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NOTTINGHAMSHIRE  
**POLICE**

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PROUD TO SERVE

**The Chief Constable of  
Nottinghamshire  
Statement of Accounts  
2013-2014**

# **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 (the Chief Constable (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 Constable's 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 Commissioner.

The guidance relating to how this change is accounted for has evolved during this year namely in the issuance of Local Authority Accounting Panel (LAAP) bulletin 98A. Additionally the Chief Constable is now confirmed in law as a Local Authority and any transactions not relating to taxation can be neutralised. This has resulted in a restating of these Accounts. More information is included in point 5 of this foreword.

### **2 Purpose**

The purpose of this foreword is to provide a clear guide to the most significant matters reported in the Statement of Accounts. 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. This is an interim phase to allow agreement of the governance going forward from 1 April 2014. This is when transfers are made to the Chief Constable, but until then the accounting treatment has been done on the basis of agent and principal.

### **4 The Financial Statements**

The Accounts are prepared in accordance with the Code of Practice on Local Authority Accounting 2013-2014 (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 Responsibilities (Page 8)**  
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 10)**  
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 11)**  
The Chief Constable holds no reserves.
- **Balance Sheet (Page 11)**  
The Chief Constable holds no assets or liabilities.
- **Cash Flow Statement (Page 11)**  
The Chief Constable holds no cash and cash equivalents.
- **Notes to the Accounts including Accounting Policies (Page 12)**  
These provide additional information concerning items in the above statements and additional relevant information, including the relevant Accounting Policies. The accounting policies are congruent with policies as adopted by the Commissioner.
- **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 Review of the Financial Statements**

As mentioned in the introduction the content of the financial statements for the Chief Constable have been reviewed to ensure that not only legislative requirements are reflected but also the reality of local circumstances. Specifically the Principal and Agent relationship can no longer be relied upon and a CIES, rather than a Statement of Resources Consumed is needed. Therefore a Balance Sheet, MIRS and Cash Flow Statement are also required. In the Statement of Resources Consumed presented in 2012-2013 Accounts, the true cost of pensions and employee emoluments were included but the reserve relating to this was carried on the Commissioners Balance Sheet. This is now carried on the Chief Constable Balance Sheet. Although the contract of employment is with the Commissioner the control of most staff and officers is with the Chief Constable and hence this treatment is appropriate.

The Commissioner receives all income and makes all payments from the Police Fund for the Group and has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's staff operates. The Commissioner has not set up a separate bank account for the Chief Constable, which reflects the fact that all income is paid to the Commissioner. The Commissioner has not made arrangements for the carry forward of balances or for the Chief Constable to hold cash backed reserves. However the

Chief Constable does control much of the income and it is appropriate to account for it within its CIES. The funding for the Chief Constables net cost is reimbursed by the Commissioner.

The International Accounting Standards Board framework states that assets, liabilities and reserves should be recognised when it is probable that when it is probable that any 'future' economic benefits associated with the item will occur. At the outset the Commissioner took responsibility for the finances of the whole group and controls the assets, liabilities and reserves and accepts the risks and rewards relating to these. Therefore with the exception of the staff related reserves previously mentioned no other balances will be in the Chief Constables Accounts. Non-current Assets are controlled by the Commissioner and all decisions relating to sales or decommissioning are taken by the Commissioner. The Capital Programme to purchase Non-current assets is also controlled by the Commissioner. The Chief Constable uses these assets in the provision of service, and to recognise this, the depreciation is charged to the Chief Constable Accounts as a proxy.

The Police Officer Pension Fund account will continue to sit within the Commissioners Accounts. Although the transactions relate to Officers within the Chief Constables, the Pension Fund Account demonstrates how the pension liability between the Commissioner and Home Office has been calculated.

This review will result in restatements. Further review following Stage 2 Transition on 1 April 2014 will take place.

## **6 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 Commissioner 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 their 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 right things are done, in the right way, for the people of Nottinghamshire, in a timely, inclusive, open, honest and accountable manner.

## 7 Budget Management Statement

Actual 2012-13 £m	Revenue Expenditure	Budget 2013-14 £m	Actual 2013-14 £m	Variance + (-) £m	NOTE
157.7	Employee Costs	158.9	157.7	-1.2	<b>1</b>
6.1	Premises Maintenance	5.9	6.5	0.6	<b>2</b>
6.0	Transport	5.8	6.2	0.4	<b>3</b>
13.6	Supplies and Services	12.5	14.6	2.1	<b>4</b>
7.8	Agency costs	7.0	7.7	0.7	<b>5</b>
3.2	Capital Financing	3.8	3.5	-0.3	<b>6</b>
3.7	Pensions	3.4	4.3	0.9	<b>7</b>
-10.9	Income	-4.8	-6.4	-1.6	<b>8</b>
<b>187.3</b>	<b>Net Cost of Services</b>	<b>192.5</b>	<b>194.1</b>	<b>1.6</b>	
0.0	Use of Reserves	1.6	0.0	-1.6	<b>9</b>
<b>187.3</b>	<b>Net Budget Requirement</b>	<b>194.1</b>	<b>194.1</b>	<b>0.0</b>	
<b>187.3</b>	<b>Net Operating Expenditure (within the CIES)</b>	<b>194.1</b>	<b>194.1</b>	<b>0.0</b>	

### Notes

- 1** The saving against budget is due to staff vacancies held throughout the year and a reduction in overtime.
- 2** The increase in expenditure year on year is largely on higher energy costs and the outsourcing of cleaning to a cleaning contractor.  
Versus budget the variance is due to increased energy costs and the budget including an efficiency target which was achieved through savings in other lines of expenditure.
- 3** Versus budget the variance is due the budget including an efficiency target which was achieved through savings in other lines of expenditure.
- 4** The reduction in expenditure year on year and against budget reflects the increase in the cost of insurance, uniforms due to the force's commitment to recruiting new officers and efficiency target which was achieved through savings in other lines of expenditure.
- 5** The increase in expenditure versus budget reflects additional regional collaboration contributions for activities/services undertaken during 2013-2014, 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 higher interest payments and an increased minimum revenue provision (MRP) charge reflecting the capital spend from 2012-2013.
- 7** Reflects an increased number of officers leaving on medical retirements.
- 8** The decrease in income year on year largely reflects reflects the transfer of the PCSO grant, which was £5.5m in 2012-2013 to main stream funding.
- 9** The budget was based on making a £1.6m contribution to reserves. However this was not achieved due to cost pressures and the Commissioner agreed a spending limit of the 2013-2014 funding being £194.1m.

## **8 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 may join the Local Government Pension Scheme (LGPS); this is a funded scheme administered by Nottinghamshire County Council.

Pension Costs are included in the cost of service provision. The CIES includes the cost of pensions at current service cost adjustment.

## **9 Accounting Policies**

The Accounting Policies have been harmonised with the Commissioner. There are no changes this year. The Accounting Policies included here are the ones relevant to this year's accounts, and are included within the relevant Notes to the Accounts.

## **10 Post Balance Sheet Events**

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

## **11 Jointly Controlled Operations**

There are a number of regional collaborations in place where the Chief Constable and Commissioner have entered into collaboration agreements for the provision of particular services. 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.

Since 1 October 2013 Nottinghamshire Police joined the National Police Air Support Service (NPAS), replacing the shared arrangement with Derbyshire Constabulary.

## **12 Future Outlook**

The changes resulting from the Stage 2 Transition Order, of the Act, will come into effect from 1<sup>st</sup> April 2014. Consequently there will be significant changes in the 2014-2015 Accounts to reflect the transfers of staff from the employment of the Commissioner to the Chief Constable, that take place on that date.

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.

## **13 Going Concern**

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

## **Statement of Responsibilities**

### **The Chief Constable of Nottinghamshire's 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 responsibility for the administration of those affairs. The Chief Constable has designated this undertaking to the ACO – Resources (Chief Financial Officer).
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard 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 Chief Constable's Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. The statement is required to present fairly, the financial position of the Chief Constable at the accounting date and its Income and Expenditure for the year ended 31 March 2014.

In preparing the Accounts, the Chief Financial Officer has:

- Selected suitable Accounting Policies and then applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Complied with the Code of Practice.
- Kept proper records which are 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 2014 and its Income and Expenditure for the year ended 31 March 2014.

**Margaret Monckton ACA**

**ACO – Resources**

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

I certify as 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 2014 and its income and expenditure for the year ended 31 March 2014.

**Chris Eyre**

**Chief Constable of Nottinghamshire**

**23 September 2014**

## **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

2012-2013 Restated						2013-2014		
Gross Exp' £000	Gross Income £000	CCN Net Exp' £000				Gross Exp' £000	Gross Income £000	CCN Net Exp' £000
103,468	-11,384	92,084	Local Policing	a		108,271	-5,258	103,013
16,120	-234	15,885	Dealing with the Public	b		19,388	-310	19,078
13,663	-576	13,088	Criminal Justice Arrangements	c		18,272	-1,107	17,165
5,002	-3,639	1,363	Road Policing			6,137	-2,563	3,574
12,702	-226	12,476	Specialist Operations	d		11,314	-705	10,609
15,007	-739	14,267	Intelligence			15,449	-986	14,463
55,036	-1,342	53,694	Investigation	e		46,536	-1,168	45,368
3,223	-21	3,202	Investigative Support	e		7,766	-51	7,715
5,299	-3,949	1,350	National Policing			5,594	-3,330	2,264
216	0	216	Corporate and Democratic Core			216	0	216
387	0	387	Non Distributed Costs			73	0	73
0	-215,294	-215,294	Funding from Commissioner			0	-221,526	-221,526
<b>230,124</b>	<b>-237,404</b>	<b>-7,281</b>	<b>Cost Of Services</b>			<b>239,016</b>	<b>-237,004</b>	<b>2,012</b>
			<b>Financing and Investment Income &amp; Expenditure -</b>					
90,187	-6,775	83,412	pensions interest			98,466	-8,502	89,964
<b>320,311</b>	<b>-244,179</b>	<b>76,131</b>	<b>Surplus (-) or Deficit on Provision of Services</b>			<b>337,482</b>	<b>-245,506</b>	<b>91,976</b>
			<b>Other Comprehensive Income &amp; Expenditure -</b>					
		321,394	Pension Fund Adjustment under regulations					-102,425
		<b>397,525</b>	<b>Total Comprehensive Income &amp; Expenditure</b>					<b>-10,449</b>

### Notes

- a The main movement is due to the Police Community Support Officer grant £5.5m moving into main stream funding in 2013-2014
- b This now includes the Crime Management Bureau previously part of Investigation
- c This now includes file preparation previously part of Investigation
- d This has reduced in officer numbers and received additional income relating to the G8 summit
- e Regional Forensic costs are now included in Investigative Support, not Investigations

## CS2 Movement in Reserves

2013-14	General Fund £000	Pensions Reserve £000	Accum' Absence £000	Total Unusable Reserves £000
<b>Balance at 1 April 2013</b>	0	2,145,196	5,535	2,150,731
<b>Surplus (- deficit) on the provision of services (accounting basis)</b>	91,976			91,976
<b>Other Comprehensive I &amp; E - revaluation gains &amp; losses</b>		-102,425		-102,425
<b>Total CIES</b>	91,976	2,042,771	5,535	2,140,282
<b>Adjustment between accounting basis &amp; funding basis under regulations</b>				
Pension costs adj between calculated in accordance with IAS19 and the contributions due under pension scheme regulations	-143,717	143,717		0
Employers contribution to Pension Scheme	51,784	-51,784		0
Charges for Employee Benefits	-43		43	0
<b>Balance at 31 March 2014</b>	0	2,134,704	5,578	2,140,282
<b>2012-13 Restated</b>				
<b>Balance at 1 April 2012</b>	0	1,748,090	5,116	1,753,206
<b>Surplus (- deficit) on the provision of services (accounting basis)</b>	76,131			76,131
<b>Other Comprehensive I &amp; E - revaluation gains &amp; losses</b>		321,394		321,394
<b>Total CIES</b>	76,131	2,069,484	5,116	2,150,731
<b>Adjustment between accounting basis &amp; funding basis under regulations</b>				0
Pension costs adj between calculated in accordance with IAS19 and the contributions due under pension scheme regulations	-127,328	127,328		0
Employers contribution to Pension Scheme	51,616	-51,616		0
Charges for Employee Benefits	-419		419	0
<b>Balance at 31 March 2013</b>	0	2,145,196	5,535	2,150,731

## CS3 Balance Sheet

31 March 2013 £000		31 March 2014 £000
-5,535	Short Term Creditor Accumulated Absences	-5,578
-2,145,196	Long Term Creditor Net Pension Liabilities	-2,134,704
-2,150,731		-2,140,282
	<b>Unusable Reserves</b>	
5,535	Accumulated Absences	5,578
2,145,196	Pension Reserves	2,134,704
2,150,731		2,140,282

## CS4 Cash Flow Statement

31 March 2013 Restated £000		31 March 2014 £000
76,131	Net surplus (-) or deficit on the provision of services	91,976
	Adjustment for non cash movements	
-419	Accumulated absences	-43
-75,712	IAS 19 Pension Adjustments	-91,933
0	<b>Representing cash and cash equivalents</b>	0

## **Notes to the Accounts including Accounting Policies**

### **1 General Principles**

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

The Chief Constable is deploying staff and officers employed, controlled and paid for by the Commissioner to provide the policing service in Nottinghamshire and in the achievement of the Commissioner's Plan. The legal status has the Commissioner as the source of transactions and the reality of this is borne out through the level of control exerted.

The CIES summarises transactions for the 2013-2014 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 2013-2014 (The Code) and the Best Value Accounting Code of Practice 2013-2014, supported by International Financial Reporting Standards (IFRS).

The Accounts have been prepared on a 'going concern' basis. The stage 2 transitional arrangements for the Commissioner are not considered to affect the applicability of this principle. Under The Act, The Chief Constable and the Commissioner 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 The Commissioner, but recognition in the Group and The Chief Constable 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 Exceptional Items**

There are no exceptional items applicable to the Chief Constable in 2013-2014.

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

There are no prior period adjustments or changes in Accounting Policies, applicable to the Chief Constable in 2013-2014.

In applying accounting policies, the Chief Constable 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.

#### **5 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.

#### **6 Government Grants and Contributions**

All grants, third party contributions and donations are received by the Commissioner.

#### **7 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 22 Agreements. They are explained briefly in item 10 of the explanatory foreword.

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

#### **8 Overhead Costs**

The Service analysis is based on Service Expenditure analysis Code of Practice (SeRCOP) 2013-2014, 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.

#### **9 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.

## 10 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 Chief Constable does not submit a VAT return. The Commissioner submits a single VAT return on behalf of the group.

## 11 Resources used in Provision of Police Services

Although all transactions relating to 2013-2014 are solely within the Accounts of the Commissioner and all assets are owned and controlled by the Commissioner, the Chief Constable has used resources to provide policing, and the true cost of this is included in the CIES. 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.

### 11.1 Income within Cost of Services

The significant reduction in partnership income is due to £5.5m of PCSO grant which has been incorporated into mainstream funding. Also DIP (drugs control) funding £0.6m is no longer available.

2012-13 £000		2013-14 £000
-13,856	Partnership and Joint Controlled Operations	-6,508
-1,858	P.F.I Grant	-1,858
-2,141	Recharge of Officers	-1,550
-4,255	Other Income	-5,562
<b>-22,110</b>	<b>General Income</b>	<b>-15,478</b>
-215,294	Funding from Commissioner	-221,526
<b>-237,404</b>	<b>Total</b>	<b>-237,004</b>

### 11.2 Financing and Investment Income and Expenditure

2012-13 £000		2013-14 £000
90,187	Partnership and Joint Controlled Operations	98,466
-6,775	P.F.I Grant	-8,502
<b>83,412</b>		<b>89,964</b>

## 12 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 which was £0.020m. (£0.020m in 2012-2013).

## 13 Pensions

Full details of these defined benefit pension schemes can be found within the Accounts of the Group. 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 CIES.

## 14 Leases and 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. 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 Group.

## 15 Officer Emoluments

### 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.

### 15.1 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 15.2 and employers pension contributions. The table includes 3 Officers over the rank of Superintendent (4 in 2012-13).

2012-13 No of employees	Remuneration Band	2013-14 No of employees
115	£50,000 - £54,999	132
71	£55,000 - £59,999	63
10	£60,000 - £64,999	13
2	£65,000 - £69,999	7
6	£70,000 - £74,999	4
17	£75,000 - £79,999	14
2	£80,000 - £84,999	0
1	£85,000 - £89,999	3
1	£90,000 - £94,999	0

## 15.2 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 15.1.

2013-2014 Post Holder Information	Notes	Salary £	Benefits in Kind £	Other Payment £	Sub Total £	Employers Pension Contrib' £	Total inc Pension Contrib' £
			Note 7	Note 8			
Chief Constable		142,973	6,292	3,554	152,819	34,599	187,418
Deputy Chief Constable (A)	1	23,719	1,119	5,812	30,650	5,740	36,390
Deputy Chief Constable (B)	2	94,170	9,177	6,096	109,443	22,789	132,232
Assistant Chief Constable - Crime, Justice & Protective Services							
Assistant Chief Constable (A)	3	82,275	6,900	3,000	92,175	17,822	109,997
Assistant Chief Constable (B)	4	21,876	0	1,171	23,047	5,294	28,341
Assistant Chief Constable - Local Policing							
Assistant Chief Constable (A)	5	78,716	3,753	2,873	85,342	18,912	104,254
Assistant Chief Constable (B)	6	21,464	112	1,551	23,127	5,194	28,321
Assistant Chief Officer - Resources		102,828	6,111	0	108,939	14,601	123,540
		568,021	33,464	24,057	625,542	124,951	750,493

Note 1: Deputy Chief Constable (A) retired on 13 June 2013

Note 2: Deputy Chief Constable (B), in post from 14 June 2013. She was previously an Assistant Chief Constable up until 13 June 2013 (see note 6)

Note 3: Assistant Chief Constable (A) in post from 28 May 2013

Note 4: Assistant Chief Constable (B) was acting in role until 24th June 2013, substantive post for remainder of the year was as a Chief Superintendent. The costs shown only relate to his time in the ACC role.

Note 5: Assistant Chief Constable (A) in post from 10 June 2013

Note 6: Assistant Chief Constable (B) in post until 13 June 2013

Note 7: Benefits in Kind include taxable expenses such as mileage, car allowances and medical expenses

Note 8: Other payments include Rent Allowance, Housing Allowance & Compensatory Grant

**SENIOR OFFICERS EMOLUMENTS 2012-2013**

2012-2013 Post Holder Information	Notes	Salary £	Benefits in Kind £	Other Payment £	Sub Total £	Employers 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							
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							
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 and medical expenses

Note 8: Other payments include Rent Allowance, Housing Allowance, Compensatory Grant

## 16 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. The recognition of these benefits has changed this year in accordance with the Code. These are charged to the CIES when the Group is demonstrably committed to the decision.

The Commissioner terminated contracts of 17 employees during the year (22 in 2012-2013), incurring costs of £0.3m (£0.6m in 2012-2013). This comprised redundancy payments of £0.1m, pension strain costs of £0.2m. Other departures agreed cover voluntary redundancies and compromise agreements. All of the employees were included within the CIES. The Group made no material payments in relation to injury awards during the year ended 31 March 2014.

Exit Package cost band (inc special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13 £000	2013-14 £000
£0 - £20k	3	7	9	6	12	13	111	127
£20k -£40k	3	1	4	1	7	2	216	59
£40k -£60k	0	1	0	0	0	1	0	49
£60k -£80k	1	0	1	1	2	1	139	76
£80k -£100k	0	0	0	0	0	0	0	0
£100k -£150k	0	0	1	0	1	0	104	0
<b>Total</b>	<b>7</b>	<b>9</b>	<b>15</b>	<b>8</b>	<b>22</b>	<b>17</b>	<b>570</b>	<b>311</b>

## 17 Related Parties

The Chief Constable is required to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the organisation or vice versa. Disclosure of these transactions allows transparency to the extent that the Chief Constable 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 Commissioner as the parent corporation asserts a significant influence over the Chief Constable as previously indicated in Note 1.

Central Government has significant influence over the general operations of the Chief Constable. It is responsible for providing the statutory framework within which it 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 explanatory foreword item 10.

## **18 Accounting Standards Issued but not Adopted**

A number of new and revised standards have been issued addressing the accounting for consolidation, involvements in joint arrangements and disclosure of involvements in other entities.

IFRS 10 Consolidated Financial Statements; introduces a new definition of control, used to determine which entities are consolidated for the purposes of group accounts. The Commissioner group includes also the Chief Constable. There are partnerships with other agencies but none meet the definition of an associate. The regional collaboration work is considered within Joint Arrangements below. No impact is expected on the 2013-2014 Statement of Accounts.

IFRS 11 Joint Arrangements; covers the accounting for a 'joint arrangement', which is defined as a contractual arrangement over which two or more parties have joint control. These are classified as either a joint venture or a joint operation. Proportionate consolidation can no longer be used for jointly controlled entities. The entity's regional collaboration work within the East Midlands falls under the category of a jointly controlled operation and will not be affected by the new requirements.

IFRS 12 Disclosures of Involvement with Other Entities: this is a consolidated disclosure standard requiring a range of disclosures about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated 'structured entities'. There is a partnership with our Private Finance Initiative (PFI) providers and more detail is provided in the Commissioner and Group Accounts. There are a number of working arrangements with other entities; however none are of significant value.

# **INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF NOTTINGHAMSHIRE 2013-2014**

We have audited the financial statements of the Chief Constable of Nottinghamshire for the year ended 31 March 2014 on pages 10 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 2013/2014.

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 Assistant Chief Officer (Resources) and auditor**

As explained more fully in the Statement of the Assistant Chief Officer (Resources)'s Responsibilities, the Assistant Chief Officer (Resources) 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 Assistant Chief Officer (Resources); 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 2013/2014.

## **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 39 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.

## **Conclusion on the Chief Constable of Nottinghamshire's arrangements for securing economy, efficiency and effectiveness in the use of resources**

### **The Chief Constable's responsibilities**

The Chief Constable is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### **Auditor's responsibilities**

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 its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Chief Constable has put in place proper arrangements for securing economy, efficiency and effectiveness in the 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 the use of resources are operating effectively.

### **Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2013, as to whether the Chief Constable has proper arrangements for:

- securing financial resilience; and
- challenging how he secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place

proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2014.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Corporation Sole of the Chief Constable had put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources.

### **Conclusion**

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2013, we are satisfied that, in all significant respects the Chief Constable of Nottinghamshire put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2014.

### **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**  
*Chartered Accountants*  
*St Nicholas House*  
*Park Row*  
*Nottingham*  
*NG1 6FQ*  
30th September 2014

# **CHIEF CONSTABLE OF NOTTINGHAMSHIRE**

## **ANNUAL GOVERNANCE STATEMENT**

**2013-2014**

### **1.0 Introduction**

#### **1.1 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 (PCC) 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 the Nottinghamshire Office of Police and Crime Commissioner (NOPCC) website at [www.nottinghamshire.pcc.police.uk](http://www.nottinghamshire.pcc.police.uk).

This Annual Governance Statement (the Statement) explains how Nottinghamshire Police has complied with the Code. The production of the Statement also complies with the Accounts and Audit (England) Regulations 2011, regulation 4(3).

#### **1.2 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, the key elements of which are described in the following sections of this document, are subject to regular review.

The governance framework has been in place at Nottinghamshire Police from the year ended 31<sup>st</sup> March 2013 and will be up to the date of approval of the annual report and statement of accounts.

## **2.0 Annual Governance Statement**

### **2.1 Creating and implementing a vision for the local area**

#### **Strategic planning**

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 (2013-18), in which they make clear their priorities and the objectives they are setting for the Force. In addition, following a comprehensive strategic assessment carried out with the support of local community safety and criminal justice partners; the Commissioner has set a number of strategic themes.

In April 2013 a Strategic Plan for 2013-18 was produced and implemented which makes clear how the strategies and plans of the Force will address the Commissioner's priorities and support the achievement of the objectives in the Police and Crime Plan. It has been developed by the Chief Officer Team based on an understanding of what the Force does well, the areas where it can improve and how well equipped the Force is 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. It takes into account 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.

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 strategic plan articulates Nottinghamshire Police's 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.

#### **Delivery and monitoring**

A monthly Performance and Insight Pack is produced which reports against the strategic priority themes set out in the Police and Crime Plan, this includes performance against target as well as analysis of trends overtime. Additional insight is also given for those measures which are deemed to be experiencing performance that is of concern to the Force.

The Performance and Insight Pack is received by senior managers throughout the Force and is reported to the Joint Local Policing and Operational Support Board and the Corporate Services Board on a monthly basis. It is also presented to the Office of the Police and Crime Commissioner (OPCC) Strategic Resources and Performance Meeting to inform the OPCC of the key performance headlines for the Force. The minutes of this meeting, along with the Pack, are made available on the OPCC website so they are accessible to members of the public.

### **2.2 Working together to achieve a common purpose with clearly defined functions and roles**

#### **Scheme of delegation**

The Force is subject to the OPCC's Scheme of Delegation, which details the functions delegated to the Chief Executive, the Chief Financial 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 during 2014/15 to break down the accountabilities further for the organisation.

The Scheme enables the OPCC 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 role of the Chief Financial Officer**

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, Section 114 of the Local Government Act 2011 1988 and the CIPFA Statement on the Role of the Chief Finance Officer. In carrying out the role of the CFO, the ACO ensures that the financial affairs of the Force are properly administered having regard to probity, legality and appropriate standards.

As a key member of the leadership team, they help to develop and implement strategy and resource, and deliver the PCC's strategic objectives sustainably and in the public interest. They are actively involved in and able to bring influence to bear on, all material business decisions (subject to the operational responsibilities of the Chief Constable) to ensure immediate and longer term implications, opportunities and risks are fully considered, and aligned with the financial strategy. They lead and encourage the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. The requirements for the role of the Chief Constable's CFO, along with Section 151 Officer responsibilities, are formally documented in the ACO's job description.

### **The role of the Head of Internal Audit**

In compliance with CIPFA guidance, the OPCC and the Force have appointed a Head of Internal Audit. This role is contracted out to Baker Tilly, they are responsible for the organisation's internal audit service, on behalf of the CFO, including drawing up the internal audit strategy, annual plan and giving the internal annual audit opinion.

### **Policing Protocol**

The Force is compliant 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. The Protocol intends 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**

The Force is governed by the OPCC's Financial Regulations, which detail the working financial relationship between the Commissioner and the Chief Constable and their respective Chief Financial Officers. They are part of the overall regulatory and governance framework that includes the policing protocol, codes of conduct, scheme of consent and scheme of delegation.

The Chief Constable has day to day responsibility for financial management of the Force within the framework of the agreed budget allocation and levels of authorisation issued by the Commissioner. However, these duties are delegated to the ACO Resources as the Chief Constable's Chief Financial Officer.

The ACO Resources is responsible for ensuring that the financial affairs of the Force are properly administered and that the financial regulations are observed and kept up to date. The ACO is also responsible for providing assurance to the Chief Constable, the Commissioner and the external auditor of any unlawful or potentially unlawful expenditure by the Chief Constable or officers of the Chief Constable. They will also advise the Chief Constable on VFM in relation to all aspects of the Force's expenditure and the soundness of the budget.

The Commissioner, Chief Constable and all employees have a duty to abide by the highest standards of honesty, integrity and transparency in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

All Divisional and Departmental Heads have formally acknowledged their responsibilities in accordance with the Force and the OPCC's Financial Regulations. There are no significant issues to be reported and no instances of non-compliance to be reported.

An annual audit against the key financial controls is conducted by the Force's internal auditors; the latest audit rated the Force's arrangements as 'substantial'.

## **Contract standing orders**

The East Midlands Strategic Commercial Unit (EMSCU) drafted Contract Procedure Rules and Standing Orders (the Orders) in 2013/2014. The document updates the standing orders and also reflects how EMSCU manage strategic procurements across all three partner forces, Nottinghamshire, Derbyshire and Northamptonshire. It is intended as a guide for suppliers and staff to help those engaged in buying and providing goods and services.

The Orders set out the Business Code of Conduct for the NOPCC and the Force to advise on the minimum standards expected of all staff to ensure fairness and consistency of approach in line with sound commercial practice.

The document includes procurement policy and procedures, the aim of which are to ensure that the supply of goods, services and works are procured in accordance with relevant legislation and in the most cost effective manner. They also aim to ensure that procurement activity is undertaken in a fair, transparent and consistent manner, ensuring the highest standards of probity and accountability. Procedures define the minimum processes expected of staff engaged in the procurement of goods, services and works on behalf of the NOPCC and NP.

Agreement from all three forces is still being finalised, once formally approved these will be published on the OPCC website.

## **Partnership working**

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 ten 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.

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, Baker Tilly, 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 was identified that a corporate Partnership Working Policy should be developed and implemented 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. This register has now been produced and will be reported on in line with the Force Partnership Working Policy, once it is established.

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

These recommendations have been captured and are being monitored through the Force Action Plan. Progress is reported to the Joint Local Policing and Operational Support Board, which is chaired jointly by the ACC, Local Policing, and the ACC, Crime Justice and Protective Services, on a monthly basis.

## **Collaboration**

Collaborative opportunities are increasingly being explored and arrangements put in place within the region in order to maintain and improve service delivery whilst delivering significant cost savings.

The East Midlands Collaboration Programme (EMPCP) manages projects on behalf of East Midland's forces. It has four portfolio areas, Specialist Crime, Operational Support, Specialist Operations and Resources, each headed by one of the region's Chief Constables and delivered by the EMPCP team.

The Commissioners for each Force area are responsible for monitoring from a governance perspective the effectiveness and efficiency of the collaboration and considering ways in which the functions could be exercised to improve their effectiveness and efficiency. The Chief Constables for each force are responsible for the determination of the strategic operational direction and for monitoring the effectiveness and efficiency of the collaboration from a direction and control perspective.

Each collaboration requires an agreement pursuant to Section 22a of the Police Act 1996 as amended by the Police Reform and Social Responsibility Act 2011. The agreement sets out the relationship between the parties entering into the agreement, the governance and accountability arrangements, roles and responsibilities, dispute resolution and financial contribution.

Assurance regarding collaborative arrangements has recently been sought from both the Force's internal auditors and Her Majesty's Inspectorate of Constabulary (HMIC). The results of these reviews are monitored through the appropriate Boards.

<b>URN*</b>	<b>Identified improvement actions:</b>
<b>2.2.1</b>	Establish where Information Sharing Agreements need to be reviewed in respect of partnership working, update as appropriate and communicate to relevant stakeholders.
<b>2.2.2</b>	Once agreed publish the updated Contract Procedure Rules and Standing Orders on the OPCC website.
<b>2.2.3</b>	Develop and publish an Internal Scheme of Delegation to set out levels of authorisation for senior managers in the Force.
<b>2.2.4</b>	Develop and implement a Partnership Working Policy.

\*Unique Reference Number.

## **2.3 Demonstrating the values of good governance through upholding high standards of conduct and behaviour**

### **Our Values**

The PROUD values were introduced to the Force in 2012. 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 police officers and police staff have been communicated formally through the 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 communicate to police staff employees what is expected of them and the likely consequence of failure in meeting those standards.

A National Code of Ethics for Policing in England and Wales was circulated for consultation in 2013/2014. It sets out nine policing principles and ten standards of professional behaviour and emphasising what good policing should look like and how ethical officers and staff should behave. To support this, the Force published a code of conduct which aimed to give greater clarity around the expected standards of behaviour of Officers and Staff in maintaining professional boundaries with victims, witnesses and offenders. This was published on both the Force intranet and the Force website.

Professional Standards have an effective standards monitoring process in place. Standards are governed by the Professional Standards and Integrity Board, which is chaired by the Deputy Chief Constable and takes place on a bi-monthly basis. The remit of the meeting is to oversee integrity and monitor standards of conduct and behaviour within the Force, ensuring that they are in line with Force values and have a positive impact of reputation and public confidence. It forms an integral part of the Force's internal governance arrangements by bringing together members of the Professional Standards and HR senior management teams to review matters of performance relating to conduct.

A report on IPCC investigations is presented at the Joint Audit and Scrutiny Panel on a bi-annual basis. The purpose of the report is to inform the PCC in respect of how many cases the Force has referred to the Independent Police Complaints Commission (IPCC) during a specified period. Also, it details any outcomes and recommendations the IPCC has referred back to the Force during this period, and other learning identified. The Panel is made up of five independent members, members of the public are also able to attend and minutes of the meeting are made available via the OPCC website.

The Force has a Professional Standards Reporting Procedure in place. 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.

### **Managing complaints**

There are effective, transparent and accessible mechanisms for managing complaints in Force, 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.

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

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 on the Professional Standards intranet page.

To provide internal assurance, a Performance and Insight Report, monitoring the complaints process, is produced on a monthly basis. This report provides statistical data and analysis on public complaints and allegations recorded by Division or Department.

A Complaints Assurance Report is also produced by the OPCC to provide the PCC with assurance that complaints are being managed in accordance with IPCC statutory guidance. Recommendations are reported to the Strategic Resources and Performance Meeting, which is chaired by the PCC, on a bi-annual basis. The minutes of this meeting are made available to the public on the OPCC website.

The Force also receives nationally comparative statistical data from the IPCC in respect of public complaints, on a quarterly basis.

### **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 Integrity Board.

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.

An 'Integrity Healthcheck' is being introduced for all Officers and Staff in 2014/15 as part of the annual PDR process. Individuals will be reminded of their obligations in respect of Force policy regarding notifiable associations, gifts and hospitality, business interests and debt management,

### **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.

A register of gifts, gratuities and hospitality is maintained by the Professional Standards Department, it is published annually on the Force website.

### **Information assurance**

Information assurance (IA) is governed through the Force Information Assurance Board, chaired by the DCC as the Senior Information Risk Officer (SIRO). The role of the Board is to manage the effectiveness of Information Assurance arrangements to ensure that information held, processed and accessed by members of the Force and our stakeholders is kept secure in order to ensure confidentiality, integrity and availability of information.

An annual information assurance assessment takes place against the Information Assurance Maturity Model (IAMM). An IA Task and Finish Group has been set up to look at the requirements of the IAMM in order to carry out a gap analysis of how the Force currently operates in relation to the requirements of the model. This group is responsible for implementing and developing areas of information assurance, reporting to the Force Information Assurance Board (FIAB) quarterly.

An Information Risk Management Group was recently commissioned by the SIRO for the management of strategic information risks on behalf of the Force Information Assurance Board (FIAB). The role of the group will be to provide assurance to the FIAB as to how effectively information risks are being managed at project, division / department and Force level and to manage the implementation of the Information Risk Management Strategy.

All users of Force systems are aware of their roles and responsibilities with regard to ensuring they handle and process police information in compliance with the Force's Information Assurance Framework, and have a duty to report instances of non-compliance to their line managers. The majority of staff have completed an e-learning course on Information Assurance. This is a mandatory exercise which all Officers and Staff will be required to complete during 2014/15.

Each information asset or system in Force has an Information Asset Owner whose role it is to understand what information is held, what is added and what is removed, how information is moved, who has access and why. Training was conducted by the Information Management Officer in 2013/2014 for Information Asset Owners and their delegates to ensure they fully understood their role and responsibilities.

Nottinghamshire Police as a public authority have a legal responsibility to respond to Freedom of Information Act (FOIA) and Data Protection Subject Access Requests (DP SARs) within legislative deadlines, which are monitored and governed by the Information Commissioner's Office. These requests are processed and completed by the Information Management Team within Business and Finance. An annual report is presented to the OPCC's Audit and Scrutiny Panel to provide the Panel with data on legislative compliance with the FOIA and DP SARs. This data is also presented at the FIAB quarterly.

### **Information sharing**

The Force has a number of Information Sharing Agreements (ISAs) in place with partners and other agencies to define the arrangements for processing data between the two bodies in order to offer clarity on when and how information can be shared legally and professionally, in order to achieve intended outcomes. All ISAs are formally approved by the SIRO.

In order to ensure all ISAs are fit for purpose they will be reviewed during 2014/15. A mechanism will also be put in place to ensure they are reviewed on an annual basis going forward.

### **Information security**

The Force's Information Security Policy is owned by Professional Standards, it was last updated in October 2013. The aims of the policy are to ensure that information held, processed and accessed is kept secure in order to ensure confidentiality, integrity and availability at all times.

The policy extends and applies to all Nottinghamshire Police owned information systems and assets, which hold both manual and electronic information, irrespective of their physical location. The policy also applies to all police officers, police staff and partners, agents and other approved persons working for or with the Police.

The Force recognises the need to ensure security for its areas of responsibility and is committed to managing information and information assets appropriately. This is achieved by maintaining appropriate security standards, specifically in relation to the HMG Security Policy Framework.

The Force maintains compliance with ACPO Information Systems Security Policy and the HMG Information Assurance Maturity Model (IAMM). A gap analysis has been conducted against the IAMM and an Information Assurance Improvement Plan developed.

The Information Assurance Improvement Plan incorporates all improvement opportunities for Information Assurance, including those identified by the Information Commissioner, from a gap analysis against the ISO 27001 and the IAMM framework.

The results of the improvement plan are monitored by the ACO Resources and reported on a quarterly basis to the Force Information Assurance Board, which is chaired by the DCC who is the Force SIRO. The Board has direct responsibility for maintaining Information Security Policy and Procedures, for their implementation and providing advice.

The Force will engage with the National Accreditors and maintain a current certificate of accreditation to relevant National Systems at all times.

#### **Information assurance audit**

The Information Commissioner's Office (ICO) conducted an audit of the Force's data protection compliance arrangements in October 2013. The purpose of the audit was to provide the Information Commissioner and the Force with independent assurance of the extent to which the Force is complying with the Data Protection Act. It focussed specifically on the security of personal data, data sharing and requests for personal data.

The overall conclusion was that there was a limited level of assurance that processes and procedures are in place and delivering data protection compliance. In order to enhance existing processes to facilitate compliance a number of recommendations were made which have formed part of the Force's Information Assurance Improvement Plan.

<b>URN</b>	<b>Identified improvement actions:</b>
<b>2.3.1</b>	Ensure all Officers and Staff complete the Information Assurance NCALT exercise.
<b>2.3.2</b>	Introduce a process for updating the Information Asset Register periodically.
<b>2.3.3</b>	Put mechanisms in place to ensure ISAs are reviewed on an annual basis.

## **2.4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

### **Governance structure**

The Force Executive Board is the Force's primary decision making forum, its purpose is to direct, set and oversee the strategic development of the Force. It sets the Force strategy, agrees and sets the Force priorities and monitors performance and risk against the Force Strategic Plan. The Force Executive Board is attended by all the Chief Officers and is the forum in which all key decisions are made, such as expenditure, subject to the PCC's Scheme of Delegation.

Both the Assistant Chief Constables and the ACO Resources chair meetings to manage activity, performance and risk within their respective portfolio. The progress of projects under each portfolio are monitored and any arising risks are managed accordingly. The Boards also review and approve business cases, project scopes, initiation documents, and actions arising from audit and inspection. The Boards are also the primary forum for managing the performance of the portfolio.

The Transformation Board was introduced to the governance structure in 2013/2014, the purpose of which is to govern transformational activity to ensure the Force will meet its future performance and financial challenges.

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.

### **Decision making**

The Business and Finance department are responsible for implementing mechanisms to ensure all appropriate considerations are made when making a key decision, for example when writing business cases, scopes, project initiation documents, policies, procedures and strategy. Guidance is provided by Business Partners, the Programme Management Office and the Planning and Policy Team.

Decision making is recorded as part of minutes, action plans and decision logs; however there is no consistent process for recording decisions at corporate meetings. This has been identified as an area for improvement for 2014/15 along with the requirement to publish decisions on the intranet to ensure transparency and accountability.

Additionally it is a requirement of the ICO Publication Scheme that the Force publish how key decisions are made on the external website. This should take the form of minutes of key Force meetings, such as the Force Executive Board. This is not currently done and has also been identified as an area for improvement for 2014/15.

### **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 established a Joint Audit and Scrutiny Panel (the Panel) in 2013. The role of the Panel is to advise the PCC and Chief Constable on the adequacy of the corporate governance and risk management arrangements in place and the associated control environment, advising according to good governance principles and proper practices.

The Panel also assist the Commissioner and the Chief Constable in fulfilling their responsibility for ensuring Value for Money and they oversee an annual programme of scrutiny of key areas of policing activity on behalf of the Commissioner.

The Panel meets four times a year and consists of five independent members. The terms of reference for the Panel, meeting agendas, minutes and associated reports are published on the OPCC's website in the interests of transparency and accountability.

### **Risk management**

The Force and the Office of the PCC have agreed a joint Corporate Risk Management Policy and Procedure which specify roles, responsibilities and processes to be followed. Assurance that the Policy and Procedure are being implemented and are effective has been provided to the Corporate Governance Board, Force Executive Board and Joint Audit and Scrutiny Panel through 6-monthly strategic risk reports prepared by the risk practitioner within the Business and Finance department. Both documents have also been communicated to all divisional commanders and heads of department and are available on the Force intranet.

During the second half of 2013/2014 the Policy has been reviewed against the Office of Government Commerce (OGC) Management of Risk (M\_o\_R) standard and is currently being updated, which will bring about changes to improve the consistency with which risk management is applied and its effectiveness as an aid to decision making.

Risk identification and review were used during 2013/2014 to inform assurance mapping, which is a valuable tool for determining gaps in assurance to inform a risk based internal audit and scrutiny schedule. They provide a 'dashboard view' for the Chief Officer Team and Joint Audit and Scrutiny Plan to enable them to assess at a glance where levels of assurance in key areas of the business are adequate or where further assurance may be required.

### **Business Continuity**

Business Continuity Planning within Nottinghamshire Police is carried out in line with the Association of Chief Police Officers (ACPO) five year Business Continuity Strategy, the Business Continuity Institute Good Practice Guidelines (to industry standard) and the International Standard for BCM. The strategic lead for BCM is the Deputy Chief Constable.

The Force BC Lead Officer is responsible for directing and advising on BCM policy, strategy and process throughout the organisation. This includes ensuring effective business impact assessment, risk assessment, plan formulation, test, exercise and internal review.

The Head of each Division and Department is the BC Plan Owner and has an appointed Single Point of Contact (SPOC) for BCM, responsible for the production of BC plans, communication at all levels from management teams to officers and staff and ensuring all plans are subject to test exercise and review.

Divisions and Departments carry out Business Impact Assessments (BIA) on all functions and activities within their area of operation and from this, identify the critical activities that must be maintained, as far as is possible, during any disruption to normal business. Once identified, critical activities are subject to risk assessment, and recovery strategies identified and put in place to maintain and/or recover those activities during disruption. When completed, the above information is used to inform and direct production of the Business Continuity Plan (BCP).

All BC plans are subject to annual review, and will be exercised in line with the Force BC test and exercise programme. Following de-brief of any test or exercise, a report is completed and, if required, BC plans are reviewed and updated.

BC is governed in the Force through a quarterly Business Continuity Forum, which is chaired by the BC Lead Officer, and is attended by the SPOCs for each division and department. The Force Executive Board and Joint Audit and Scrutiny Panel of the OPCC receive an Annual Business Continuity Assurance Report to ensure that BC is adequately managed.

### **Internal audit**

The Commissioner and Force employ Baker Tilly, an independent provider of accountancy and business services, as its internal auditors. 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.

The Force's risk based internal audit plan is agreed and presented to the Panel before the start of the new financial year. The plan is informed by an assurance mapping process which highlights key policy areas lacking assurance.

Progress against the audit plan is formally reported on by Baker Tilly on an annual basis. In addition, a representative from the internal auditors meets with the ACO Resources on a quarterly basis to discuss internal audit progress and highlight any risks or opportunities for improvement.

### **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 Audit Annual Letter is presented at the Joint Audit and Scrutiny Panel as the final part of compliance with the Accounts and Audit Regulations for closure of the accounts.

The report summarises the key findings from the annual audit of the OPCC and the Chief Constable, its intention is also to communicate any issues to key external stakeholders, including members of the public. This includes a comment on the OPCC and Force's value for money (VFM) profile. There were no matters to report in the 2012/13 Annual Audit Letter, in respect of VFM.

### **External inspection**

HMIC inspects and reports on the efficiency and effectiveness of police forces and specified national police agencies. Its overall objective is to provide, in the public interest, independent, professional assessments of police efficiency and effectiveness for the public, their elected representatives and the police.

In addition, the criminal justice inspectorates of Constabulary, Crown Prosecution Service (CPS), Prisons, and Probation, also carry out regular evaluations in partnership, as part of the Criminal Justice Joint Inspections (CJJI) programme and alongside other national inspectorates such as Ofsted.

## 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.

In the future, Force intend to develop the Horizon Summary report further to link in with the business planning process to ensure risks and opportunities are properly explored and taken forward.

URN	Identified improvement actions:
2.4.1	Review the way in which actions and decisions are recorded and ensure they are published in line with the ICO Model Publication Scheme.
2.4.2	Embed the revised Corporate Risk Management Policy and Procedure.
2.4.3	Develop the Horizon Scanning Report further to link in with the business planning process.

## 2.5 Developing the capacity and capability of the Force to be effective

### Learning and development

Learning and development is delivered collaboratively by EMCHRIS. Each of the four forces within the collaboration hold quarterly Training Priority Panels which set the learning and development priorities for each Force, this is chaired by the DCC in Nottinghamshire. Training priorities are based on consideration of risk and forthcoming legislative changes; they are informed by both emerging national issues, such as ASB and Cyber Crime, and local priorities.

The learning and development priorities are presented in a report to the OPCC's Strategic Resources and Performance Meeting to provide an overview and accompanying Training Plan for the year.

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.

A Talent Management and Succession Planning Strategy is currently being developed by the Force, along with a draft Talent Management Framework, however there is still some work required to develop the processes, practices, learning interventions and communications plan to support this.

URN	Identified improvement actions:
2.5.1	Develop and implement a Talent Management and Succession Planning Strategy.
2.5.2	Review, update and embed the formal induction process.

## 2.6 Engaging with local people and other stakeholders to ensure robust public accountability

### Community engagement and consultation

During 2013/2014 the Force developed and published a Public Engagement Strategy to ensure that engagement with the public contributes positively to the Force and Commissioner's priorities, and enhances the public's perception of Nottinghamshire Police. Effective engagement is directly linked to the Force's objectives as set out in the Police and Crime Plan 2013-18.

At a universal level engagement takes place through social media platforms, including Facebook, Twitter and YouTube, the Force website, which provides local updates for each Neighbourhood Policing Team (NPT) area along with priorities, contact details and details of engagement events. 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.

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.

Victims of crime are, at initial contact, provided with information about what service they can expect. Track My Crime was also launched in 2013/2014, which is an online service for victims of crime allowing them to track the investigation of a crime at a time that is convenient to them. Victim satisfaction is reported as part of the Performance and Insight Pack to the OPCC's Strategic Resources and Performance Meeting on a bi-monthly basis, the minutes of this meeting, along with the report are published on the Commissioner's website.

### 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.

URN	Identified improvement actions:
2.6.1	Review the arrangements for consultation with staff as part of the Policy Development Framework.

### 3.0 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 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 2013/2014. Potential areas for improvement where there are weaknesses in either controls or assurances have also been identified for 2014/15.

We have been advised on the implications of the result of the review of effectiveness of the governance framework by the Joint Audit and Scrutiny Panel, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas to be specifically addressed with new actions are planned and outlined below.

The results of this review will be delivered through the Force business planning process and governed by the ACC and ACO Boards. Reporting will also take place annually to the Joint Audit and Scrutiny Panel alongside the external auditor's report, which will set out their opinions in relation to accounts, governance and performance.

### 4.0 Significant governance issues

The review process to support the production of the Annual Governance Statement in 2014/15 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.

URN	Action
2.2.1	Establish where Information Sharing Agreements need to be reviewed in respect of partnership working, update as appropriate and communicate to relevant stakeholders.
2.2.2	Once agreed publish the updated Contract Procedure Rules and Standing Orders on the OPCC website.
2.2.3	Develop and publish an Internal Scheme of Delegation to set out levels of authorisation for senior managers in the Force.
2.2.4	Develop and implement a Partnership Working Policy.
2.3.1	Ensure all Officers and Staff complete the Information Assurance NCALT exercise.
2.3.2	Introduce a process for updating the Information Asset Register periodically.
2.3.3	Put mechanisms in place to ensure ISAs are reviewed on an annual basis.
2.4.1	Review the way in which actions and decisions are recorded and ensure they are published in line with the ICO Model Publication Scheme.
2.4.2	Embed the revised Corporate Risk Management Policy and Procedure.
2.4.3	Develop the Horizon Scanning Report further to link in with the business planning process.
2.5.1	Develop and implement a Talent Management and Succession Planning Strategy.
2.5.2	Review, update and embed the formal induction process.
2.6.1	Review the arrangements for consultation with staff as part of the Policy Development Framework.

Please see 'Appendix One' to this Statement for a summary of the improvement actions identified in the Force's 2012/2013 Statement.

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.

#### Appendix One: Summary of identified governance issues for 2012/2013

Assurance area	Action	Update*
Risk management	Implement the regular use of divisional and departmental risk register by the end of Q2 2013/2014.	<p style="text-align: right;">*Correct as of June 2014.</p> <p>Action superseded. A process for the use of division and department risk registers has been developed, and will be described within separate strategies for operational policing, corporate services and information. To date the information risk strategy has been completed, an information risk register has been set up and is in use. The other strategies are still in development, though new style risk registers are being trialled in Crime and Justice, Estates and Facilities and Business and Finance.</p>
Risk management	Develop a three year corporate risk management strategy to facilitate the Force's development of its future approach to risk management.	<p>Action superseded. The Force Risk Management Policy has been updated to reflect the adoption of the Officer of Government Commerce (OGC) Management of Risk (MoR) approach. Once the revised policy has been implemented across the Force, a self assessment against the risk maturity model, provided by MoR, will be carried out that will form the basis of a refreshed risk improvement plan. This is part of an ongoing, cyclical process so from that point of view the implementation of the revised policy will complete this action, for the time being. There will no longer be the requirement for a Force level risk strategy, instead there will be a Force policy and portfolio strategies, as described above.</p> <p>The requirement to embed the revised Risk Management Policy and Procedure has been included as an improvement action for 2014/15.</p>
Risk management	Work with Corporate Communications to develop an internal communication strategy for risk management.	Action ongoing. Communication activity will be identified through the self assessment as part of the improvement plan.
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.	Action ongoing. The Force is currently working to develop a Partnership Working Policy. This action has been included as an improvement action for 2014/15.
Partnership working	Establish a central partnership register to ensure that the Force are aware of exactly what	Action complete. Partnership registers have been established in all areas of the Force. The reporting and maintenance of the partnership register will be developed in line with the Partnership Working Policy.

	partnerships are operating and whether these are of benefit to the Force and, or stakeholders.	
Financial management	Establish a financial reporting process for external funding and contributions to partner agencies, operations and projects.	Action complete. The Force have reviewed and revised the way that external funding and contributions to partners is reported. The management reports now incorporate the main funded accounts, externally funded and seconded officers to produce an overall total for the Force.
Policy governance	Identify policies which will be jointly owned by the NOPCC and ensure they are managed centrally so that amendments are consistent.	Action discharged. The NOPCC have developed their own suite of policies and procedures which are available on the Commissioner's website. The Force and NOPCC do however have joint Financial Regulations and a joint Corporate Risk Management Policy and Procedure.
Policy governance	Review the arrangements for consultation with staff as part of the Policy Development Framework.	Action ongoing. Work on the Policy Development Framework has been delayed due to competing demands. This has been included as an improvement action for 2014/15.
Development of Officers and Staff	Roll out the new PDR process providing support to officers and staff and support managers with implementation.	Action complete. A new PDR process was introduced in August 2013, incorporating feedback from previous PDR processes and making sure that the Force is in-line with the national standards.
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.	Action complete. The corporate meeting structure was reviewed and revised in July 2013 to enable a clearer decision making process and more robust governance. The meeting structure will continue to be reviewed periodically to ensure it is fit for purpose.
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.	Action complete. An information assurance improvement plan has been developed and the implementation of improvements continue to be monitored by the ACO Resources and reported on a quarterly basis to the Force Information Assurance Board, which is chaired by the DCC as the Force SIRO. Information Sharing Agreements are being reviewed to ensure they are fit for purpose; this has been included as an improvement action for 2014/15.



## **ANNUAL ASSURANCE STATEMENT**

**2013-2014**

Signed \_\_\_\_\_

**Chris Eyre**  
**Chief Constable of Nottinghamshire**

23 September 2014

Signed \_\_\_\_\_

**Margaret Monckton**  
**ACO – Resources**  
**Chief Financial Officer to the Chief Constable of**  
**Nottinghamshire**

23 September 2014

## **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 Commissioner 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 (the Chief Constable)**

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

### **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 non-cash benefits received.

### **Financial Year**

The period covered by a set of financial Accounts – the Chief Constable 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 (IASB) and regulate the preparation and presentation of Financial Statements. Any material departures from these Standards would be disclosed in the notes to the Accounts.

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

### **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 non-cash 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 2013-2014