implement the regular use of divisional and departmental risk registers by the end of Q2 2013-2014	Head of Business and Finance
Risk management	Develop a three year corporate risk management strategy to facilitate the Force's development of its future approach to risk management.	Head of Business and Finance
Risk management	Work with Corporate Communication to develop an internal communication strategy for risk management.	Head of Business and Finance
Partnership working	Establish an overarching partnership working policy to outline the key controls and arrangements to be followed for setting up and monitoring partnership activity, including risk management.	City and County Divisional Commanders
Partnership working	Establish a central partnership register to ensure that the Force are aware of exactly what partnerships are operating and whether these are of benefit to the Force and, or stakeholders.	City and County Divisional Commanders
Financial management	Establish a financial reporting process for external funding and contributions to partner agencies, operations and projects.	Head of Business and Finance
Policy governance	Identify policies which will be jointly owned by the NOPCC and ensure they are managed centrally so that amendments are consistent.	Head of Business and Finance
Policy governance	Review the arrangements for consultation with staff as part of the Policy Development Framework.	Head of Business and Finance
Development of officers and staff	Roll out the new PDR process providing support to officers and staff and support managers with implementation.	Head of HR
Corporate meeting structure	Review the corporate meeting structure to ensure it reflects and meets the requirements of the PCC's governance arrangements and to ensure clear decision making processes and robust governance for systems of internal control within the Force.	Head of Business and Finance
Information assurance	Develop and implement the information assurance improvement plan to address weaknesses in Information Sharing Agreements and to meet the full requirements of the Data Protection Act.	Head of Business and Finance

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation as part of our next annual review.



NOTTINGHAMSHIRE  
**POLICE**  
PROUD TO SERVE

## ANNUAL ASSURANCE STATEMENT

**2012-2013**

Signed \_\_\_\_\_

**Chris Eyre,**  
**Chief Constable**  
24 September 2013

Signed \_\_\_\_\_

**Margaret Monckton,**  
**ACO Resources (CFO)**  
24 September 2013

## **Glossary of Terms and Abbreviations**

The definitions within the glossary are designed to give the user an understanding of the technical terminology contained in the Statement of Accounts. It also contains a guide to the abbreviations used within.

### **Accounting Policies**

These are a set of rules and codes of practice used when preparing the Accounts.

### **Accrual**

A sum included in the final Accounts to cover income or expenditure attributable to an accounting period for goods supplied and received or works done but for which payment has not been received or made by the end of the period.

### **Budget**

This is a statement of the financial plans for a specific period of time. A budget is prepared and approved by the NOPCC prior to the start of the financial year. The budget is prepared on an outturn basis, which means that increases for pay and prices during the financial year are contained within the total budget figure.

### **Chief Constable of Nottinghamshire (CCN)**

### **Comprehensive Income and Expenditure Statement (CIES)**

### **Current Service Cost (Pensions)**

These measure the increase in the present value of pension liabilities generated in the financial year by employees. It is an estimate of the true economic cost of employing people in the financial year, earning service that will eventually entitle them to the receipt of a lump sum and pension when they retire.

### **Depreciation**

The measure of the consumption or other reduction in the useful economic life of a fixed asset, whether arising from use, passage of time or obsolescence through technological or other changes.

### **Emoluments**

All taxable sums paid to or received by an employee including the value of any none cash benefits received.

### **Financial Year**

The period covered by a set of financial Accounts – the CCN financial year commences 1 April and finishes

31 March the following year.

### **International Financial Reporting Standard (IFRS)**

These standards are developed by the International Accounting Standards Board and regulate the preparation and presentation of Financial Statements. Any material departures from these Standards would be disclosed in the notes to the Accounts. International Financial Reporting Standards are new standards developed by the IASB.

### **Minimum Revenue Provision (MRP)**

This is the statutory minimum amount which is required to charge to revenue on an annual basis as a provision to redeem debt.

### **Nottinghamshire Office of the Police and Crime Commissioner (NOPCC)**

### **Nottinghamshire Office of the Police and Crime Commissioner and it's Group (The Group)**

**Past Service Cost (Pensions)**

These costs represent the increase in liabilities arising from decisions taken in the current year to improve retirement benefits, but whose financial effect is derived from years of service earned in earlier years.

**Remuneration**

Reward for employment in the form of pay, salary, or wage, including allowances, benefits (such as company car, medical plan, and pension plan), bonuses, cash incentives, and monetary value of the noncash incentives.

**Revenue Expenditure**

The day to day running costs incurred in providing services.

**The Act**

The Police Reform and Social Responsibility Act 2011

**The Code**

The Code of Practice on Local Authority Accounting 2012-2013