

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER
County Hall, West Bridgford, Nottingham, NG2 7QP

MINUTES
OF THE MEETING OF THE
NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER
JOINT AUDIT & SCRUTINY PANEL
HELD ON MONDAY 1 JULY 2013
AT NOTTINGHAM RACECOURSE
COLSWICK PARK, NOTTINGHAM
COMMENCING AT 10.00 AM

MEMBERSHIP

(A - denotes absent)

Mr Stephen Charnock (Chair)
Mr Leslie Ayoola
Mr John Brooks
Dr Phil Hodgson
Mr Peter McKay

OFFICERS PRESENT

Sara Allmond	Democratic Services Notts County Council
Scott Baker	RSM Tenon (Internal Audit)
John Cornett	KPMG (External Audit)
Charlie Radford	Deputy Chief Executive & Treasurer, OPCC
DCC Sue Fish	Deputy Chief Constable, Notts. Police
Margaret Monckton	Chief Finance Officer, Notts. Police
Paddy Tipping	Police and Crime Commissioner
Angela Ward	RSM Tenon (Internal Audit)

1. CHAIR AND MEMBERS OF THE PANEL

RESOLVED 2013/014

That the membership of the Panel and Mr Stephen Charnock as Chair be noted.

2. APOLOGIES FOR ABSENCE

There were no apologies for absence

3. DECLARATIONS OF INTERESTS BY MEMBERS AND OFFICERS

None

4. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 14th February 2013 were noted, with the addition of Anita Pipes of KPMG in the list of officers present.

5. INTRODUCTIONS

Each Panel Member introduced themselves and detailed the experience they would bring to the Panel.

6. INTERNAL AUDIT REPORTS ISSUED

Scott Baker and Angela Ward introduced the report which set out two reports from Internal Audit on Procurement – Programme of Change and Strategic Risk Management – Framework.

The Procurement report looked at the recently established Strategic Procurement Unit in collaboration with Northamptonshire and Derbyshire. The project management approach being used to deliver the project was found to be strong, robust and built on best practice. There had been some delays to the project due to recruitment issues. All Heads of Service were now in place. The establishment of the Unit had gone well in a short time period and it was important to review progress.

During discussions, the following points were raised:-

- The target for the Strategic Procurement Unit was revenue savings but these would drive out many other types savings.
- Capital expenditure last year was £6m compared to a revenue budget of £196m of which 75% was staffing costs.
- There was the potential for the Strategic Procurement Unit to sell its services to other forces in the longer term.

The audit of Strategic Risk Management was part of the approved internal audit plan for 2012/13. At the time of the audit the approach to risk management now being undertaken was a new process to the Organisation and was not full embedded. Therefore it was planned that a follow up review would be carried out in Quarter 2 of 2013/14. The audit found that there was a good reporting framework around risk and that there was nothing missing from the register.

During discussions, the following points were raised:-

- At the time of the audit there were two risk registers. These had now been combined into one joint register.
- Officers received a large amount of training on risks right from their first induction. An e-learning package had recently been rolled out and there was a period of time within which everyone was expected to complete it.

RESOLVED 2013/015

That the Panel had received assurance from the outcomes of the audit inspection reports.

7. INTERNAL AUDIT ANNUAL REPORT

Angela Ward introduced the report which provided the Internal Auditors annual assurance opinion for 2012/13 and provided an update on overall performance against the 2012/13 audit plan.

During discussions, the following points were raised:-

- Concern was raised regarding the difficulties in comparing the internal audit report with the risk register. This was due to the different time periods being covered in the reports.
- In relation to Black and Minority Ethnic (BME) recruitment there was some progress. 7% of applicants to the 150 officer posts were from BME backgrounds and 11% of applicants to the PCSO posts. There would be a separate report on this at a future meeting.
- The Panel would be involved in setting future Internal Audit Plans which would enable the Panel to map the assurance they needed to receive against their terms of reference.

RESOLVED 2013/016

That the opinion and performance against the 2012-13 plan be noted.

8. AUDIT, INSPECTION AND REVIEW STATUS UPDATE

Margaret Monckton introduced the report which provided updates on the status of actions from past audits, inspections and reviews and informed the Panel of expected future audits, inspections and reviews.

Every recommendation made in an audit, inspection or review was included on the tracker and allocated to a Chief Officer. There was a robust sign off by the Deputy Chief Constable with evidence required before an item could be signed off and removed from the tracker.

During discussions, the following point was made:-

- Internal Audit used the tracker to gain assurance that recommendations were being actioned and implemented.

RESOLVED 2013/017

That the Panel had received assurance that the overall process was in place and recommendations were being taken forward and implemented.

9. JOINT STRATEGIC RISK REGISTER REPORT (2013/14 QUARTER 1)

DCC Fish introduced the report advising the Panel that this was the first Joint Risk Register report as the Force and Commissioner had previously had separate registers. The Force managed its risks through the Chief Officer Boards. The risks were always assessed on a worst case scenario basis and mapped against a matrix of likelihood against impact against criticality.

A change to the tool used to manage the risk register was being considered to bring it in line with other forces which would enable collaboration.

From a financial perspective the greatest risk was the funding gap. There were plans in place to cover the £2.6m gap and further £1m in 2014/15. The next big challenge would then be 2015/16 as the cut was slightly larger than planned for. There was a lot of work going on within the Force to develop a Target Operating Model to change the way the Force delivered services. This was being done with the workforce so there was engagement and buy in from staff. The Force had already delivered a large amount of savings and the only way to deliver the further savings required was to change how things were done and the culture of the organisation. A plan to deliver the required savings was underway.

During discussions, the following points were clarified:-

- The Police and Crime Plan was the Commissioners Strategic Plan which set out his commitments and targets to the Force. The Policing Plan was the Chief Constable's operational plan which set out how the Force intended to achieve the targets set out in the Police and Crime Plan.
- The Commissioner intended to carry out a Base Budget Review to align the base budget with the Commissioners priorities.

RESOLVED 2013/018

That the Panel had received assurance on the risks contained within the Joint Risk Register.

10. JOINT CODE OF CORPORATE GOVERNANCE

Charlie Radford introduced the report which informed the Panel of the Joint Code of Corporate Governance which had been approved by the Police and Crime Commissioner and the Chief Constable.

The Code had been jointly drafted and both parties had signed up to it. The Code reflected CIPFA guidance.

During discussions, the following points were clarified:-

- The external audits were content that the Code contained everything it should.
- The Code could be changed if required.
- The Chief Executive carried out the Monitoring Officer Role.

RESOLVED 2013/019

That the Code be noted and recognised it as good practice.

11. DRAFT ANNUAL GOVERNANCE STATEMENTS 2012-13

Charlie Radford and Margaret Monckton introduced the report which detailed the draft annual governance statements for 2012-13.

During discussions, the following points were clarified:-

- The statements would become final when the accounts were signed off.
- The Panel were required to recommend to the Commissioner that he sign the accounts and statement. These would be brought to the September meeting for the Panels consideration.
- The recruitment of additional police officers was required to maintain police numbers due to the number of officers retiring following 30 years service.

RESOLVED 2013/020

That the draft Annual Governance Statements 2012-13 be noted.

12. REVIEW WORK UPDATE REPORT

Charlie Radford introduced the report which updated the Panel on current areas of review work. There was a large amount of review work being undertaken which had been commissioned by the Police and Crime Commissioner. As reviews were completed the reports would be brought to the Panel for consideration and ongoing monitoring of the implementation of any recommendations from the reviews.

RESOLVED 2013/021

That the report be noted.

13. VERBAL UPDATE ON CLOSURE OF ACCOUNTS

Charlie Radford provided the Panel with a verbal update on the closure of the accounts. The Panel were informed that the draft accounts had been signed off the week before and the Auditors had started their work on the accounts the day of the meeting. Inspections would commence on Friday.

There would be two sets of accounts due to the hand over from the Police Authority to the Police and Crime Commissioner.

RESOLVED 2013/022

That the update on the closure of the accounts be noted.

14. WORK PLAN AND SCHEDULE OF MEETINGS

The work plan and schedule of meetings was considered by the Panel.

RESOLVED 2013/023

That the work plan and schedule of meetings be noted.

The meeting closed at 12.10 pm

CHAIR

For Comment / Decision	
Public/Non Public*	Public
Report to:	Audit and Scrutiny Panel
Date of Meeting:	24th September 2013
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
E-mail:	
Other Contacts:	John Cornett
Agenda Item:	4

EXTERNAL AUDIT – AUDIT HIGHLIGHT (ISA 260) REPORT

1. Purpose of the Report

- 1.1 To provide members with a copy of the External Auditors Highlight Report relating to the audit of the 2012-13 statement of accounts.

2. Recommendations

- 2.1 Members are requested to consider the report of the External Auditor and recommend its findings to the Police & Crime Commissioner.
- 2.2 To also recommend the letter of representation to the Police & Crime Commissioner for signing and sending to the external auditors.

3. Reasons for Recommendations

- 3.1 This complies with Accounts and Audit Regulations and good financial governance.

4. Summary of Key Points

- 4.1 The attached report details the findings of the external auditors during the audit of the accounts for 2012-13.
- 4.2 The auditors report also includes a draft letter of representation for the Chief Finance Officer to complete.
- 4.3 The Auditor highlights in his report that he intends to issue an unqualified opinion in relation to the accounts, governance arrangements and value for money.

5. Financial Implications and Budget Provision

- 5.1 None as direct result of this report. The External audit fees are included within the base budget for the OPCC.

6. Human Resources Implications

- 6.1 None as a direct result of this report.

7. Equality Implications

- 7.1 None as a direct result of this report.

8. Risk Management

- 8.1 None as a direct result of this report.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 This complies with Financial Regulations which support the achievement of all Police & Crime Plan priorities.

10. Changes in Legislation or other Legal Considerations

- 10.1 This report complies with the Accounts & Audit Regulations.

11. Details of outcome of consultation

- 11.1 Not applicable.

12. Appendices

- 12.1 Appendix A - The External Auditors Audit Highlight (ISA 260) Report



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Report to those charged with governance (ISA 260) 2012/13

Nottinghamshire Police and Crime Commissioner
Nottinghamshire Chief Constable

24 September 2013



The contacts at KPMG in connection with this report are:

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This report is addressed to the Nottinghamshire Police and Crime Commissioner (PCC) and Nottinghamshire Chief Constable (CC) and has been prepared for the sole use of the PCC and CC. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.auditcommission.gov.uk.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public 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.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact John Cornett, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 03034448330.

This report summarises:

- the key issues identified during our audit of the Nottinghamshire Police and Crime Commissioner (PCC) and Nottinghamshire Chief Constable's (CC) financial statements for the year ended 31 March 2013; and
- our assessment of the PCC and CC's arrangements to secure value for money (VFM) in its use of resources.

Financial statements

Our *External Audit Plan 2012/13* presented to you in July 2013 set out the four stages of our financial statements audit process.



This report focuses on the second and third stages of the process: control evaluation and substantive procedures. Our on site work for these took place in two tranches during April 2013 (interim audit) and July 2013 (year end audit). We carried out the following work:



We are now in the final phase of the audit. Some aspects are also discharged through this report:

VFM conclusion

Our *External Audit Plan 2012/13* explained our risk-based approach to VFM work, which follows guidance provided by the Audit Commission. We have completed our work to support our 2012/13 VFM conclusion. This included:

- assessing the potential VFM risks and identifying the residual audit risks for our VFM conclusion;
- considering the results of any relevant work by the PCC and CC, the Audit Commission, other inspectorates and review agencies in relation to these risk areas.

Structure of this report

This report is structured as follows:

- Section 2 summarises the headline messages.
- Section 3 sets out the key findings from our audit work in relation to the 2012/13 financial statements.
- Section 4 outlines the key findings from our work on the VFM conclusion.

Our recommendations are included in Appendix 1.

Acknowledgements

We would like to take this opportunity to thank Officers for their continuing help and co-operation throughout our audit work.

This table summarises the headline messages. The remainder of this report provides further details on each area.

Proposed audit opinion	We anticipate issuing an unqualified audit opinion by 30 September 2013 for both the PCC and CC accounts. We will also report that the wording of your Annual Governance Statement accords with our understanding of the Authority .
Audit adjustments	<p>We are pleased to report that our audit of your financial statements did not identify any material adjustments. There were a small number of non-trivial adjustments, most of which were of a presentational nature. In Appendix 1 we have given details of two non-material amendments that have been adjusted by management. There was no impact on the General Fund.</p> <p>We have asked for representation that disclosures in respect of related party transactions are complete.</p> <p>We have raised two recommendations arising from our work, which are set out in Appendix 1.</p>
Accounts production and audit process	<p>The PCC and CC have good processes in place for the production of the accounts and good quality supporting working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales. IT issues at Police HQ delayed access to working papers.</p> <p>We have worked with Officers throughout the year to discuss the specific risk areas for this year's audit. These issues have been addressed appropriately.</p>
Control environment	The organisational and IT control environment is effective, and controls over the key financial systems are sound.
Completion	<p>At the date of this report our audit of the financial statements is substantially complete. Before we can issue our opinion we require a signed management representation letter.</p> <p>We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the PCC and CC's financial statements.</p>
VFM conclusion	<p>We have considered the results of the following:</p> <ul style="list-style-type: none"> our review of the annual governance statement; and the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities. <p>We have concluded that there are no matters to report.</p>

We have identified no issues in the course of the audit that are considered to be material. However we have asked for representation that disclosures in respect of related party transactions are complete.

The wording of the PCC and CC Annual Governance Statements accord with our understanding of the Authority.

Proposed audit opinion

We anticipate issuing an unqualified audit opinion by 30 September 2013.

Audit differences

In accordance with ISA 260 we are required to report uncorrected audit differences to you. We also report any material misstatements which have been corrected and which we believe should be communicated to you to help you meet your governance responsibilities.

We did not identify any material misstatements.

We identified a small number of presentational adjustments required to ensure that the accounts are compliant with the *Code of Practice on Local Authority Accounting the United Kingdom 2012/13* ('the Code'). Where deemed material by nature these have been adjusted by management.

In Appendix 2 we have given details of two non-material amendments that have been adjusted by management.

Related party transactions

We were not provided with any disclosure of interests forms for the former Police Authority members of the audit committee.

The Chief Officer Team (COT) at the police had not completed any personal disclosure forms. At our request all the current members of the COT completed them, however three individuals were only in post from 2013/14 year. We are therefore missing forms for two staff who left during or at the end of 2012-13.

We have made a recommendation to strengthen the closedown process; this is set out in Appendix 1.

The management representation letter of (see Appendix 4) asks you to confirm that :

"The PCC has disclosed the identity of the PCC's and the Group's related parties and all the related party relationships and transactions of which it is aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13."

Annual Governance Statement

We have reviewed the Annual Governance Statement and confirmed that:

- it complies with *Delivering Good Governance in Local Government: A Framework* published by CIPFA/SOLACE; and
- it is not misleading or inconsistent with other information we are aware of from our audit of the financial statements.

Section three – financial statements

Accounts production and audit process

The PCC and CC have good processes in place for the production of the accounts and good quality supporting working papers. IT issues at Police HQ delayed access to working papers.

Officers dealt efficiently with audit queries and the audit process could be completed within the planned timescales.

Recommendations made in last year's ISA 260 report have been actioned.

Accounts production and audit process

ISA 260 requires us to communicate to you our views about the significant qualitative aspects of the Authority's accounting practices and financial reporting. We also assessed the Authority's process for preparing the accounts and its support for an efficient audit.

We considered the following criteria:

Element	Commentary
Accounting practices and financial reporting	<p>The Authority has good financial reporting arrangements in place.</p> <p>We consider that accounting practices are appropriate.</p>
Completeness of draft accounts	<p>We received a complete set of accounts for audit on 27 June 2013 for the PCC and CC.</p>
Quality of supporting working papers	<p>Our working paper requirements for the audit were discussed in detail with management prior to the final audit.</p> <p>The quality of working papers provided met the standards specified. However due to IT issues at Police HQ we were not able to access the working papers until late on the second day of the audit visit.</p>

Element	Commentary
Critical accounting matters (key audit risks)	<p>We have discussed with officers throughout the year the areas of specific audit risk and undertaken specific audit procedures.</p> <p>We identified one specific risk:</p> <ul style="list-style-type: none"> - Transition from the Police Authority to the PCC and CC. <p>The absence of definitive national guidance available on the preparation and presentation of the accounts under the new arrangements required a considerable amount of local decisions to be made. We are satisfied that there are sufficient explanations in the accounts to justify the decisions made.</p>
Response to audit queries	<p>During the course of the audit visit officers resolved audit queries in a reasonable time.</p>

Prior year recommendations

As part of our audit we have specifically followed up the Authority's progress in addressing the recommendations in last year's ISA 260 report.

There were five recommendations in the *ISA 260 Report 2011/12*. Action has been taken to address all matters raised.

Control environment

The organisational and IT control environment is effective, and controls over the key financial systems are sound.

During April 2013 we completed our control evaluation work. We did not issue an interim report as there were no significant issues arising from this work. For completeness we reflect on key findings from this work.

Organisational and IT control environment

Controls operated at an organisational level often have an impact on controls at an operational level and if there were weaknesses this would have implications for our audit. We therefore obtain an understanding of the Authority's overall control environment and determine if appropriate controls have been implemented.

The PCC and CC also rely on information technology (IT) to support both financial reporting and internal control processes. In order to satisfy ourselves that we can rely on the use of IT, we test controls over access to systems and data, system changes, system development and computer operations.

We found that your organisational and IT control environment is effective overall

Controls over key financial systems

Where we have determined that this is the most efficient audit approach to take, we test selected controls that address key risks within the financial systems. The strength of the control framework informs the substantive testing we complete during our final accounts visit.

Based on our work on controls, including controls over the year end process, the controls over the financial systems are sound.

Appendix 1 contains our recommendations to strengthen arrangements.

We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the PCC and CC's financial statements.

Before we can issue our opinion we require a signed management representation letter.

Once we have finalised our opinions and conclusions we will prepare our *Annual Audit Letter* and close our audit.

Declaration of independence and objectivity

As part of the finalisation process we are required to provide you with representations concerning our independence.

In relation to the audit of the financial statements of the Nottinghamshire Police and Crime Commissioner and the Nottinghamshire Chief Constable for the year ended 31 March 2013, we confirm that there were no relationships between KPMG LLP and the Nottinghamshire Police and Crime Commissioner and the Nottinghamshire Chief Constable, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Audit Commission's requirements in relation to independence and objectivity.

We have provided a detailed declaration in Appendix 3 in accordance with ISA 260.

Management representations

You are required to provide us with representations on specific matters such as your financial standing and whether the transactions within the accounts are legal and unaffected by fraud. We will ask for separate representation letters in respect of the Police and Crime Commissioner and the Chief Constable.

We have provided a template to the Chief Finance Officer. A draft of the PCC letter is reproduced in Appendix 4; the CC letter will contain the same representations. We require a signed copy of your management representations before we issue our audit opinion.

Other matters

ISA 260 requires us to communicate to you by exception 'audit matters of governance interest that arise from the audit of the financial statements'.

There are no others matters which we wish to draw to your attention in addition to those highlighted in this report relating to the audit of the 2012/13 financial statements.

Our VFM conclusion work has had regard to the guidance issued by the Audit Commission. We have considered the results of the following:

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

We have concluded that there are no matters to report.

Background

To provide stability for auditors and audited bodies, the Audit Commission has kept the VFM audit methodology unchanged from last year. For 2012/13 the scope of work on value for money at the PCC and CC is limited to:

- reviewing the Annual Governance Statement (AGS);
- reviewing the results of the work of other relevant regulatory bodies or inspectorates, to consider whether there is any impact on our responsibilities for example HMIC; and
- other risk-based work as appropriate or any work mandated by the Audit Commission.

We follow a risk based approach to target audit effort on the areas of greatest audit risk. We consider the arrangements put in place by the PCC to mitigate these risks and plan our work accordingly. Our approach was set out in more detail in our *External Audit Plan 2012/13*.

As part of this review we have considered:

- your progress in addressing recommendations included in the Audit Commission's 2011/12 Annual Governance Report; and
- any changes to your arrangements in 2012/13.

Conclusion

The Police and Crime Commissioner and the Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have given the recommendations a risk rating and agreed what action management will need to take.

We will formally follow up on recommendations next year.

Priority rating for recommendations		
1 Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2 Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	3 Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

No.	Risk	Issue and recommendation	Management response / responsible officer / due date
	2	<p>We were not provided with any disclosure of interests forms for the former Police Authority members of the audit committee. The audit and scrutiny panel members have only just been elected and so obviously they could not complete forms for the 2012/13 year. Disclosure of interests is in respect of a particular financial year so there is a risk that disclosures of interests are incomplete.</p> <p>Disclosure of interest forms were completed and available for senior staff in the PCC.</p> <p>The Chief Officer Team (COT) at the police had not completed any personal disclosure forms. At our request all the current members of the COT completed them, however three individuals were only in post from 2013/14 year. We are therefore missing forms for two staff who left during or at the end of 2012-13.</p> <p>Recommendation:</p> <p>Set up a process to collect declaration of interest forms from senior management and audit and scrutiny panel members as part of the accounts closedown.</p>	<p>Agreed</p> <p>Chief Finance Officer - PCC</p> <p>Assistant Chief Officer (Resources) – CC</p> <p>31 March 2014</p>

We have given the recommendations a risk rating and agreed what action management will need to take.

We will formally follow up on recommendations next year.

Priority rating for recommendations		
1 Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2 Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	3 Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

No.	Risk	Issue and recommendation	Management response / responsible officer / due date
	3	<p>The process for granting access to finance IT systems for new starters and removing leavers is quite informal, usually done by email or by the system administrator just removing staff who have left based on her knowledge. However, this is mitigated by the fact that it is quite a small finance team.</p> <p>Recommendation:</p> <p>Produce periodic (quarterly) reports of starters and leavers, who have access to finance IT systems, for authorisation by a senior officer.</p>	<p>Agreed</p> <p>Assistant Chief Officer (Resources) – CC</p> <p>31 March 2014</p>

This appendix sets out the non-trivial audit differences.

We are required by ISA 260 to report all uncorrected misstatements, other than those that we believe are clearly trivial, to those charged with governance (which in the PCC's case is the Joint Audit and Scrutiny Panel). We are also required to report all material misstatements that have been corrected but that we believe should be communicated to you to assist you in fulfilling your governance responsibilities.

Corrected audit differences

Amounts paid in advance in respect of April 2013 police pension contributions (£3.740m) were included in cash and cash equivalents. We agreed with officers that these amounts should be reclassified as prepayments. The adjustment affects the balance sheet only. There is no net impact on the general fund balance.

Creditors and grants received in advance include £1.6m and £0.543m respectively, mainly in respect of funding for speed awareness courses. As there is no evidence to suggest that there are terms and conditions attached to the funding, we have agreed with officers that the amounts should be released to income.

This is not deemed to be significant in terms of materiality or to users' understanding of the financial statements.

We have not identified any other audit differences that required adjustment to the draft accounts.

Uncorrected audit differences

There are no uncorrected audit differences.

The Code of Audit Practice requires us to exercise our professional judgement and act independently of both the Commission and the PCC and CC.

Requirements

Auditors appointed by the Audit Commission must comply with the *Code of Audit Practice* (the Code) which states that:

“Auditors and their staff should exercise their professional judgement and act independently of both the Commission and the audited body. Auditors, or any firm with which an auditor is associated, should not carry out work for an audited body that does not relate directly to the discharge of auditors’ functions, if it would impair the auditors’ independence or might give rise to a reasonable perception that their independence could be impaired.”

In considering issues of independence and objectivity we consider relevant professional, regulatory and legal requirements and guidance, including the provisions of the Code, the detailed provisions of the Statement of Independence included within the Audit Commission’s Standing guidance for local government auditors (Audit Commission Guidance) and the requirements of APB Ethical Standard 1 *Integrity, Objectivity and Independence* (Ethical Standards).

The Code states that, in carrying out their audit of the financial statements, auditors should comply with auditing standards currently in force, and as may be amended from time to time. Audit Commission Guidance requires appointed auditors to follow the provisions of ISA (UK & I) 260 Communication of *Audit Matters with Those Charged with Governance* that are applicable to the audit of listed companies. This means that the appointed auditor must disclose in writing:

- Details of all relationships between the auditor and the client, its directors and senior management and its affiliates, including all services provided by the audit firm and its network to the client, its directors and senior management and its affiliates, that the auditor considers may reasonably be thought to bear on the auditor’s objectivity and independence.
- The related safeguards that are in place.

- The total amount of fees that the auditor and the auditor’s network firms have charged to the client and its affiliates for the provision of services during the reporting period, analysed into appropriate categories, for example, statutory audit services, further audit services, tax advisory services and other non-audit services. For each category, the amounts of any future services which have been contracted or where a written proposal has been submitted are separately disclosed. We do this in our Annual Audit Letter.

Appointed auditors are also required to confirm in writing that they have complied with Ethical Standards and that, in the auditor’s professional judgement, the auditor is independent and the auditor’s objectivity is not compromised, or otherwise declare that the auditor has concerns that the auditor’s objectivity and independence may be compromised and explaining the actions which necessarily follow from his. These matters should be discussed with the Joint Independent Audit Committee.

Ethical Standards require us to communicate to those charged with governance in writing at least annually all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on our independence and the objectivity of the Audit Partner and the audit team.

General procedures to safeguard independence and objectivity

KPMG’s reputation is built, in great part, upon the conduct of our professionals and their ability to deliver objective and independent advice and opinions. That integrity and objectivity underpins the work that KPMG performs and is important to the regulatory environments in which we operate. All partners and staff have an obligation to maintain the relevant level of required independence and to identify and evaluate circumstances and relationships that may impair that independence.

We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the Authority's financial statements.

Acting as an auditor places specific obligations on the firm, partners and staff in order to demonstrate the firm's required independence. KPMG's policies and procedures regarding independence matters are detailed in the Ethics and Independence Manual ('the Manual'). The Manual sets out the overriding principles and summarises the policies and regulations which all partners and staff must adhere to in the area of professional conduct and in dealings with clients and others.

KPMG is committed to ensuring that all partners and staff are aware of these principles. To facilitate this, a hard copy of the Manual is provided to everyone annually. The Manual is divided into two parts. Part 1 sets out KPMG's ethics and independence policies which partners and staff must observe both in relation to their personal dealings and in relation to the professional services they provide. Part 2 of the Manual summarises the key risk management policies which partners and staff are required to follow when providing such services.

All partners and staff must understand the personal responsibilities they have towards complying with the policies outlined in the Manual and follow them at all times. To acknowledge understanding of and adherence to the policies set out in the Manual, all partners and staff are required to submit an annual Ethics and Independence Confirmation. Failure to follow these policies can result in disciplinary action.

Auditor declaration

In relation to the audit of the financial statements of the Nottinghamshire Police and Crime Commissioner and the Nottinghamshire Chief Constable for the financial year ended 31 March 2013, we confirm that there were no relationships between KPMG LLP and the Nottinghamshire Police and Crime Commissioner, nor the Nottinghamshire Chief Constable, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Audit Commission's requirements in relation to independence and objectivity.

We ask you to provide us with representations on specific matters such as whether the transactions within the accounts are legal and unaffected by fraud.

The wording for these representations is prescribed by auditing standards.

We require a signed copy of your management representations before we issue our audit opinion.

We will require one letter for each of the PCC and CC accounts.

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of the Nottinghamshire Police and Crime Commissioner ("the PCC"), for the year ended 31 March 2013, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the financial position of the PCC and its Group as at 31 March 2013 and of its expenditure and income for the year then ended; and
- iii. whether the financial statements have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

These financial statements comprise the PCC and Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the PCC and Group Balance Sheet, the Cash Flow Statement and the related notes.

The PCC confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The PCC confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The PCC has fulfilled its responsibilities, as set out in regulation 8 of the Accounts and Audit (England) Regulations 2011, for the preparation of financial statements that:
 - give a true and fair view of the financial position of the PCC and the Group as at 31 March 2013 and of the PCC's expenditure and income for the year then ended; and
 - have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

The financial statements have been prepared on a going concern

basis.

2. Measurement methods and significant assumptions used by the PCC in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 require adjustment or disclosure have been adjusted or disclosed.

Information provided

4. The PCC has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Authority for the purpose of the audit; and
 - unrestricted access to persons within the PCC and Group from whom you determined it necessary to obtain audit evidence.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. The PCC and Group acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the PCC and Group acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

The PCC and Group has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We ask you to provide us with representations on specific matters such as whether the transactions within the accounts are legal and unaffected by fraud.

The wording for these representations is prescribed by auditing standards.

We require a signed copy of your management representations before we issue our audit opinion.

We will require one letter for each of the PCC and CC accounts.

7. The PCC has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the PCC and the Group and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
 - b) allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
8. The PCC has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The PCC has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
10. The PCC has disclosed to you the identity of the PCC's and the Group's related parties and all the related party relationships and transactions of which it is aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as the PCC understands them and as defined in IAS 24, except where interpretations or adaptations to fit the public sector are detailed in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

11. On the basis of the process established by the PCC and having made appropriate enquiries, the PCC is satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities are consistent with its knowledge of the business.

The PCC further confirms that:

- a) all significant retirement benefits, including any arrangements that:
 - are statutory, contractual or implicit in the employer's actions;
 - arise in the UK and the Republic of Ireland or overseas;
 - are funded or unfunded; and
 - are approved or unapproved,have been identified and properly accounted for; and
- b) all settlements and curtailments have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Joint Audit and Scrutiny Panel on 24 September 2013.

Yours faithfully,

Police and Crime Commissioner
Chief Finance Officer



cutting through complexity™

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For Comment / Decision	
Public/Non Public*	Public
Report to:	Audit and Scrutiny Panel
Date of Meeting:	24th September 2013
Report of:	The Chief Finance Officer & ACO Resources
Report Author:	Charlotte Radford
E-mail:	
Other Contacts:	Simon Tovey
Agenda Item:	5

STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENTS FOR 2012-13

1. Purpose of the Report

- 1.1 To provide members with a copy of the audited statement of accounts and annual governance statements for 2012-13.

2. Recommendations

- 2.1 Members are requested having examined the statements provided to recommend the accounts and annual governance statements to the Police & Crime Commissioner for approval.
- 2.2 To also recommend the accounts and governance statements to the Police & Crime Commissioner and Chief Constable for signing.

3. Reasons for Recommendations

- 3.1 This complies with Accounts and Audit Regulations and good financial governance.

4. Summary of Key Points

- 4.1 This is the first year of Group Accounts for the Commissioner and Chief Constable.
- 4.2 The accounts representing the Chief Constable show the cost of policing in the provision of services to deliver the Police & Crime Plan.
- 4.3 The Group accounts also include the financial statement relating to the Office of the Police & Crime Commissioner.
- 4.4 Both legal entities are providing these statements to reflect the working arrangements under stage 1 of the Police Reform and Social Responsibility Act 2011. The statements for 2012-13 will be produced in the same way.

- 4.5 From April 2014 there will be changes which include the transfer of staff from the employment of the Commissioner to the Chief Constable.
- 4.6 These accounts are the final accounts having made changes identified by the auditors and represent fairly the financial position of the Group and its individual entities.
- 4.7 There are two Annual Governance Statements, one for each entity detailing the governance arrangements in place for 2012-13.

5. Financial Implications and Budget Provision

- 5.1 None as a direct result of this report.

6. Human Resources Implications

- 6.1 None as a direct result of this report

7. Equality Implications

- 7.1 None as a direct result of this report

8. Risk Management

- 8.1 None as a direct result of this report.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 This complies with Financial Regulations which underpin the achievement of all Police & Crime Plan priorities.

10. Changes in Legislation or other Legal Considerations

- 10.1 This complies with the Accounts and Audit Regulations.

11. Details of outcome of consultation

- 11.1 The draft accounts were made available on the website for comment. No comments have been received.

12. Appendices

- 12.1 Appendix A - The Group Statement of Accounts 2012-13
Appendix B - The Chief Constables Statement of Accounts 2012-13
Appendix C - The PCC's Annual Governance Statement 2012-13
Appendix D - The Chief Constables Annual Governance Statement 2012-13



Nottinghamshire

POLICE & CRIME COMMISSIONER

& Group Statement of Accounts

2012 – 2013

The Nottinghamshire Office of the Police and Crime Commissioner & Group Statement of Accounts Contents Page

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Welcome to the Statement of Accounts 2012-13

This year promises to be another period of change and growth for policing in Nottinghamshire. In the face of continuing funding issues, we will need to refine our approach to protecting the public and solving crime so that we can deliver better results for less money. The emphasis will be on diversionary intervention and increased support to permanently change criminal habits and cut crime on our streets. The contribution of our partners in this journey will become more important than ever as we move forward and together we will need to channel our scarce resources to achieve lasting improvements in safety.



Since I took up this new role in November 2012, I have worked closely with the Force, partners and the public to create a Police and Crime Plan which reflects the views and interests of everyone living and working in Nottinghamshire. At the core of this strategy is a desire to make people feel safer, remove criminality from their neighbourhoods and tackle the social causes behind offending so that we permanently interrupt this vicious cycle. As I outlined prior to my election, I want to make it easier for residents to take ownership of local policing and influence the decision-making process at all levels and I am pleased that their opinions lie at the centre of this blueprint. I also aim, through this plan, to fight on behalf of vulnerable witnesses and those who find themselves a victim of crime.

My plan visualises a better future and contains seven strategic priorities, which can be seen below, and are based on the issues that people have said matter most to them.

- Protect, support and respond to victims, witnesses and vulnerable people
- Improve the efficiency, accessibility and effectiveness of criminal justice processes
- Focus on local areas most affected by crime and antisocial behaviour
- Reduce the impact of drugs and alcohol on crime and antisocial behaviour
- Reduce the threat from organised crime
- Prevention, early intervention and reduction in reoffending
- Spending your money wisely

Despite the continuing economic pressures, I have kept my promise to increase the number of Police Officers and PCSOs working in our neighbourhoods in 2013-14. Visible, accessible policing helps to reassure people and increase their feelings of safety and wellbeing – effects which are worth their weight in gold as far as quality of life is concerned. These new additions will come at a cost in light of the on-going cuts in Central Government funding but there are plans in place to continue to achieve £10m in savings each year which will make up the shortfall and also finance the investment in our frontline.

Naturally, these accounts reflect the financial position that has been inherited from the former Police Authority. This provided a sound base from which we could move forward and develop our plans to deliver your objectives.

Paddy Tipping
Nottinghamshire Police and Crime Commissioner

Explanatory Foreword

1. Introduction

2012-2013 has been a year of radical reform in the governance of the police service. On the 15 September 2011 the Police Reform and Social Responsibility Act 2011 (The Act) received Royal Assent in Parliament. This legislation radically shifts the way the police in England and Wales are administrated and held accountable. A major part of this reform was to replace the Police Authority with an elected Police and Crime Commissioner. The first election took place November 2012, and Paddy Tipping took Office on 22 November 2012 until May 2016 (appointments will be for four years after that). At the same time a separate legal entity was established for The Chief Constable of Nottinghamshire (CCN), who is responsible for operational policing duties. The primary function of the Nottinghamshire Office of the Police and Crime Commissioner (NOPCC) is to set the priorities for the police force within Nottingham, respond to the needs and demands of communities and ensure that local and national priorities are suitably funded by setting a budget and for the local performance of the force. The Police and Crime Panel has responsibility for scrutinising the decisions and actions of the Police and Crime Commissioner (PCC), this panel is administered independently from the PCC through the County Council.

The PCC appoints the Chief Constable to undertake the policing in line with his Police & Crime priorities.

Although the creation of NOPCC happened on 22 November 2012 LAAP 95 recommends that the income and expenditure for the whole year is accounted for under the new regime. Hence a part year Statement of Accounts is not required for Nottinghamshire Police Authority. The comparators for 2011-2012 throughout this set of accounts refer to the transactions of the Police Authority.

This set of accounts is for the NOPCC and incorporates the CCN as a Group. The CCN is also required to produce a set of accounts as a single entity.

2. Purpose

The purpose of this foreword is to provide a clear guide to the most significant matters reported in the Accounts. It explains the purpose of the Financial Statements that follow, a summary of the group's financial activities during 2012-13 and its financial position as at 31 March 2013. The values within the financial statements have been rounded appropriately, and the extent of rounding is always clearly labelled.

3. Background

The NOPCC & Group is responsible for providing policing services to a population of over 1 million in the City of Nottingham and County of Nottinghamshire, with a net budget of £191.8 million for 2012-2013.

4. The Financial Statements

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

The main sections contained within the Statement of Accounts are:

- **Annual Governance Statement (page 64)**
This sets out governance arrangements in place and areas for improvement.
- **The Statement of Accounting Policies (Page 11)**
This states the policies adopted in compiling the Statement of Accounts
- **The Statement of Responsibilities (Page 23)**
This sets out the respective responsibilities of the PCC and, the Chief Financial Officer and also includes the signed certificate of approval.
- **Comprehensive Income & Expenditure Statement (Page 25)**
This Statement shows the accounting cost in the year of providing services in accordance with The Code, rather than the amount to be funded from taxation. The 'Surplus or (Deficit) on the Provision of Services' line shows the true economic cost of providing services, Note 19.2 shows the differences between taxation and accounting entries.
- **Movement in Reserves Statement (Page 27)**
This Statement shows the movement in the year on the different reserves held, analysed into usable reserves and unusable reserves, which are created for accounting purposes under the code.
- **Balance Sheet (Page 29)**
The Balance Sheet shows the value of the assets and liabilities held as at the Balance Sheet date. The net assets are matched by the reserves held.
- **Cash Flow Statement (Page 30)**
The Cash Flow Statement shows the changes in cash and cash equivalents during the year. It is calculated using the 'indirect method' from the code. Cash flows are classified as operating, investing and financing activities.
- **Pension Fund Account (Page 31)**
Shows the years transactions on the police officers pension account.
- **Notes to the Accounts (Page 32)**
These provide additional information concerning items in the above statements and additional relevant information.
- **Independent Auditor's Report (Page 63)**
This sets out the opinion of the external auditor as to whether these accounts present a true and fair view of the financial position and operations of the NOPCC and group for 2012-2013.

5. Governance Arrangements

The Nottinghamshire Office of the Police and Crime Commissioner is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. In discharging this accountability the PCC and senior officers are responsible for putting in place proper procedures for the governance and the stewardship of the resources at its disposal.

The Chief Constable is responsible for the operational activities of the Force. This responsibility is discharged in accordance with statutory requirements, Oath of Police Officers, the Police Discipline Code and Police Regulations. The CCN is also required to ensure compliance with the Scheme of Delegation.

The annual review of the system of Governance and Internal Control has been included within the arrangements for producing the Annual Governance Statement. The Annual Governance Statement takes account of the governance arrangements of the CCN and details how the NOPCC are doing the right things, in the right way, for the people of Nottinghamshire, in a timely, inclusive, open, honest and accountable manner.

6. Budget Variance

Budget Management Statement for the Group

Sources of Finance

The revenue expenditure underspend has increased the level of Earmarked Reserves. This will be utilised in future years to support the funding gap identified within the medium term financial plan. More information on reserves is provided in Note 4.1.

Actual 2011-12 £m	Taxation and Non-Specific Grant Income	Budget 2012-13 £m	Actual 2012-13 £m	Variance + (-) £m
-86.9	Police Grant	-80.7	-80.7	0.0
-53.3	Precept (including surplus)	-55.7	-55.7	0.0
-13.4	Revenue Support Grant	-1.0	-1.0	0.0
-43.6	Non Domestic Rates Redistribution	-52.6	-52.6	0.0
-1.3	Precept Freeze Grant	-1.3	-1.3	0.0
-198.5	Total Financing	-191.3	-191.3	0.0

Revenue expenditure

Actual 2011-12 £m	Revenue Expenditure	Budget 2012-13 £m	Actual 2012-13 £m	Variance + (-) £m	NOTE
166.5	Employee Costs	161.1	157.8	-3.3	1
5.8	Premises Maintenance	6.2	6.1	-0.1	2
6.2	Transport	6.4	6.0	-0.4	3
14.4	Supplies and Services	14.7	13.6	-1.1	4
4.3	Agency costs	4.1	7.8	3.7	5
2.8	Capital Financing	3.9	3.2	-0.7	6
4.6	Pensions	3.4	3.7	0.3	7
1.2	PCC	1.2	1.1	-0.1	8
0.0	Budget Adjustments	0.0	0.0	0.0	
-11.2	Income	-9.2	-10.9	-1.7	9
194.6	Net Expenditure	191.8	188.4	-3.4	
0.0	Use of Reserves	-0.5	0.0	0.5	10
194.6	Net Budget Requirement	191.3	188.4	-2.9	11

Notes:

- 1 The savings reflect a higher number of officers leaving during the year compared to the budget assumption and officers leaving the pension scheme early because of proposed changes to the Police officer pension scheme in 2015. Police staff savings resulted from delays in PCSO recruitment and a lower actual average pension rate percentage compared to budget assumption.
- 2 The increase in expenditure year on year is largely due to higher energy costs and a £0.2m provision for dilapidations (see Note 7.3).
- 3 The main reason for the saving versus budget is due to lower fuel price than budget, more efficient vehicle usage and a release of insurance provision against old third party motor claims.
- 4 The reduction in expenditure represents savings made on several categories within this heading.
- 5 The increase in expenditure year on year and against budget reflects additional regional collaboration contributions for activities/services undertaken during 2012-13 both new and full year impacts. Note13 gives full details of the Force's regional collaborations.
- 6 The increase in expenditure year on year reflects a full year impact on interest of the loans taken out during 2011-12. The reduction in expenditure against budget reflects the lower interest rate achieved on loans taken out during the year compared to the budget rate assumption and a lower than budgeted minimum revenue provision charge due to delays in completing budgeted capital projects.
- 7 The reduction in expenditure year on year reflects a reduced number of scheme participants and related costs of officers leaving the Force on medical retirement.
- 8 The reduction in expenditure year on year reflects the restructuring that occurred during 2012-13 as a result of transferring from the Police Authority to the Office of the Police & Crime Commissioner.
- 9 2011-12 income included £1.6m of income received in respect of the 2011 summer disturbances. In 2012-13 £0.8m was received for providing officers to support the Olympics and additional Home Office grants which were unbudgeted.
- 10 A Contribution from reserves of £0.5m was budgeted to meet an expenditure shortfall. This budget was not required.
- 11 Note 19.2 reconciles this expenditure to the Comprehensive Income and Expenditure Account.

7. Pensions

The Group participates in two defined benefits pension schemes, providing members with retirement lump sums and monthly pensions related to pay and service. The Police Officers scheme is unfunded and met by payments from the Home Office. Police Staff are, generally, eligible to join the funded Local Government Pension Scheme; administered by Nottinghamshire County Council.

Pension Costs are accounted for in accordance with International Accounting Standard (IAS) 19. This requires an organisation to account for retirement benefits in the year in which they are earned, even if the actual payment of benefit will be in the future.

The CIES shows the cost of pensions at current service cost within the Cost of Services. Pension interest cost and return on assets appear within the Financing and Investment Income and Expenditure line. However to ensure that the only liability is for the cash cost of pension contributions, these costs are reversed out as movements on the pension reserve prior to the amount to be met from Government Grant and Local Taxation. The Group Balance Sheet recognises the net pension liability, reserve and long-term debtors.

8. Changes to Accounting Policies

The Accounting Policies have been reviewed and only minor changes that specifically relate to the creation of the PCC have been made. These are policies number 3 (Acquisitions and discontinued operations) and 13 (Interests in companies and other entities).

9. Borrowing Facilities

Borrowing finances Capital Expenditure that cannot be met from internal resources. The main source of borrowing is the Public Works Loan Board (PWLB), plus a £3.5 million Market Loan which is due to expire in 2066. New borrowings of £5 million were taken during the year from the PWLB. This was raised to finance 2012-2013 capital expenditure and also to finance in part, previous year's expenditure from internal reserves. The main areas of capital expenditure during 2012-2013 were custody improvements of £0.775m, the replacement of essential computer hardware £0.581m and computer systems for the Criminal Justice Department £0.518m. The majority of borrowings are due to mature in the next 10 years.

The Treasury Management Strategy, ensures that borrowing is prudent and only for capital purposes. At 31 March 2013 the accumulated capital financing requirement from all previous Capital Expenditure was £49.2 million. This has assets with a current value of £46.5 million. The associated outstanding borrowing is £35.7million (excluding finance lease liabilities).

10. Capital Expenditure

Capital Expenditure on property continues to reflect the changing emphasis for greater partnership working, and with the placing of Police Officers in the heart of communities. Investment has also been made in environmental technologies £0.439m. The reduction in capital expenditure in the year mainly represents schemes delayed until 2013-2014.

Actual 2011-12 £m	Capital Expenditure	Original Budget 2012-13 £m	Actual 2012-13 £m	Variation + (-) £m
0.1	Intangible Fixed Assets	0.0	0.3	0.3
3.1	Operational Land & Buildings	3.6	2.4	-1.2
1.9	Plant, Vehicles & Equipment	5.6	2.5	-3.1
0.0	Assets Under Construction	0.0	0.0	0.0
5.1	Total	9.2	5.2	-4.0
-1.2	Supported Capital Expenditure	0.0	0.0	0.0
-2.1	Grants & Contributions	1.9	2.3	0.4
0.0	Internal Borrowing from Reserves	2.8	0.0	-2.8
-0.2	Capital Receipts	0.7	0.0	-0.7
-1.6	External Borrowing	3.8	2.9	-0.9
-5.1	Total Financing	9.2	5.2	-4.0

The 4 year Capital plan of expenditure and financing (excluding any slippage) as approved by the PCC;

	Budget 2013-14 £m	Budget 2014-15 £m	Budget 2015-16 £m	Budget 2016-17 £m
Building Projects	3.9	2.7	2.2	0.8
Technology & Other Projects	4.0	2.0	0.6	0.6
Total	7.9	4.7	2.8	1.4
Financed by				
Capital Receipts	1.7	2.8	0.0	0.0
Capital Grants	1.7	1.7	1.7	1.4
Borrowing - Internal	0.0	0.0	0.0	0.0
Borrowing - External	4.5	0.2	1.1	0.0
Total	7.9	4.7	2.8	1.4

11. Details of significant Provisions and Contingencies

Provisions are made to meet estimated insurance claim liabilities outstanding. This has decreased by £0.5m during the year. New provisions have been created during the year for dilapidations and employment tribunals. There are number of potential liabilities due to fines or legal action which are not certain enough to be designated as provisions or reserves but are included as contingent liabilities. A breakdown of Provisions is provided in Note 7.3, and Contingent Liabilities in Note 10.

12. Jointly Controlled Operations

Previously three areas of collaboration were treated as Jointly Controlled Operations (JCO).

- The East Midlands Special Operations Unit (EMSOU)
- The East Midlands Special Operations Major Crime (EMSOMC)
- The East Midlands Technical Surveillance Unit (EMTSU)

These are all between Nottinghamshire, Derbyshire, Leicestershire, Lincolnshire and Northamptonshire PCC's and Nottinghamshire's proportion is 27.6%.

There are five additional collaborations accounted for as JCO's this year;

- Legal Services (EMLS), originally a two way shared service between Nottinghamshire and Derbyshire, but this year the collaboration has been extended during the year to include Leicestershire and Northamptonshire. The equated share for this year has been calculated as 41.1% in future years the proportion will be 31.6%.
- Commercial Services (EMSCU), between Nottinghamshire, Northamptonshire and Derbyshire. During the first year of operation Nottinghamshire's proportion is calculated as 33.42%. In future years this will be 33.33%
- Forensic Services (EMFSS) is between Nottinghamshire, Derbyshire, and Lincolnshire PCC's and Nottinghamshire's proportion is 44.37%.
- Learning & Development (EMLD) is between Leicestershire, Nottinghamshire, Derbyshire, and Lincolnshire PCC's and Nottinghamshire's proportion is 31.60%.
- Occupational Health Service (EMOH) is between Nottinghamshire, Derbyshire, Leicestershire, Lincolnshire and Northamptonshire PCC's and Nottinghamshire's proportion is 27.6%.

All of these arrangements are covered by Section 22 Agreements and financial information is included in note 13 to the accounts.

13 Other Significant Events during the year

There has been a significant Employment Tribunal challenge against the use of the A19 Regulation. The claim is that the enforcement of retirement for officers with 30 years pensionable service contravenes age discrimination legislation. Nottinghamshire has given evidence, but the decision will not be announced until evidence from all five forces involved in enforcing this regulation has been considered. It is anticipated that this will be during autumn 2013. Furthermore this decision will be subject to an appeal. There is a contingent liability noted for this event.

14. Post Balance Sheet Events

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

15 Future Outlook

In October 2013 it is planned to join the National Police Air Service, which will replace the current collaboration with Derbyshire. This will improve resilience and yield efficiency savings.

The 2013-2014 accounts will be produced on the same basis as 2012-2013. However, the changes resulting from the Stage 2 Transition Order, of the Act, will come into effect from 1st April 2014. Consequentially there will be significant changes in the accounts to reflect the transfers of staff from the employment of the PCC to the CCN.

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

16 Going Concern

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

17 Accounting Standards Issued but not Adopted

The adoption by the Code of amendments to IFRS 7 Financial Instruments Disclosures – offsetting financial assets and liabilities (December 2011 amendments) will take effect for the accounting period beginning 1 April 2013. The standard focuses on the significance of offsetting financial instruments. Offsetting takes place when entities present their rights and obligations to each other as a net amount in their statement of financial position. There is not expected to be any impact on the NOPCC.

The adoption by the Code of amendments to IAS 19 Employee Benefits (June 2011 amendments) will also take effect for the accounting period beginning 1 April 2013. These amendments will make it easier for users of financial statements to understand how defined benefit plans affect an entity's financial position, financial performance and cash flows. There will be no changes to pension liabilities of the NOPCC. Assets in the Local Government Pension Scheme will be affected. The effect of the change will be adopted retrospectively as per IAS8 leading to an increase in £1.4m on the CIES to 31 March 2013.

Statement of Accounting Policies

1. General Principles

The Statement of Accounts summarises transactions for the 2012-2013 financial year and its position at the 31 March 2013. Annual Statement of Accounts are required to be published under the Accounts and Audit Regulations 2011, in accordance with proper accounting practices. These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2012-2013 (The Code) and the Best Value Accounting Code of Practice 2012-2013, supported by International Financial Reporting Standards (IFRS). The accounts have been prepared on a going concern basis using the historic cost convention, modified by the revaluation of certain categories of non-current assets and financial instruments. The phase 2 transitional arrangements for the PCC are not considered to affect the applicability of this principle.

Under The Act 2011 NOPCC and CCN are separate 'corporation sole' bodies. Both are required to prepare a separate Statement of Accounts. The Financial Statements included here represent the NOPCC and the NOPCC Group (The Group).

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. Whilst all the expenditure is paid for by NOPCC including the wages roll, the recognition in the Group and CCN Accounts is based on 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. When there is a gap between the date supplies are received and their consumption, they are carried as inventory on the Balance Sheet.
- Expenditure in relation to services received is recorded as services are received rather than when payments are made. If required a debtor or creditor for the relevant amount is recorded in the Balance Sheet.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where debts are doubtful, the debt is written off by a charge to the CIES.

3. Acquisitions and Discontinued Operations

The replacement of the Police Authority with the NOPCC is not considered to require particular treatment under this accounting principle. (FRS 6 Acquisitions and Mergers) This is because the new entities are essentially the same as the previous entity in that they are publically funded bodies providing the Nottinghamshire public with a Police Service and the Act requires all assets and liabilities to transfer directly from the former Police Authority to the PCC.

4. Cash and Cash Equivalents

Cash includes cash in hand and deposits of up to 24 hours notice. Cash equivalents are investments that mature up to three months from acquisition date. These are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

5. Exceptional Items

When items of income and expenditure are material, their nature and amount are disclosed separately, either on the face of the CIES or in the Notes to the Accounts, depending on how significant the items are to an understanding of the Group financial performance.

6. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for in the current year and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Group financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative figures for the prior period as if the new policy had always been applied. Material errors discovered in prior figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

New Policies are included this year to accommodate the changes arising from the implementation of The Act 2011. These are policy number 3 Acquisitions and discontinued operations and policy number 13 Interests in companies and other entities.

7. Charges to Revenue for Non-Current Assets

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

- 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 Group is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution, from revenue towards the reduction in its overall borrowing requirement in accordance with statutory guidance, the Minimum Revenue Provision (MRP).

8. Employee Benefits

Benefits Payable during Employment

Short-term Employee Benefits are those due to be settled within 12 months of the year-end. This includes wages and 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 by employees, but not taken before the year-end, which employees can carry forward into the next financial year, (Accumulated Absences Account Note 4.2). The accrual is made at the wages and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the CIES, but then reversed out through the Movement in Reserves Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Group to terminate an employee's employment before the normal retirement date or an acceptance of voluntary redundancy. These are charged to the Non Distributed Costs line in the CIES when the Group is demonstrably committed to the decision (Note 23).

Post Employment Benefits

Employees are members of two separate defined benefits pension schemes providing retirement lump sums and pensions, earned whilst employed by the Group. (Note 17).

The Local Government Pensions Scheme for staff is administered by Nottinghamshire County Council. This is a funded scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. This scheme is a multi-employer scheme and the underlying assets and liabilities cannot be directly identified with individual employers. Therefore assets and liabilities are incorporated within these accounts on an apportioned basis. The assets are included at fair value. The liabilities are included at current prices using a discount rate of 4.7% p.a. The discount rate is the yield on the corporate bond index rated over 15 years.

Actuarial gains and losses are charged to the Pension Reserve.

The Police Pension Scheme for police officers is an unfunded scheme, meaning that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, the Group must transfer amounts to reduce the balance on the Pension Fund to zero. This is reimbursed from Central Government by way of Pension top-up grant.

In April 2006 the Home Office introduced changes to the arrangements for Police Pension financing. The existing Police Pension Scheme (1987) closed to new members on 5 April 2006. New Police recruits from 6 April 2006 join the New Police Pension Scheme (2006).

Discretionary Benefits

The Group also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements due to medical reasons or injury. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

9. Post Balance Sheet Events

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date on which the Statement of Accounts are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

10. Financial Instruments

Financial liabilities and assets are recognised on the Balance Sheet when the NOPCC enters a contract. They are initially measured at fair value and carried at their amortised cost. This generally will equate to the principal outstanding plus accrued interest. The interest debited or credited to the CIES is the amount payable per the loan agreement.

Financial assets held by the Group comprise loans and receivables. These have determinable payments but are not quoted in an active market. The loans made by the Group consist of short-term investments. Impairment may be appropriate if it becomes likely that the contract may not be fulfilled.

11. Government Grants and Contributions

All revenue government grants and third party contributions and donations are recognised as income when the Group satisfies the conditions of entitlement. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the CIES. Where grants and contributions are unconditional they are carried in the Balance Sheet as an Earmarked Reserve. A de-minimis level of £50,000 exists whereby it is essential that income needs to be assessed whether it should form part of the Earmarked Reserves.

Capital grants are credited to the CIES, and they are reversed out of the General Fund Balance in the Movement in Reserves Statement. The grant is either used to finance capital expenditure or it is posted to the Capital Grants Unapplied Account to fund future capital expenditure.

12. Intangible Assets

Intangible assets do not have physical substance, but it is expected that future economic benefits or service potential will occur. Software licences are intangible assets, and are included at historic cost depreciated over seven years, because there is no alternate method to ascertain a fair value.

13. Interests in Companies and Other Entities

The Nottinghamshire Office of the Police and Crime commissioner is a separate entity to the Chief Constable and the relationship is clearly defined in the Governance Arrangements. The NOPCC has the lead controlling influence in the Group.

14. Inventories

Inventories are valued at the latest buying price as a proxy to fair value. All inventory valuations are based on current purchase price. Inventory Accounts are maintained for uniforms, fuel and stationery. Write-offs are made for obsolete items which are out of date.

15. Jointly Controlled Operations and Jointly Controlled Assets

Jointly Controlled Operations (JCO) are treated in accordance with accordance with IAS 31-Interests in Joint Ventures. They are governed by Section 23 Agreements and incorporated on agreed proportions. More information about the collaborations is included in the Explanatory Foreword 12 and Note 13 to the Accounts.

16. Leases

The Code only uses the term lease, replacing all references to hire or rental. Under IAS 17, Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership, from the lessor to the lessee. Leases that do not meet the definition of finance leases are accounted for as operating leases. Where a lease covers both land and buildings, those elements are considered separately for classification. Major contracts are reviewed for the possibility of embedded leases within them.

Assets held under a finance lease are recognised on the Balance Sheet at fair value (or the present value of the minimum lease payments, if lower). There is a matching liability for the obligation to pay the lessor. Initial direct costs to are added to the carrying amount of the asset. Lease payments are apportioned between, finance charges debited to the CIES, and the acquisition charge applied to write down the lease liability. When incorporated into the balance sheet they are accounted for in the same way as other non –current assets.

Rentals paid under operating leases are charged to the CIES.

17. Overhead Costs

The Service analysis is based on Service Expenditure analysis Code of Practice (SeRCOP) 2012-2013 as modified by the Police Objective Analysis. The costs of overheads are fully allocated to the Groups services, with the exception of:

- Corporate and Democratic Core costs relating to the NOPCC's status as a single purpose, democratic organisation.
- The cost of discretionary benefits awarded to employees retiring early, is a Non distributed cost.

18. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services or for administrative purposes and that are expected to be used for more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the NOPCC and the cost of the item can be measured reliably. Expenditure that maintains, but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance): is charged as an expense when it is incurred, to the CIES.

De-minimis levels are applied to allow sensible administration arrangements without materially affecting the figures presented. The de-minimis levels applied for all Property, Plant and Equipment is £10,000.

Component Accounting

Assets are included as separate components, with appropriate depreciation where this is significant. The following de-minimis level applies. Only assets valued above £600,000 are considered and then components are included if the item forms at least 5% of the asset value.

Measurement

Assets are initially measured at cost, comprising, the purchase price plus costs bringing the asset to the location and be fit for purpose. Costs incurred whilst assets are under construction are not capitalised. The value of assets acquired other than by purchase is deemed to be its fair value. PFI and Finance Lease assets are capitalised at minimum lease payments over the term of the agreement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.
- For non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Non - current assets are revalued on a rolling programme to ensure that they are measured at fair value at least every five years. This ensures that their carrying amount is not materially different from their fair value. All assets were revalued 1 April 2009. At 1 April 2011 approximately 35% of assets were revalued. At 1 April 2012 a further 25% of the assets have been revalued. This also allows for any major trends to be identified. Land and building values are based on valuations by Andrew Martin BSc MRICS, (Director) and Roger Smalley BSc MRICS, (Associate Director) of the independent valuers Lambert Smith Hampton.

- Operational buildings have been valued on the basis of Existing Use Value.
- Non-Operational buildings have been valued on the basis of Open Market Value.
- Bridewell custody suite is valued on a depreciated replacement cost (DRC) basis as this is deemed to be a specialised asset.
- Plant, vehicles and equipment have been included at their depreciated historic valuation, as proxy for fair value. This is because the assets have relatively short lives and values.
- Furniture and Fittings are capitalised at cost.
- Assets under Construction are included at actual cost.
- Investment Properties are revalued annually at market value.
- Assets held for sale and Police Houses are held at market value.

Increases in valuations have been matched by credits to the Revaluation Reserve since 1 April 2007, the date of its formal implementation. Gains prior to that date are consolidated into the Capital Adjustment Account. Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down in the CIES once the Revaluation Reserve is fully used.

Investment Properties

Investment properties are used to earn rentals or for capital appreciation, and not used in any way to deliver services or is held for sale. The carrying value is annually revalued to current fair value. Rentals received in relation to investment properties are credited to the CIES.

19 Impairment

Assets are assessed at each year-end for potential impairment. Where it is estimated to be material, an impairment loss is recognised for the deficit, as follows

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down in the CIES.

Where an impairment loss is reversed subsequently by a revaluation gain, the reversal is credited to the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

20 Depreciation

Depreciation is provided for on all operational Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives after allowing for residual values on the following basis;

Asset Type	Depreciation Method	Period of Years
Land	Nil	Nil as will not reduce in value
Property	Straight Line	10-50 years as estimated by the valuer
Vehicles	Straight Line	1-20 years
Plant and Equipment	Straight Line	1-20 years
Finance leases	Straight Line	Over the life of the finance lease

Where an item of Property, Plant and Equipment asset has major components whose cost and life span is significantly different from the rest, the components are depreciated separately. A full years charge is made in the year of acquisition, with no charge made in the year of disposal. Depreciation is charged to the Comprehensive Income and Expenditure Account. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost. This is transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

21. Disposals and Non-Current Assets Held for Sale

When a non current asset is actively marketed, and the sale is reasonably expected in the next 12 months, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and revalued appropriately.

When an asset is disposed of or decommissioned for less than £10,000, the receipt is credited to the CIES and the carrying amount of the asset forms the loss on disposal.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts are required to be credited to the Capital Receipts Reserve, and can then only be used to finance new capital investment or set aside to reduce the NOPCC's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

All Revaluation Reserve balances relating to disposed assets are transferred to the Capital Adjustment Account.

22. Private Finance Initiative (PFI)

PFI and similar contracts are agreements to receive services, where the responsibility for making available the Property, Plant and Equipment needed to provide the services remains with the PFI contractor. The NOPCC has entered into two PFI contracts. The first is responsible for the initial design and construction, and now the ongoing maintenance of a Riverside Accommodation. The second contractor is responsible for the provision of vehicles and maintenance thereof. The vehicles have been judged against IFRIC4 and those valued above the NOPCC's de-minimis, and where at the inception of the lease the minimum lease payments amounted to at least 75% of the fair value of the asset, have been re-classified retrospectively, as finance leases. The majority have been reclassified with the small remainder being included within the Cost of Services within the Comprehensive Income and Expenditure Account.

For the Riverside Accommodation the amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the relevant service in the CIES.
- Finance cost – an interest charge of 21.38% on the outstanding Balance Sheet liability, has been debited to the Financing and Investment Income and Expenditure line in the CIES for the building PFI.
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the CIES
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- Lifecycle replacement costs – whereby a proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

23. 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 also that a reliable estimate can be made of the amount of the obligation. This is charged to the CIES of becoming aware of the obligation. They are measured at the best estimate at the balance sheet date, taking into account relevant risks and uncertainties.

Settlement of the obligation is charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed' and further transactions to or from the CIES are made appropriately.

24. Contingent Liabilities

A contingent liability arises where an event has taken place that gives a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but there is not the level of certainty on either likelihood or value. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the Accounts.

25. Contingent Assets

A contingent asset arises where an event has taken place that gives the potential for an asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. They are not recognised in the Balance Sheet but disclosed in a note to the Accounts if there is sufficient probability.

26. Reserves

Reserves are set aside for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. Expenditure to be financed from a reserve is charged to the appropriate service and hence included within the Provision of Services in the CIES. The reserve is then appropriated back in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Other reserves are unusable and they are solely to manage the accounting processes for capital, financial instruments, retirement and employee benefits.

27. 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.

28. Cash Flow Statement

This has been prepared using the 'Indirect Method'.

29. Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Revenue expenditure funded from capital under statute (REFCUS) represents expenditure that may be capitalised under statutory provisions, but does not result in the creation of tangible assets. The NOPCC had no REFCUS during the year ended 31 March 2013, but has included its share of REFCUS from the JCO's.

Statement of Responsibilities

The Responsibilities of the PCC

The PCC 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 PCC has determined the Chief Finance Officer as that officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safe guard its assets.
- Ensure that there is an adequate Annual Governance Statement.
- Approve the Statement of Accounts.

The Chief Finance Officer Responsibilities

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

In preparing the Accounts, the Chief Finance Officer has:

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

I certify that in my opinion the Statement of Accounts present a true and fair view of the financial position of the Nottinghamshire Office of the Police and Crime Commissioner & Group at 31 March 2013 and its income and expenditure for the year ended 31 March 2013.

C M H Radford CPFA

Chief Finance Officer to The Nottinghamshire Police and Crime Commissioner & Group

I certify on behalf of the NOPCC that the Statement of Accounts presents a true and fair view of the financial position of The Nottinghamshire Office of the Police and Crime Commissioner & Group at 31 March 2013 and its income and expenditure for the year ended 31 March 2013.

Paddy Tipping

The Police and Crime Commissioner

24th September 2013

Core Financial Statements

CS1. Comprehensive Income and Expenditure Statement

CS2 Movement in Reserves Statement

CS3 Balance Sheet

CS4 Cash Flow Statement

P1 Pension Fund Account

CS1. Comprehensive Income and Expenditure Statement for NOPCC and Group

The 2011-2012 figures have been restated to gross out Financing and Investment Income and Expenditure, which had inadvertently been netted down. Additionally to improve clarity, the full cost of the JCO's has been included within appropriate classifications whereas previously the income and expenditure had been shown over several rows. (see note 3.1) The Sercop / POA analysis on which this information is based has been modified for 2012-2013 and the foot notes to the table give brief details

2011-2012 Restated			2012-2013			
Gross Exp' £000	Gross Income £000	Net Exp' £000	Gross Exp' £000	Gross Income £000	Group Net Exp' £000	Note
126,192	-11,067	115,125	103,468	-11,384	92,084	a
16,232	-116	16,116	16,121	-234	15,886	
16,614	-651	15,963	13,663	-576	13,088	
5,046	-2,370	2,676	5,002	-3,639	1,363	
13,678	-403	13,275	12,702	-226	12,476	
11,690	-703	10,987	15,007	-739	14,268	
29,026	-1,215	27,811	55,036	-1,342	53,694	b
6,798	-49	6,749	3,223	-21	3,202	c
4,601	-2,756	1,845	5,299	-3,949	1,350	
1,371	0	1,371	1,569	-146	1,423	
2,372	0	2,372	387	0	387	
233,620	-19,330	214,290	231,477	-22,256	209,221	
738	0	738	1,081	0	1,081	3.2
99,549	-8,143	91,406	93,408	-7,071	86,337	3.3
0	-228,673	-228,673	0	-217,677	-217,677	3.4
333,907	-256,146	77,761	325,966	-247,004	78,962	
		-867			147	4.3
		67,920			325,166	4.4
		67,053			325,313	
		144,814			404,275	

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

CS1. Comprehensive Income and Expenditure Statement for NOPCC and CCN

2011-2012 Restated				
CCN	PCC			
Net Res'ces £000	Gross Exp' £000	Gross Income £000	Net Exp' £000	
115,125	0	0	115,125	Local Policing
16,116	0	0	16,116	Dealing with the Public
15,963	0	0	15,963	Criminal Justice Arrangements
2,676	0	0	2,676	Road Policing
13,275	0	0	13,275	Specialist Operations
10,987	0	0	10,987	Intelligence
27,811	0	0	27,811	Investigation
6,749	0	0	6,749	Investigative Support
1,845	0	0	1,845	National Policing
210	1,161	0	1,371	Corporate and Democratic Core
2,372	0	0	2,372	Non Distributed Costs
213,129	1,161	0	214,290	Cost Of Services
	738	0	738	Other Operating Expenditure
	99,549	-8,143	91,406	Financing and Investment Income & Expenditure
	0	-228,673	-228,673	Taxation and Non-Specific Grant Income
	101,448	-236,816	77,761	Surplus (-) or Deficit on Provision of Services
			-867	Surplus (-) or deficit on revaluation of non-current assets
			67,920	Pension Fund Adjustment under regulations
			67,053	Other Comprehensive Income & Expenditure
			144,814	Total Comprehensive Income & Expenditure

2012-2013				
CCN	PCC			
Net Res'ces £000	Gross Exp' £000	Gross Income £000	Group Net Exp' £000	Note
92,084	0	0	92,084	
15,885	0	0	15,885	
13,088	0	0	13,088	
1,363	0	0	1,363	
12,476	0	0	12,476	
14,268	0	0	14,268	
53,694	0	0	53,694	
3,202	0	0	3,202	
1,350	0	0	1,350	
216	1,353	-146	1,423	
387	0	0	387	
208,014	1,353	-146	209,221	
	1,081	0	1,081	3.2
	93,408	-7,071	86,337	3.3
	0	-217,677	-217,677	3.4
	95,842	-224,894	78,962	
			147	4.3
			325,166	4.4
			325,313	
			404,275	

CS2. Movement in Reserves NOPCC and Group

2012-13	General Fund £000	Earmarked Reserves £000	Capital Receipts £000	Capital Grants £000	Total Usable Reserves £000	Reval'n Reserve £000	Capital Adj' £000	Pensions Reserve £000	Collection Fund Adj £000	Accum' Absence £000	Total Unusable Reserves £000	Total Reserves £000
Note ref		4.1				4.3	4.5	4.4	11			
Balance at 1 April 2012	-7,083	-13,153	-900	-134	-21,270	-2,853	-4,790	1,761,655	-13	5,124	1,759,123	1,737,853
Surplus (- deficit) on the provision of services (accounting basis)	78,962	0	0	0	78,962	0	0	0	0	0	0	78,962
Other Comprehensive I & E - revaluation gains & losses	0	0	0	0	0	147	0	325,166	0	0	325,313	325,313
Total CIES	78,962	0	0	0	78,962	147	0	325,166	0	0	325,313	404,275
Depreciation/Amortisation of non-current assets	-5,454	0	0	0	-5,454	0	5,454	0	0	0	5,454	0
Impairment/Revaluation losses	-6,791	0	0	0	-6,791	0	6,791	0	0	0	6,791	0
Capital grants and contributions credited to the CIES	2,477	0	0	0	2,477	0	-2,477	0	0	0	-2,477	0
Net gain or loss (-) on sale of non-current assets	-416	0	-1,023	0	-1,439	0	1,439	0	0	0	1,439	0
Pension costs adj between calculated in accordance with IAS19 and the contributions due under pension scheme regulations	-128,822	0	0	0	-128,822	0	0	128,822	0	0	128,822	0
Amount by which council tax income included in the CIES	183	0	0	0	183	0	0	0	-183	0	-183	0
Minimum Revenue Provision	1,959	0	0	0	1,959	0	-1,959	0	0	0	-1,959	0
Minimum Revenue Provision (Finance Lease Liabilities)	979	0	0	0	979	0	-979	0	0	0	-979	0
Employers contribution to Pension Scheme	52,222	0	0	0	52,222	0	0	-52,222	0	0	-52,222	0
Use of Capital Receipts Reserve to finance capital	0	0	0	0	0	0	0	0	0	0	0	0
Use of Capital grants unapplied for capital exp	0	0	0	13	13	0	-13	0	0	0	-13	0
Adj for depreciation between historical and revalued basis	0	0	0	0	0	101	-101	0	0	0	0	0
Loss on disposal of non current assets met from revaluation reserve	0	0	0	0	0	74	-74	0	0	0	0	0
Charges for Employee Benefits	-464	0	0	0	-464	0	0	0	0	464	464	0
Total adjustment between accounting basis & funding basis under regulations	-84,127	0	-1,023	13	-85,137	175	8,081	76,600	-183	464	85,137	0
Net decrease / (- increase) before transfers to earmarked reserves	-5,165	0	-1,023	13	-6,175	322	8,081	401,766	-183	464	410,450	404,275
Transfers from / (- to) earmarked reserves	5,173	-5,173	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	-7,074	-18,326	-1,923	-121	-27,445	-2,531	3,291	2,163,421	-196	5,588	2,169,573	2,142,129

CS2. Movement in Reserves NOPCC and Group 2011-2012 Comparators

2011-2012	General Fund £000	Earmarked Reserves £000	Capital Receipts £000	Capital Grants £000	Total Usable Reserves £000	Reval'n Reserve £000	Capital Adj' £000	Pensions Reserve £000	Collection Fund Adj £000	Accum' Absence £000	Total Unusable Reserves £000	Total Reserves £000
Note ref		4.1				4.3	4.5	4.4	11			
Balance at 1 April 2011	-7,000	-9,048	0	-232	-16,280	-2,174	-10,822	1,617,137	-140	5,747	1,609,749	1,593,469
Surplus (- deficit) on the provision of services (accounting basis)	77,817	0	0	0	77,817	0	0	0	0	0	0	77,817
Other Comprehensive I & E - revaluation gains & losses	0	0	0	0	0	-867	0	67,920	0	0	67,053	67,053
Total CIES	77,817	0	0	0	77,817	-867	0	67,920	0	0	67,053	144,870
Depreciation/Amortisation of non-current assets	-5,475	0	0	0	-5,475	0	5,475	0	0	0	5,475	0
Impairment/Revaluation losses	-4,785	0	0	0	-4,785	0	4,785	0	0	0	4,785	0
Capital grants and contributions credited to the CIES	1,981	0	0	0	1,981	0	-1,981	0	0	0	-1,981	0
Net gain or loss (-) on sale of non-current assets	-102	0	-1,141	0	-1,243	0	1,243	0	0	0	1,243	0
Pension costs adj between calculated in accordance with IAS19 and from the contributions due under pension scheme regulations	-135,787	0	0	0	-135,787	0	0	135,787	0	0	135,787	0
Amount by which council tax income included in the CIES	-127	0	0	0	-127	0	0	0	127	0	127	0
Minimum Revenue Provision	1,836	0	0	0	1,836	0	-1,836	0	0	0	-1,836	0
Minimum Revenue Provision (Finance Lease Liabilities)	949	0	0	0	949	0	-949	0	0	0	-949	0
Employers contribution to Pension Scheme	59,189	0	0	0	59,189	0	0	-59,189	0	0	-59,189	0
Use of Capital Receipts Reserve to finance capital expenditure	0	0	241	0	241	0	-241	0	0	0	-241	0
Use of Capital grants unapplied for capital exp	0	0	0	99	99	0	-99	0	0	0	-99	0
Adjustment for depreciation between historical and revalued basis	0	0	0	0	0	125	-125	0	0	0	0	0
Loss on disposal of non current assets met from revaluation reserve	0	0	0	0	0	63	-63	0	0	0	0	0
Charges for Employee Benefits	658	0	0	0	658	0	0	0	0	-658	-658	0
Total adjustment between accounting basis & funding basis under regulations	-81,663	0	0	99	-81,564	188	6,210	76,598	127	-658	82,464	900
Net decrease / (- increase) before transfers to earmarked reserves	-3,846	0	-900	99	-4,647	-680	6,210	144,518	127	-658	149,517	144,870
Transfers from / (- to) earmarked reserves	3,846	-3,846	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2012	-7,000	-12,894	-900	-134	-20,928	-2,853	-4,611	1,761,655	-13	5,088	1,759,266	1,738,338
JANE 31 March 2011	-75	-190	0	0	-265	0	-187	0	0	23	-165	-429
Inclusive of JANE's 31 March 2011	-7,075	-9,238	0	-232	-16,545	-2,174	-11,009	1,617,137	-140	5,770	1,609,584	1,593,040
JANE 31 March 2012	-83	-259	0	0	-342	0	-179	0	0	36	-143	-485
Inclusive of JANE's 31 March 2012	-7,083	-13,153	-900	-134	-21,270	-2,853	-4,790	1,761,655	-13	5,124	1,759,123	1,737,853

CS3. Balance Sheet NOPCC and Group

During the year the cash balance relating to the Police Pension Fund was reclassified from a Cash and Cash Equivalent to a Short Term Debtor in line with common practice. Therefore the figures for 2012 were restated as the value of the change £3.7m was material. This also entailed a restatement of the Cashflow Statement and some supporting notes (6.3 and 6.4).

31 Mar 2012 £000	31 Mar 2012 Restated £000	Note		31 Mar 2013 £000
51,388	51,388	5	Property, Plant & Equipment	42,987
585	585	5	Investment Properties	380
1,891	1,891	5	Assets Held for Sale	2,428
826	826	5.5	Intangible Assets	743
23	23		Long Term Debtors	11
54,713	54,713		Non-Current Assets	46,549
11,600	11,600	6.1	Short Term Investments	16,300
720	720	6.2	Inventories	622
13,855	17,408	6.3	Short Term Debtors	22,931
2,782	75	6.4	Cash and Cash Equivalents	45
28,957	29,803		Current Assets	39,898
-4,944	-4,944	7.1	Short Term Borrowing	-7,725
-1,140	-1,140		Grant Receipts in Advance	-315
-21,254	-21,254	7.2	Short Term Creditors	-23,050
-168	-1,014	6.4	Overdraft	-1,048
-2,712	-2,712	7.3	Short Term Provisions	-2,646
-30,218	-31,064		Current Liabilities	-34,784
-26,915	-26,915	8.1	Long Term Borrowing	-28,016
-2,735	-2,735	8.2	Other Long Term Liabilities	-2,358
-1,761,655	-1,761,655	17.4	Net Pension Liability	-2,163,421
-1,791,305	-1,791,305		Long Term Liabilities	-2,193,795
-1,737,853	-1,737,853		Net Assets	-2,142,132
-7,083	-7,083		General Fund	-7,074
-900	-900		Capital Receipts Reserve	-1,923
-13,153	-13,153	4.1	Earmarked Reserves	-18,323
-134	-134		Capital Grants Unapplied	-121
-21,270	-21,270		Usable Reserves	-27,441
-2,853	-2,853	4.3	Revaluation Reserve	-2,531
-4,790	-4,790	4.5	Capital Adjustment Account	3,291
1,761,655	1,761,655	4.4	Pensions Reserve	2,163,421
-13	-13	CS2	Collection Fund Adjustment	-196
5,124	5,124	4.2	Accumulated Absences	5,588
1,759,123	1,759,123		Unusable Reserves	2,169,573
1,737,853	1,737,853	CS2	Total Reserves	2,142,132

CS4. Cash Flow Statement

Restated due to the reclassification of Pension Fund Cash (See Balance Sheet)

31 Mar 2012 £000	31 Mar 2012 Restated £000	Note		31 Mar 2013 £000
77,762	77,762		Net surplus (-) or deficit on the provision of services	78,962
-84,319	-83,955		Adjust net surplus or deficit on the provision of services for non cash movements	-81,460
-6,557	-6,193		Net cash flows from Operating Activities	-2,498
			Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	
11,106	11,106	12.2	Investing Activities	6,444
-4,777	-4,777	12.3	Financing Activities	-3,882
-228	136		Net increase (-) / decrease in cash and cash equivalents	64
228	-136		Representing an equivalent Balance Sheet movement	-64
2,385	-803		Cash and cash equivalents 1 April	-939
2,614	-939	6.4	Cash and cash equivalents 31 March	-1,003

P1. Pension Fund Account

2011-12 £000		2012-13 £000
	Contributions Receivable	
-17,605	Employers Contributions 1987 Scheme	-16,773
-2,408	Employers Contributions 2006 Scheme	-2,426
-1,135	Additional Contributions for early retirements 1987 Scheme	-622
-7,999	Members contributions 1987 Scheme	-8,469
-938	Members contributions 2006 Scheme	-1,036
0	Transfer in 1987 Scheme	-163
-441	Transfer in 2006 Scheme	-37
	Benefits Payable	
40,197	Pensions 1987 Scheme	43,569
5	Pensions 2006 Scheme	6
18,120	Commutations and lump sum retirement benefits 1987 Scheme	9,731
99	Lump sum death benefits 1987 Scheme	0
	Payments to / on account of leavers	
2	Refund of contributions 2006 Scheme	0
331	Transfers out 1987 Scheme	147
0	Transfers out 2006 Scheme	0
28,228	Sub total before transfer from the NOPCC of amount equal to the deficit	23,928
-28,228	Transfer of Government Grant from the NOPCC to meet the deficit	-23,928
0	Balance at 31 March	0

All notes relating to pensions can be found at Note 17 with the net asset statement being at 17.8.

Notes to the Accounts

1. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out on pages 12-22, the NOPCC has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for the Police Service. However, it is considered that this uncertainty is not yet sufficient to provide an indication that assets might be impaired as a result of a need to close facilities.
- Capital improvements have previously been undertaken to a property store. There is an ongoing dispute with the contractor in relation to faults that have developed subsequently. Legal advice has been sought and because of the uncertainty of the outcome no account has been taken of any monies which may be received in the future. There is insufficient certainty to treat this as a probable contingent asset either.

Major Estimations

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.

The professional judgement of the Transport Manager is relied upon to provide vehicle valuations added to the Balance Sheet. These estimations are required due to the unavailability of the purchase information from the PFI supplier.

The item in the accounts for 2012-2013 for which there is a significant risk of material adjustment in the forthcoming financial year is the Insurance Claim Provision. There is generally a time lag between insurable events and the date insurance liability claims are received. No allowance is made for this value unless specific incidents have occurred which make it appropriate to do so. One potential use of the General Reserve is to cover for emerging trends of liability claims or an exceptional value of incurred but not reported claims. Estimates of the value of claims change as information regarding the circumstances evolve. A provision of £2.3m has been made to meet the estimated outstanding amount of insurance claims. This is based on estimates provided by Insurance Companies and by the Regional Legal Services Team. An increase / decrease in the value of claims of 10% have the effect of adding to / or reducing the provision by £0.2m.

2. Prior Period Adjustments and Post Balance Sheet Events

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

3. Surplus or Deficit on Provision of Services

The presentation of the JCO's within the Cost of Services has been amended slightly, to give a more accurate representation of how income and expenditure has been spent. To assist comparisons with 2011-2012, the transactions for 2011-2012 have been restated using the new methodology and detailed in note 3.1 below.

3.1

2011-2012			2011-2012 Restated			
Gross Exp' £000	Gross Income £000	Net Exp' £000	Gross Exp' £000	Gross Income £000	Net Exp' £000	
126,192	-11,067	115,125	126,192	-11,067	115,125	Local Policing
16,232	-116	16,116	16,232	-116	16,116	Dealing w with the Public
16,614	-651	15,963	16,614	-651	15,963	Criminal Justice Arrangements
5,046	-2,370	2,676	5,046	-2,370	2,676	Road Policing
13,678	-403	13,275	13,678	-403	13,275	Specialist Operations
11,234	-191	11,043	11,690	-703	10,987	Intelligence
29,026	-1,215	27,811	29,026	-1,215	27,811	Specialist Investigations
6,798	-49	6,749	6,798	-49	6,749	Investigative Support
4,601	-2,756	1,845	4,601	-2,756	1,845	National Policing
456	-512	-56	0	0	0	JCO's
1,371	0	1,371	1,371	0	1,371	Corporate and Democratic Core
2,372	0	2,372	2,372	0	2,372	Non Distributed Costs
233,620	-19,330	214,290	233,620	-19,330	214,290	Cost Of Services
738	0	738	738	0	738	Other Operating Expenditure
91,406	0	91,406	99,549	-8,143	91,406	Financing and Investment
0	-228,673	-228,673	0	-228,673	-228,673	Taxation and Non-Specific Grant Income
325,764	-248,003	77,761	333,907	-256,146	77,761	Surplus (-) or Deficit on Provision of Services
		-867			-867	Surplus (-) / deficit on revaluation of assets
		67,920			67,920	Pension Fund Adjustment under regulations
		67,053			67,053	Other Comprehensive Income & Expenditure
		144,814			144,814	Total Comprehensive Income & Expenditure

More detail regarding JCO's is included in Note 13. The non-distributed costs represent the costs of restructuring. The following items give information regarding items in the CIES;

3.2

2011-12 £000	Other Operating Expenses	2012-13 £000
102	Gains (-) and Losses on Disposal of Non Current Assets	415
636	Levies to National Police Services	666
738	Total PCC	1,081

3.3

2011-12 £000	Financing and Investment Income and Expenditure	2012-13 £000
1,013	Interest payable on Debt	1,232
-236	Interest element of Finance Leases (Lessee)	431
492	Interest payable on PFI Unitary Payments	500
98,044	Pensions Interest Cost	91,245
-7,785	Expected return on Pensions Assets	-6,885
0	Interest Income	-1
-120	Investment Interest Income	-185
91,408	Total	86,337

3.4

2011-12 £000	Taxation and Non-Specific Grant Income	2012-13 £000
-53,257	Council Tax Income	-55,936
-43,561	National Non Domestic Rates	-52,504
	Council Tax Freeze Compensation	-1,332
-13,465	Revenue Support Grant	-1,044
-88,181	Non-ringfenced Government Grants	-80,686
-28,228	Home Office Pension Grant	-23,928
-1,981	Capital Grants and Contributions	-2,247
-228,673	Total	-217,677

4. Movement in Reserves

This note forms the link between CIES and the Balance Sheet Reserves. It includes all the adjustments that are made to the CIES in accordance with proper accounting practice and how they are incorporated into Reserve balances.

4.1. Transfers to / from Earmarked Reserves

This shows how monies have been set aside or used during the year. Two new Earmarked Reserves were created during the year, in accordance with the approved reserves strategy. The first being to meet one off costs associated with transitional costs of the NOPCC. The other is to meet the costs of improving animal welfare.

	Balance 31 March 2011 £000	T/f Out 2011-12 £000	T/f In 2011-12 £000	Balance 31 March 2012 £000	T/f Out 2012-13 £000	T/f In 2012-13 £000	Balance 31 March 2012 £000
Medium Term Financial Plan	-7919	0	-4177	-12,096	0	-2,365	-14,461
Helicopter Operational	-90	0	0	-90	0	0	-90
Police Property Act	0	0	-81	-81	0	-2	-83
Drug Fund	0	0	-60	-60	3	0	-57
Revenue Grants	-768	768	-380	-380	380	-2,673	-2,673
Animal Welfare	0	0	0	0	0	-20	-20
PCC Transitional Costs	0	0	0	0	54	-500	-446
PFI Life Cycle Costs	-271	119	-35	-187	0	-35	-222
Total PCC	-9,048	887	-4,733	-12,894	437	-5,595	-18,052
JCO's	-190	0	-69	-259	0	-12	-271
Total	-9,238	887	-4,802	-13,153	437	-5,607	-18,323

4.2 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences from accruing for compensated absences earned but not taken in the year, (e.g. leave entitlement carried forward at 31 March). Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account (CS2).

4.3 Revaluation Reserve

The Revaluation Reserve was created 1 April 2007 and contains revaluation gains arising from increases in the value of non current assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost.
- Used in the provision of services and the gains are consumed through depreciation.
- Disposed of and the gains are realised.

2011-12 £000		2012-13 £000
-2,174	Balance 1 April	-2,853
-1,030	Upward revaluation of assets	-573
163	Downward revaluation of assets and impairments losses not charged to the Surplus/ Deficit on the provision of Services	720
-867	Surplus (-) or deficit on revaluation of non-current assets not posted to the Surplus/ Deficit on the Provision of Services	147
125	Difference between fair value depreciation and historical cost depreciation	101
63	Accumulated gains on assets sold or scrapped	74
188	Amount written off to the Capital Adjustment Account	175
-2,853	Balance 31 March	-2,531

4.4 Pension Reserve

The Pension Reserve absorbs the timing differences between the difference in accounting and funding for post employment benefits in accordance with statutory provisions. The CIES recognises the benefits earned by employees accruing service. The liabilities are adjusted for inflation, valuation assumptions and investment returns. Statutory arrangements require benefits to be financed as employers contributions are paid to pension funds and pensioners. The debit balance on the Pension Reserve represents a substantial shortfall in the benefits earned by past and current employees and the resources set aside to meet them. The statutory arrangements ensure that funding will meet payments.

2011-12 £000		2012-13 £000
1,617,137	Balance 1 April	1,761,655
67,920	Actuarial gains or losses on pensions assets and liabilities	325,166
135,787	Reversal of pension benefits charged to the Provision of Services in the CIES	128,822
-59,189	Employers pensions contributions & direct payments to pensioners payable.	-52,222
1,761,655	Balance 31 March	2,163,421

4.5. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences between the difference in accounting for the consumption of non-current assets and for financing of those assets under statutory provisions. The Account is debited with the costs of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with postings from the Revaluation Reserve to convert fair value to a historical cost basis). The Account is credited with amounts set aside to finance the costs of non-current assets. It also contains revaluation gains accumulated on non-current assets before 1 April 2007. From that date that the Revaluation Reserve holds such gains.

2011-12		2012-13
£000		£000
-10,822	Balance 1 April	-4,611
6,176	Charges for depreciation and impairment of non-current assets	5,032
3,781	Revaluation losses on Property, Plant and Equipment	6,617
303	Amortisation of intangible assets	340
1,076	Amounts of non current assets written off on disposal to the CIES	1,437
11,336		13,426
-188	Adjusting amounts written out of the Revaluation Reserve	-175
11,148	Net written out amount of the cost of non current assets consumed in the year	13,251
	Capital financing applied in the year:	
-241	Use of Capital Receipts to finance new capital expenditure	0
-2,079	Capital grants and contributions credited to the CIES applied to capital financing	-2,260
	Statutory provision for capital financing charged to the General Fund	
-1,836	Minimum Revenue Provision	-1,959
-781	Finance Lease Liability	-806
-4,937		-5,025
-4,611	Total NOPCC 31 March	3,615
-179	JCO's	-324
-4,790	Total	3,291

5. Non Current Assets

	Land & Buildings £000	Plant Vehicle & Equipment £000	Investment Properties £000	Assets under Construction £000	Assets Held for Sale £000	Total £000	PFI Assets Included £000
5.1 Non-current Asset Movements							
1 April 2012	45,351	40,595	585	0	1,891	88,422	2,044
Additions	2,106	3,083	0	0	0	5,189	16
Revaluation Increases/ Decreases (-) recognised in the Revaluation Reserve	-147	0	0	0	0	-147	0
Revaluation Increases/ Decreases (-) recognised in the Surplus / Deficit on the Provision of Services	-6,566	0	-205	0	-20	-6,791	0
Derecognition - Disposals	0	-20,377	0	0	-948	-21,325	0
Accumulated Depreciation and Impairment written off	-1,765	0	0	0	0	-1,765	0
Assets reclassified to/ from Held for Sale	-1,505	0	0	0	1,505	0	0
Other Movements in cost or valuation	0	0	0	0	0	0	0
31 March 2013	37,474	23,301	380	0	2,428	63,583	2,060
Accumulated Depreciation and Impairment							
1 April 2012	2,775	31,958	0	0	0	34,733	328
Depreciation charge	1,006	4,025	0	0	0	5,031	96
Accumulated Depreciation and Impairment written off	-1,765	0	0	0	0	-1,765	0
Derecognition - Disposals	0	-19,887	0	0	0	-19,887	0
31 March 2013	2,016	16,096	0	0	0	18,112	424
NOPCC 31 March 2012	42,576	8,637	585	0	1,891	53,689	1,716
JCO's 31 March 2012	0	175	0	0	0	175	0
TOTAL 31 March 2012	42,576	8,812	585	0	1,891	53,864	1,716
NOPCC 31 March 2013	35,458	7,205	380	0	2,428	45,471	1,636
JCO's 31 March 2013	0	324	0	0	0	324	0
TOTAL 31 March 2013	35,458	7,529	380	0	2,428	45,795	1,636

	Land & Buildings £000	Plant Vehicle & Equipment £000	Investment Properties £000	Assets under Construction £000	Assets Held for Sale £000	Total £000	PFI Assets Included £000
5.1 Non-current Asset Movements prior year comparator							
1 April 2011	47,931	40,684	585	1,528	210	90,938	2,044
Adjustment for leasing residual values		-1,727	0	0	0	-1,727	0
Additions	2,552	2,994	0	4	0	5,550	0
Revaluation Increases/ Decreases (-) recognised in the Revaluation Reserve	867	0	0	0	0	867	0
Revaluation Increases/ Decreases (-) recognised in the Surplus / Deficit on the Provision of Services	-3,164	0	0	-1,207	0	-4,371	0
Derecognition - Disposals	0	-1,356	0	0	-750	-2,106	0
Assets reclassified to/ from Held for Sale	-2,435	0	0	0	2,431	-4	0
Other Movements in cost or valuation	-400	0	0	-325	0	-725	0
31 March 2012	45,351	40,595	585	0	1,891	88,422	2,044
Accumulated Depreciation and Impairment							
1 April 2011	2,331	30,135	0	0	0	32,466	221
Adjustment for leasing residual values	0	-2,317	0	0	0	-2,317	0
Depreciation charge	1,173	5,003	0	0	0	6,176	107
Impairment losses (Reversals) recognised in the Surplus / deficit on the Provision of Service	-725	0	0	0	0	-725	0
Derecognition - Disposals	0	-863	0	0	0	-863	0
Assets reclassified to/ from Held for Sale	-4	0	0	0	0	-4	0
Other Movements in Depreciation and Impairment	0	0	0	0	0	0	0
31 March 2012	2,775	31,958	0	0	0	34,733	328
Net Book Value							
NPA 31 March 2011	45,600	10,549	585	1,528	210	58,472	1,823
JCO's 31 March 2011	0	180	0	0	0	180	0
	45,600	10,729	585	1,528	210	58,652	1,823
NPA 31 March 2012	42,576	8,637	585	0	1,891	53,689	1,716
JCO's 31 March 2012	0	175	0	0	0	175	0
	42,576	8,812	585	0	1,891	53,864	1,716

5.2 Capital Commitments

At 31 March 2013, the NOPCC has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2012-2013 and the future years is budgeted to cost £0.2 million. (1.7 million 2011-2012).

	31 March 2013 £000
Main Capital Commitments	
Custody Improvements	66
CCTV Non Custody	83
Other (under £50k)	67
Total	216

5.3 Revaluations

During 2012-2013, 19 properties which equated to approximately 35% of the portfolio value were revalued. Property revaluations were undertaken by Lambert Smith Hampton, external valuers. These valuations were subject to componentised valuation as prescribed by IAS 16 and adopted by the Royal Institute of Chartered Surveyors in its Red Book. The depressed commercial market caused significant net valuation reductions (£4.7m). As a result the remaining three significant assets (representing a further 20% of the portfolio) not revalued in the last two years was subject to a 'desk top' revaluation. This involved an assessment of market conditions and information provided by the Estates team, but not actual inspections. The result was a further revaluation loss of £4m.

Valuation Summary (excluding JCO's)

	Land & Buildings £000	Plant Vehicles & Equipment £000	Investment Properties £000	Assets Held for Sale £000	Assets under Construction £000	Total £000	PFI Assets Included £000
Historical Cost	5	7,205	0	0	0	7,210	0
Fair Value							
01 April 2007	0	0	0	250	0	250	0
01 April 2009	5,423	0	0	38	0	5,461	1,636
01 April 2010	86	0	0	0	0	86	0
01 April 2011	12,215	0	0	290	0	12,505	0
01 April 2012	17,729	0	380	1,850	0	19,959	0
Total Valuation	35,458	7,205	380	2,428	0	45,471	1,636

5.4 Investment Properties

Income is received on investment properties (telecoms masts) from an external organisation, which also undertakes the maintenance and repair of the telecoms masts. This had been undertaken by Arqiva and during the year this was taken over by Cell C.M. These costs are not identified separately in the Statement of Accounts and are included within the management charge. Investment income received during the year is shown net of this management charge. The investment income was £0.181 million in 2012-2013 (£0.113 million 2011-2012).

5.5 Intangible Assets

Software (including purchased licences) is classified as intangible assets. This is because the software is not an integral part of a particular IT item. All software is amortised on a straight -line basis over a finite useful life of 7 years. The amortisation of £0.303 million in 2012-2013 was a revenue expense. Movements are summarised in the table below:

2011-2012 £000		2012-2013 £000
1,042	Balance 1 April	821
2,575	Gross Carrying amounts	2,657
-1,533	Accumulated amortisation	-1,836
	Additions:	
82	Purchases	263
-303	Amortisation for the period	-341
821	Net Carrying amount 31 March	743
2,657	Gross carrying amounts	2,920
-1,836	Accumulated amortisation	-2,179
821	Total NOPCC	741
5	JCO's	2
826	Total	743

5.6 Capital Expenditure and Capital Financing

The total amount of capital expenditure, including PFI and finance leases and sources of finance are shown in the table below, it shows cumulatively capital expenditure which is to be financed in future years by charges to revenue.

2011-12 £000		2012-13 £000
47,516	Opening Capital Financing Requirement	47,993
	Capital investment	
5,550	Property, Plant and Equipment	5,190
82	Intangible Assets	263
	Sources of finance	
-241	Capital Receipts	0
-2,080	Government grants and other contributions	-2,261
-1,836	Sums set aside from revenue - MRP / loans funded principal	-1,959
-998	Sums set aside from revenue - Lease liability	0
47,993	Closing Capital Financing Requirement	49,226
477	Movement in the year - analysed as follows	1,233
1,178	Increase in underlying borrowing need (supported by government finance)	0
1,665	Increase in underlying need to borrowing (unsupported by government finance)	2,929
-998	Lease liability previous years	0
-1,836	MRP / Loans funded principles	-1,959
468	Assets acquired under finance leases	263
477	Increase / decrease (-) in Capital Financing Requirement	1,233

5.7 Heritage Assets

The Code of Practice 2013 requires that Heritage Assets are accounted for separately. An assessment has been made and The Group have no assets which meet the definition.

6. Current Assets

6.1 Short Term Investments

31 Mar 2012 £000		31 Mar 2013 £000
4,000	Bank Call Accounts	3,000
0	Bank Short Term Fixed Accounts	4,000
5,000	Greater London Authority	0
0	Worthing Borough Council	2,000
2,600	Money Market Funds	7,300
11,600		16,300

6.2 Inventories

2011-12 £000	Movement on stock inventories during the year	2012-13 £000
748	Balance 1 April	720
2,208	Purchases	1,650
-2,201	Recognised as an expense in the year	-1,748
-35	Written off balances	0
720	Balance 31 March	622
	Analysed as follows;	
71	Petrol	56
272	Derv	172
343	Fuel Total	228
377	Clothing Total	394
720	Balance 31 March	622

6.3 Debtors

2011-12 £000	2011-12 Restated £000		2012-13 £000
5,552	9,105	Central Government Bodies	14,565
2,089	2,089	Other Local Authorities	1,608
5,684	5,684	Other Entities and Individuals	6,039
13,325	16,878	Total PCC	22,212
530	530	JCO's	719
13,855	17,408	Total	22,931

This note was restated due to the reclassification of Pension Fund Cash Balance (See Balance Sheet).

A bad debt provision of £0.092 million is provided against specific debts considered to be irrecoverable (£0.197 million at 31st March 2012). A provision of £2.488 million is held against Council Tax arrears of £4.089 million at the 31st March 2013. This level of provision has been assessed by the Council Tax Billing Authorities. (Provision of £2.407 million against arrears of £3.901 million at 31st March 2012).

6.4 Cash and Cash Equivalents

31 Mar 2012 £000	31 Mar 2012 Restated £000		31 Mar 2013 £000
75	75	Imprest Accounts	45
1,796	-1,757	Monies held on behalf of others	-928
744	744	Bank Accounts inc JCO's	-120
2,615	-938	Total	-1,003

This note was restated due to the reclassification of Pension Fund Cash Balance. (See Balance Sheet).

7. Current Liabilities

7.1 Short Term Borrowing

The Market Loan of £3.5m was taken out with Danske Bank in May 2006 for 60 years. Since May 2011 it has featured a break clause every 6 months (Lenders Option, Borrowers Option LOBO). There has been no exercising of this option so far. In accordance with the CIPFA Treasury Management Code this is treated as a short term liability.

31 Mar 2012 £000		31 Mar 2013 £000
-3,500	Market Loans	-3,500
-1,444	PWLB	-4,225
-4,944		-7,725

7.2 Creditors

31 Mar 2012 £000		31 Mar 2013 £000
-3,728	Central Government Bodies	-3,710
-3,348	Other Local Authorities	-2,040
-13,834	Other Entities and Individuals	-16,358
-344	JCO's	-942
-21,254	Total	-23,050

7.3 Provisions

Liability claims are generally paid out within 1 and 3 years. It is expected that the majority will be used within a year and has all been classified as short-term. Two new provisions were set up this year; both are expected to be spent during the forthcoming year. The first relates to legal expenses regarding a major claim and the other for dilapidation relating to leases approaching the end of the term.

	EL& PL Claims £000	MV Liability Claims £000	Legal Expenses £000	Dilapidation £000	Total £000
Balance 31 March 2012	-1,962	-750	0	0	-2,712
Provisions made in 2012-13	21	-360	-190	-202	-731
Amounts Used in 2012-13	275	522	0	0	797
Balance 31 March 2013	-1,666	-588	-190	-202	-2,646

8. Long Term Liabilities

8.1 Long Term Borrowing

All longer term borrowing of £28.016 million was with the PWLB (£26.915 million 2011-2012)

8.2 Other Long Term Liabilities

2011-12 £000		2012-13 £000
-973	Finance Leases	-596
-1,762	PFI Liability	-1,762
-2,735		-2,358

9. Contingent Assets

The NOPCC had no contingent assets as at 31 March 2013.

10. Contingent Liabilities

The following contingent liabilities have been identified:

- There is still the potential of a proportion of a fine from the Information Commissioner. This has been estimated to be up to the value of £0.3 million.
- There is the possibility of a further fine from the Information Commissioner. Insufficient information is available to quantify but the maximum available fine is £0.5 million.
- The NOPCC is also defending employment claims relating to A19. It is estimated that the maximum impact could be £3.5 million.

11. Collection Fund Adjustment Account

This account absorbs the difference between the recognition of council tax income in the CIES as it falls due from the council tax payers compared to the statutory arrangements which pays across amounts from the Collection Fund.

2011-12 £000		2012-13 £000
-140	Balance 1 April 2012	-13
127	Difference between the CIES and statutory arrangements	-183
-13	Balance 31 March 2013	-196

12. Cash Flow

12.1 Analysis of interest included within Operating Activities

31 Mar 2012 £000		31 Mar 2013 £000
-358	Interest received	-187
1,506	Interest paid	2,164
1,148	Total	1,977

12.2 Analysis of Investment Activities

31 Mar 2012 £000		31 Mar 2013 £000
5,228	Purchase of non current assets	5,065
-1,141	Proceeds from the sale of non current assets	-1,023
9,000	Short Term investments made	4,700
-1,981	Other receipts for investing activities	-2,298
11,106	Net cash flows from investing activities	6,444

12.3 Analysis of Financing Activities

31 Mar 2012 £000		31 Mar 2013 £000
-10,000	Cash receipts of short and long-term borrowing	5,000
5,223	Repayment of borrowing	-8,882
-4,777	Net cash flows from financing activities	-3,882

13 Jointly Controlled Operations

The Group participates in collaborative arrangements with Leicestershire, Derbyshire, Lincolnshire and Northamptonshire. The police officers involved are seconded from the individual PCC's and all costs are borne in agreed proportions. Not all of the Collaborations include all 5 Forces, further details are included in point 12 of the Explanatory Foreword. Collaborative working also features in Air Support Maintenance. This cost is borne by the Office of the Police and Crime Commissioner Derbyshire and expenditure incurred in accordance to partnership proportions. These costs are included within revenue costs.

13.1 Comprehensive Income & Expenditure Statement Jointly Controlled Operations

2011-12 £000		2012-13 £000
1,609	Employees	5,120
241	Premises	285
109	Transport	253
420	Supplies and services	852
89	Capital Charges	82
2,468	Gross Operating Expenditure	6,592
-26	Other Income	-131
9	Loss / Profit (-) on Disposal of Fixed Assets	0
2,451	Amount to be met from Partners	6,461
-2,013	Contributions from Partners	-6,082
-494	External Grants	-479
-56	Surplus (-) / Deficit for the year	-100
0	Surplus (-) / Deficit revaluation non current assets	0
-56	Total Comprehensive Income and Expenditure	-100

13.2 Balance Sheet Jointly Controlled Operations

2011-12 £000		2012-13 £000
174	Property, Plant & Equipment	322
5	Intangible Assets	2
179	Long Term Assets	324
530	Short Term Debtors	719
168	Cash and Cash Equivalents	569
698	Current Assets	1,288
-36	Employee Benefits	-85
-356	Short Term Creditors	-942
-392	Current Liabilities	-1,027
485	Net Assets	585
-84	General Fund	-74
-257	Earmarked Reserves	-272
-144	Unusable Reserves	-239
-485	Total Reserves	-585

13.3 Movement In Reserves Jointly Controlled Operations

2011-2012					2012-2013			
Total General Fund	Earmarked Reserves	Total Unusable Reserves	Total all JCO Reserves		Total General Fund	Earmarked Reserves	Total Unusable Reserves	Total all JCO Reserves
£000	£000	£000	£000		£000	£000	£000	£000
-75	-190	-164	-429	Balance at Year start	-84	-259	-142	-485
-56	0	0	-9	Surplus / deficit (-) on the provision of services	-100	0	0	-100
				Other CIES				
0	0	0	0	Surplus / deficit (-) on reval' of non current assets	0	0	0	0
-56	0	0	-9	Total CIES	-100	0	0	-100
				Adjustments between accounting & funding basis				
-80	0	80	0	Depreciation / amortisation	-82	0	82	0
-9	0	9	0	Revenue expenditure funded from capital under statute	0	0	0	0
-10	0	10	0	Disposal of non-current assets	-1	0	1	0
11	0	-11	0	Capital grants /contributions	0	0	0	0
8	0	-8	0	Charges for Employee Benefits	-48	0	48	0
				Insertion of items not charged to the CIES				0
58	0	-58	0	Capital expenditure charged against the General Fund	228	0	-228	0
				Net increase / Decrease (-) before transfers to				
-78	0	22	-9	Earmarked Reserves	-3	0	-97	-100
69	-69	0	0	Transfers Earmarked Reserves	13	-13	0	0
-9	-69	22	-10	Increase / Decrease (-)	10	-13	-97	-100
-84	-259	-142	-485	Balance at year end	-74	-272	-239	-585

14. Christopher McDonald Memorial Trust

The Christopher McDonald Memorial Trust, which did not form part of the Group Accounts, was set up in the late 1970's with public donations, following the murder of PC McDonald whilst on duty in Worksop. During the year the trust was wound up with the £963.03 being returned to Christopher McDonald's mother to spend in honour of his memory.

15. Proceeds Of Crime Act and Police Property Act

The Police Property Act 1997 and Proceeds of Crime Act 2002, (amended by the Serious Crime Act 2005 and the Serious Crime Act 2007) monies received from the confiscation or sale of property which has come into their possession in connection with a criminal charge to be set aside. Once judgement is made monies are either, paid over to the State, repaid to the individual or made available for the PCC to use on specific purposes. Monies held before judgements reduce the available cash balance. At 31 March 2013 cash totalling £0.604 million was held in the Force bank account (£0.658 million at 31 March 2012).

16. 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.

	2011-12 £000	2012-13 £000
NOPCC		52
CCN		20
Group	92	72
Additional fraud initiative work	0	1
Total fees payable by the group	92	73

17. Defined Benefit Pension Schemes

The Group makes contributions towards the cost of separate pension schemes for Officers and Staff. Benefits are paid on retirement, but future commitments are recognised.

The Local government pension scheme for police staff is administered by Nottinghamshire County Council. This is a funded defined benefit final salary scheme. Both the NOPCC and employees pay contributions into a fund, at a level intended to balance the pension's liabilities with investment assets. The scheme has been assessed by Barnett Waddingham, Public Sector Consulting. Estimates are based on the last full valuation of the scheme as at 31 March 2010. The next full valuation of this scheme will be in 2013-2014.

Police officer pension schemes are unfunded defined benefit final salary schemes. Contributions from officers are paid into the fund and pension payments are met from the fund. Any surplus or deficit is either paid to or recovered from Central Government. Employee's and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. The figures are based on the latest full valuation of the scheme as at 31 March 2012, with updates to 31 March 2013. Particularly for additional service accrued and known pension and salary increases. The next full valuation of the scheme will be 2014-2015. The Pension Fund account is shown in note P1. The fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end.

17.1 The principal assumptions used by the Actuaries

Liabilities have been assessed on an actual basis using the projected unit credit method, an estimate of future pension payments dependent on assumptions about mortality rates, salary levels etc. The long term expected rate of return on scheme assets is no longer provided by the actuaries under amendments to IAS 19 Employee Benefits (June 2011 amendments).

	Staff Pension Scheme		Officer Pension Scheme	
	2011-12	2012-13	2011-12	2012-13
Mortality assumptions				
Longevity at 65 retiring today				
Men	18.6 Yrs	18.7 Yrs	23.3 Yrs	23.4 Yrs
Women	22.7 Yrs	22.8 Yrs	25.7 Yrs	25.8 Yrs
Longevity at 65 retiring in 20 years				
Men	20.6 Yrs	20.7 Yrs	25.6 Yrs	25.7 Yrs
Women	24.5 Yrs	24.6 Yrs	27.8 Yrs	27.9 Yrs
Rate of inflation				
RPI Increases	3.30%	3.40%	3.60%	3.70%
CPI Increases	2.50%	2.60%	2.80%	2.50%
Rate of increase in salaries	4.70%	4.80%	4.70%	4.75%
Rate of increase in pensions	2.50%	2.60%	2.50%	2.50%
Rate for discounting scheme liabilities	4.60%	4.70%	4.90%	4.30%

During 2012-2013, the actuaries for the Police Officer scheme advised that the net pension liability had increased by £407.6 million, from £1691.1 million 31 March 2012 to £2098.7 million 31 March 2013. This is mainly attributable to the changes in yields on long-term corporate bonds over the year. This has led to a fall in the discount rate assumption from 4.90% pa last year to 4.30% pa this year. This fall in the discount rate, when compounded over the typically long duration of a pension scheme, causes a significant change in the value of the liabilities. Other changes in financial and demographic assumptions have had a minor impact.

17.2 The Local Government Pension Scheme Assets

	31-Mar-2012	31-Mar-2013
	%	%
Equity Investments	70.0	73.0
Gilts	7.0	7.0
Other Bonds	5.0	6.0
Property	14.0	12.0
Cash	4.0	2.0
	100.0	100.0

17.3 Analysis of Gains and Losses

The actuarial gains identified as movements on the Pensions Reserve in 2012-2013 can be, measured as a percentage of assets or liabilities;

	2008-09 %	2009-10 %	2010-11 %	2011-12 %	2012-13 %
Expressed as a percentage of assets	-29.7	19.5	3.1	-4.2	8.4
Expressed as a percentage of liabilities	0.0	0.2	-4.9	2.9	-

17.4 Scheme History

	2008-09 £000	2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Present Value of Liabilities					
Local Government Pension Scheme	-111,703	-178,589	-150,153	-189,364	0
Discretionary benefits	-1,112,130	-1,709,070	-1,580,100	-1,691,190	0
Fair value of assets in the Local Government Pension Scheme	69,849	98,648	113,116	118,899	0
Surplus/ deficit (-) on the scheme	-1,153,984	-1,789,011	-1,617,137	-1,761,655	0
Local Government Pension Scheme	-41,854	-79,941	-37,037	-70,465	0
Discretionary benefits	-1,112,130	-1,709,070	-1,580,100	-1,691,190	0
Total	-1,153,984	-1,789,011	-1,617,137	-1,761,655	0

The liabilities show the underlying commitments that the Group has in the long run to pay post employment (retirement) benefits. The total liability of £2,163.4 million has a substantial impact on the net worth of the Balance Sheet. However, statutory accounting arrangements for funding the deficit, neutralise this.

The deficit on the local government scheme will be recovered by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary. Finance is only required when the pensions are actually paid.

The total contributions; expected to be made to the Staff Pension Scheme and the Police Officer Pension Scheme in the year ending 31 March 2014 are £4.8 million. and £19.0 million respectively.

17.5 Pensions Liability and Sensitivity

The sensitivity of the pension liabilities as provided by the actuaries are:

	£000
For the Staff Pension Scheme	
+ 0.1% change to the discount rate would reduce the pension liability by	-5,542
- 0.1% change to the discount rate would increase the pension liability by	5,722
For the Police Pension Schemes	
+0.5% change to the discount rate would reduce the pension liability by	-52,470
-0.5% change to the discount rate would increase the pension liability by	52,470

17.6 Transactions Relating to Pension Benefits

The pension transactions are prepared in accordance with IAS 19 which requires that the cost of pensions is recognised in the cost of services when they are earned by employees, rather than when eventually paid as pensions. However, the charge that is required to be against Council Tax is based on the cash payable in the year. The true cost of employer retirement benefits is reversed out of The Movement in Reserves Statement. The following table shows the transactions made during the year:

	Staff Pension Scheme		Officer Pension Schemes	
	2011-12 £000	2012-13 £000	2011-12 £000	2012-13 £000
CIES				
Cost of services				
Current service cost	7,508	9,215	35,650	34,860
Past service costs	0	0	40	110
Settlements and curtailments	2,332	277	0	0
Financing & Investment Transactions				
Interest cost	8,452	8,665	89,590	82,580
Expected return on scheme assets	-7,785	-6,885	0	0
Total Pension Charges in Provision of Services	10,507	11,272	125,280	117,550
Other Pension Benefit charged to the CIES				
Actuarial gains (-) and losses	-29,810	11,694	-38,110	-336,860
Movement in Reserve Statement				
Reversal of net charges to Provision of Services	-10,507	-11,272	-125,280	-117,550
Amount charged to the General Fund				
Employers' contributions payable to scheme	6,889	5,282	0	0
Retirements benefits payable to pensioners	0	0	49,490	43,560

The cumulative amount of actuarial loss recognised in the CIES between 2004 and 2013 is £796.5 million.

17.7 Assets and Liabilities in Relation to Post-Employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

Reconciliation of present value of the scheme liabilities (defined benefit obligation)	Local Government Pension Scheme Staff		Police Pension Schemes Officers	
	2011-12 £000	2012-13 £000	2011-12 £000	2012-13 £000
Opening Balance 1 April	-150,153	-189,364	-1,580,100	-1,691,190
Current service Cost	-7,508	-9,215	-35,650	-34,860
Interest Cost	-8,452	-8,665	-89,590	-82,580
Contributions by scheme participants	-2,421	-2,240	-9,380	-9,510
Actuarial gains and losses	-24,782	-50	-38,110	-336,860
Benefits paid	6,284	4,501	61,680	56,450
Past service costs	0	0	-40	-110
Curtailments	-2,332	-277	0	0
Closing Balance 31 March	-189,364	-205,310	-1,691,190	-2,098,660

Reconciliation of fair value of the scheme assets:

Reconciliation of fair value of the scheme assets	Local Government Pension Scheme Staff	
	2011-12 £000	2012-13 £000
Opening Balance at 1 April	113,116	118,899
Expected rate of return	7,785	6,885
Actuarial gains and losses	-5,028	11,744
Employers contributions	6,889	5,282
Contributions by scheme participants	2,421	2,240
Benefits paid	-6,284	-4,501
Entity combinations	0	0
Settlements	0	0
Closing Balance at 31 March	118,899	140,549

The expected return on scheme assets is determined by considering the expected returns available on the assets with the current investment policy.

- Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.
- Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £18.6 million (2011-2012, £2.8 million).

17.8 Pension Net Assets Statement

2011-12 £000	Discretionary Benefits - Officers	2012-13 £000
3,553	Debtors - Pensions paid in advance	3,740
-3,553	Other Current Assets	-3,740
0		0

18. Financial Instruments

18.1 Gains and Losses

	Financial Liabilities at amortised cost £000	Financial Assets Loans & receivables £000	Total £000
2012-13			
Total interest expense in CIES	2,164	0	2,164
Total interest income in CIES	0	-187	-187
Net Gain / Loss (-) for the year	2,164	-187	1,977
2011-12			
Total interest expense in CIES	1,506	0	1,506
Total interest income in CIES	0	-358	-358
Net Gain / Loss (-) for the year	1,506	-358	1,148

18.2 Nature and Extent of Risks Arising from Financial Instruments

The NOPCC's activities expose it to a variety of financial risks:

- Credit Risk - the possibility that the amounts due may not be received.
- Liquidity Risk - the possibility that sufficient funds are available to meet expenditure commitments.
- Market Risk - the possibility that financial loss might arise from changes in such as interest rates or stock market movements.

The Treasury Management Strategy focuses on mitigating the risk of the unpredictability of financial markets. It seeks to minimise potential adverse effects on the resources available to fund services. It includes policies covering specific areas, such as interest rate risk, credit risk and investment of surplus cash.

Credit Risk

Credit risk arises from investments with financial institutions, and credit exposures to customers. The risk is minimised through the Annual Investment Strategy (included within the Treasury Management Strategy), which requires that deposits are only made with financial institutions meeting identified minimum credit criteria, as laid down by Fitch, Moody's and Standard and Poor's Rating Services. Maximum investment limits and durations are also specified which reduces credit risk.

The maximum exposure to credit risk in relation to investments during the year was £42 million. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. There was no evidence at the 31 March 2013 that this was likely to happen.

At 31 March 2013 the amount owed by customers was £2.2 million (£2.3 million in 2011-2012). It is policy to set aside an allowance for debts in order to mitigate the effect of default. The provision for bad or doubtful debts was £0.1 million (£0.2 million in 2011-2012).

31 Mar 2012 £000		31 Mar 2013 £000
1,897	Less than three months	2,044
254	Three to six months	80
22	Six to twelve months	37
140	More than twelve months	56
2,313		2,217

Liquidity Risk

Managing cashflow ensures that cash is available as needed. For unexpected events, there is ready access to borrowings from the money markets and the PWLB. There is no significant risk of being unable to raise finance to meet commitments. There is a risk of having to replace a significant proportion of borrowing at a time of unfavourable interest rates. The Treasury Management Strategy limits on the proportion of borrowing maturity during specified periods to minimise this risk.

The strategy specifies upper and lower limits as set out in the table below:

	Lower Limit	Upper limit
Less than one year	0%	30%
Between one and two years	0%	40%
Between two and five years	0%	50%
More than five years	0%	70%
More than 10 years	0%	100%

The maturity analysis of financial liabilities is shown as follows:

31 Mar 2012 £000	31 Mar 2012 Total %		31 Mar 2013 £000	31 Mar 2013 Total %
-4,944	15.5%	Less than one year	7,725	21.6%
-3,771	11.8%	Between one and two years	1,399	3.9%
-8,363	26.3%	Between two and five years	10,948	30.6%
-9,605	30.1%	More than five years	6,833	19.2%
-5,176	16.2%	More than 10 years	8,836	24.7%
-31,859	100.0%		35,741	100.0%
		Summarised as follows		
-4,944	15.5%	Due in less than one year	7,725	21.6%
-26,915	84.5%	Due in more than one year	28,016	78.4%
-31,859	100.0%		35,741	100.0%

All trade and other payables are due within one year.

Interest Rate Risk

There is a risk from exposure to interest rate movements on borrowings and investments. Borrowings are not carried out at fair value, so nominal gains and losses on fixed rate borrowings do not impact on the CIES. A rise in interest rates would have the following effects:

- Borrowing at variable rates- the interest charged to the CIES will rise.
- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall.
- Investments at variable rates- the interest credited to the CIES will rise.
- Investments at fixed rates – the fair value of the assets will fall.

The Treasury Management Strategy sets a maximum of 50% of borrowings to be held as variable rate loans to mitigate interest rate risk. The borrowing portfolio is reviewed quarterly for opportunities to re-finance. During the year £5 million of new long term borrowings was arranged in two from the Public Works Loan Board.

	Loan Type	Value £million	Interest rate %	Period for Repayment (years)
1	Fixed Interest Payable at Maturity	2.5	3.31	14.5
2	Fixed Interest Equal Instalments of Principal	2.5	2.72	19.5

If interest rates had been 1% higher or lower with all other variables held constant, the full year financial effect would have been £0.050 million more or less expense.

Price Risk

Investments are not held as equity shares, and therefore there is no exposure to losses arising from movements in the prices of the shares.

Foreign Exchange Risk

Investments are not held in foreign currencies and therefore there is no exposure to loss arising from movements in exchange rates.

18.3 Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables, and long term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- The range of interest rates paid during 2012 - 2013 of 1.59% - 8% for loans from the PWLB and 3.73% on the market loan (LOBO) The range of interest rates received was 0.5% -1.2%.
- No early repayment or impairment is recognised.
- Where an instrument, matures in the next year, the carrying amount is assumed to approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

The fair value of the liabilities is higher than the carrying amount because the portfolio of loans includes a number of fixed rate loans with the PWLB where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2013) arising from this commitment to pay the PWLB an average rate above current market rates.

	31 March 2012		31 March 2013	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Financial Liabilities	-31,859	-35,245	-35,741	-39,703
PFI and Finance Lease Liabilities	-2,735	-2,735	-2,358	-2,358
Receipts in Advance	-1,091	-1,091	-315	-315
Creditors	-20,910	-20,910	-23,050	-23,050
	-56,595	-59,981	-61,464	-65,426

The fair value of the assets is the carrying value at 31 March 2013 since these are all variable rate instruments. Long Term Debtors are car loans to staff, which are not adjusted to fair value because they are at a prevailing PWLB rate when initially recognised. Debtors are reviewed and impaired for the likelihood of default hence the carrying value approximates to fair value.

	31 March 2012		31 March 2013	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Loans and Receivables	27,371	27,371	39,276	39,276
Long Term Debtors	23	23	11	11
	27,394	27,394	39,287	39,287

19. Amounts reported for resource allocation decisions

The analysis of Income and Expenditure in the CIES is in accordance with the Best Value Accounting Code of Practice as modified by the Police Objective Analysis. Decisions about resource allocation are taken by the NOPCC and Force on the basis of budget reports analysed across directorates. Budget management reports differ from the CIES in that they do not include the statutory accounting adjustments, which do not impact upon the precept required to be levied. The main differences include:

- The impact of capital expenditure
- The treatment of pension cash flows
- The impact of accrued emoluments
- The impact of PFI and Finance Leases
- Adjustments relating to external bodies

19.1 The income and expenditure as recorded in the budget management reports;

Division & Department Income and Expenditure 2012-2013	Local Policing £m	Specialist Services £m	Corporate Services £m	Total £m	Notes
Total Income	-6.1	-1.4	-3.4	-10.9	1
Employee expenses	99.3	41.0	17.5	157.8	
Other service expenses	8.5	15.2	13.5	37.2	2
Capital Financing	0.0	0.0	3.2	3.2	
PCCs Office	0.0	0.0	1.1	1.1	
Total Expenditure	107.8	56.2	35.3	199.3	
Net Expenditure	101.7	54.8	31.9	188.4	
2011-2012					
Total Income	-2.2	-0.7	-8.3	-11.2	
Employee expenses	104.0	41.8	20.7	166.5	
Other service expenses	8.5	12.9	13.9	35.3	
Capital Financing	0.0	0.0	2.8	2.8	
Police Authority Dept	0.0	0.0	1.2	1.2	
Total Expenditure	112.5	54.7	38.6	205.8	
Net Expenditure	110.3	54.0	30.3	194.6	

Note 1. PCSO grant of £5.5 was allocated to Local Policing in 2012-13 instead of Corporate Services. Additional income relating to the Olympics was received in 2012-13 and credited to Specialist Services.

Note 2 Other service expenses are increasing due to additional collaboration arrangements.

19.2 Reconciliation of the budget management reports to the CIES

£ million		£ million
	As reported for decision making in the budget management reports	
205.8	Expenditure	199.3
-11.2	Income	-10.9
194.6	Net	188.4
	Items excluded from Management Reports	
-0.2	Items capitalised	0.0
	Income transferred to Grant Reserves after final report	-2.2
-0.1	Other than Found Property income	-0.2
	Items related to External Bodies	
-0.1	Surplus on JCO's	-0.1
0.1	Collection Fund adjustment	-0.2
	Included for budget management purposes but not in Provision of Services	
-1.8	Minimum Revenue Provision	-2.0
0.0	Transfers from reserves	-0.1
-1.0	Interest Payable	-1.2
0.1	Interest Receivable	0.2
-0.6	Levies to National Police Services	-0.7
	Excluded for budget management purposes but included Provision of Services - Valuation adjustments	
-0.9	Adjustments relating to Finance leases / PFI	-1.3
14.7	Adjustments relating to Pensions	16.1
10.3	Adjustments relating to Capital Financing	12.1
-0.7	Adjustments relating to Accumulated Absences	0.4
214.4	Cost of Services	209.2
0.7	Other Operating Expenditure	1.1
91.4	Financing & Investment Income and Expenditure	86.3
-228.6	Taxation & Non-specific Grant Income	-217.7
77.9		78.9

20. NOPCC as Lessee

Leases are classified according to the conditions of IAS 17. Lease payments are made for land, buildings, vehicles and equipment.

Part of the efficiency plan is to reduce the cost of our estates and ensure our officers can work from premises that are more accessible to the community they serve. As a result of this, a number of arrangements have been entered into with our partners to share facilities for which a fixed term rental payment is made, for example sharing council offices.

There is a contract for multifunctional copying devices which expires in 2015. A number of machines that had previously been classed a Finance Leases have been replaced with machines which fall below our de-minimis limit for treatment as a Finance Lease.

A number of vehicles used under the PFI scheme included as Finance Leases had come to the end of their useful life during the year. These have been replaced with vehicles which are below our de-minimis limit for treatment as a Finance Lease.

20.1 Finance Leases

Vehicles acquired under the PFI Scheme and some equipment are classified as finance leases, in the Balance Sheet as Property, Plant & Equipment. The value was £0.811 million net value as at 31 March 2013 (£1.302 million 31 March 2012). There is a commitment to make payments under these leases comprising settlement of the long-term liability for the interest in the property, and finance costs. The minimum lease payments exclude values that are contingent on events such as subsequent rent reviews. Currently there are no such events. The gross finance lease liabilities as at 31 March 2012 between one and five years has been restated due to a minor error from £0.859 million to £0.924 million.

	Finance Lease Liabilities Gross		Finance Lease Liabilities Net	
	31 Mar 2012 £000	31 Mar 2013 £000	31 Mar 2012 £000	31 Mar 2013 £000
No later than one year	741	350	648	308
Later than one year and no later than five years	924	635	826	568
Later than five years	149	30	147	28
	1,814	1,016	1,621	904
Future finance charges on finance leases			193	111
Present Value of lease obligations			1,621	904
			1,814	1,016

20.2 Operating Leases

Some vehicles and equipment were acquired under operating leases. Rental payments in 2012-13 were £0.729 million (£637 million in 2011-12). The outstanding commitments are;

	31 Mar 2012 £000	31 Mar 2013 £000
No later than one year	658	805
Later than one year and not later then 5 years	1,984	2,037
Later than 5 years	1,067	1,288
	3,709	4,130

20.3 Private Finance Initiatives (PFI)

Two PFI agreements have been entered into with some common features;

- The Group has the sole right to use the PFI assets over the period of the agreement.
- Both PFI providers have to ensure that the assets are maintained and available for use.
- The NOPCC has no right to ownership of the assets at the end of the agreements.

Building PFI Scheme

The PFI contract with Miven, for the provision of the Riverside building commenced in February 2002, for 25 years ending in 2026-27. The estimated capital value of this scheme is £6.6 million. The amount paid in 2012-2013 was £1.0m (£1.0m in 2011-2012). Future payments are linked to RPI inflation but are otherwise fixed. It can be reduced for poor contractor performance. Specific government grant of £588k was received towards its financing (£588k in 2011-2012).

Riverside Accomodation Future PFI Payments	Services £000	Capital £000	Total £000
2013-2014	467	543	1,010
2014-2015 to 2018-2019	2,334	2,714	5,049
2019-2020 to 2023-2024	2,334	2,714	5,049
2024-2025 to 2026-2027	1,319	1,538	2,858

Vehicle PFI Scheme

The PFI contract for the provision of an agreed number of vehicles commenced in October 2001. The estimated capital value of this scheme is £14.8 million. The agreement is for 25 years from 2001-02 to 2026-27. The amount paid in 2012-2013 was £3.2 million (£3.1 million in 2011-2012). In addition a provision was made for £123k to allow for an inflation increase which is still being negotiated. Future payments are linked to the movement in inflation. Grant is received towards the financing of the vehicle services PFI scheme. Grant of £1.3m was received in 2012-2013 (£1.3m in 2011-2012). IAS17 classifies this arrangement as a finance lease. The future liability for the resultant finance lease payments is shown in note 20.1. Contractual PFI obligation is included within this note.

21. Members Allowances

The new governance arrangements following the election of the PCC involved the disbanding of the previous committee structure. The revised structure involves a much reduced Audit and Scrutiny Panel. The NOPCC paid £0.150 million of allowances and £0.004 million expenses to members up to the Police Authority ceasing to exist (£0.233 million and £0.010 million 2011-2012). Under the new arrangements £0.001 million of allowances and £0k of expenses have been paid. The purpose of the Audit and Scrutiny Panel is to advise the NOPCC and CCN on matters relating to external or internal audit work. They also perform a further scrutiny relating to the Commissioner's business such as in relation to crime prevention.

22. Officer Emoluments

22.1 Employees earning over £50,000

All employees receiving over £50,000 remuneration for the year are shown in the following table excluding, senior officers reported in 22.2 and employers pension contributions. This includes 4 above the rank of Superintendent (7 in 2011-2012)

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

22.2 Senior Officers Remuneration

SENIOR OFFICERS EMOLUMENTS 2012-2013

2012-2013 Post Holder Information	Note	Salary £	Benefits in Kind £ (Note 7)	Other Payments £ (Note 8)	Sub Total £	Employer's Pension Contrib' £	Total inc Pension Contrib' £
Police & Crime Commissioner from 22/11/12		26,875	0	0	26,875	0	26,875
Deputy Police & Crime Commissioner from 22/11/12		11,806	0	0	11,806	1,676	13,482
Deputy Chief Executive and Treasurer to the Police Authority up to 21/11/12 & Chief Finance Officer to the Police & Crime Commissioner from 22/11/12		80,988	417	0	81,405	11,500	92,905
Chief Executive to Police Authority up to 21/11/12 & Chief Executive to the Police & Crime Commissioner from 22/11/12		84,613	0	0	84,613	12,015	96,628
TOTAL PCC		204,282	417	0	204,699	25,191	229,890
Chief Constable - A	1	59,879	3,312	8,848	72,039	14,292	86,331
Chief Constable - B	2	142,143	4,649	3,554	150,346	34,399	184,745
Deputy Chief Constable	3	107,177	6,076	3,930	117,183	25,936	143,119
Assistant Chief Constable - Crime							0
Assistant Chief Constable - A	4	84,549	4,486	9,224	98,259	18,510	116,769
Acting Assistant Chief Constable	5	28,983	0	931	29,914	8,905	38,819
Assistant Chief Constable - Territorial							0
Assistant Chief Constable - A	6	8,585	0	2,610	11,195	2,078	13,273
Assistant Chief Constable - B		105,849	8,002	8,003	121,854	25,615	147,469
Assistant Chief Officer - Resources		105,846	6,636	0	112,482	15,030	127,512
TOTAL CHIEF CONSTABLE		643,011	33,161	37,100	713,272	144,765	858,037
TOTAL FOR GROUP		847,293	33,578	37,100	917,971	169,956	1,087,927

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

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

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

Note 4: Assistant Chief Constable A retired on 7th January 2013

Note 5: Acting Assistant Chief Constable from 10th December 2012. This officer was a Chief Superintendent up to this time. The costs shown are only related to the period in the ACC role.

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

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

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

SENIOR OFFICERS EMOLUMENTS 2011-2012

2011-2012 Post Holder Information	Note	Salary £	Expenses Allowances £	Benefits in Kind £	Other Payments £	Sub Total £	Employers Pension Contrib' £	Total inc Pension Contrib' £
			Note 3	Note 4	Note 5			
Chief Constable		142,143	357	8,046	8,112	158,658	34,399	193,057
Deputy Chief Constable		139,119	591	7,870	3,554	151,134	33,667	184,801
Assistant Chief Constable (TKAP)	1	105,849	5,134	8,603	9,780	129,366	25,615	154,981
Assistant Chief Constable (Crime)		98,337	688	7,265	5,603	111,893	23,798	135,691
Assistant Chief Constable (Change)	2	90,408	20	5,570	2,828	98,826	20,404	119,230
Assistant Chief Constable (Territorial)		98,337	37	7,056	5,603	111,033	23,798	134,831
Assistant Chief Officer (Resources)		96,780	29	7,517	0	104,326	13,743	118,069
Deputy Chief Executive and Treasurer		69,496	0	0	0	69,496	9,868	79,364
Chief Executive		76,935	0	0	0	76,935	12,240	89,175

Note1: Assistant Chief Constable (TKAP) was attached to the Home Office and was required to be based in London.

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

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

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

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

23. Termination Benefits

The NOPCC terminated contracts of 22 employees in 2012-2013 (324 in 2011-2012), incurring costs of £0.6 million (£4.2 million in 2011-2012). This comprised redundancy payments of £0.3 million, pension strain costs of £0.2 million, other payments £0.1 million. Other departures agreed covers voluntary redundancies and compromise agreements. All of the employees were part of the Chief Constable Organisation. At the time of publication of the Statement of Accounts for 2011-2012 it was disclosed that 71 officers had left under the use of the A19 regulation, this was actually 86 officers and the table below shows the revised disclosure. The cost of these lump sums was £1.846 million and was charged to the Pension Fund in 2011-2012. The A19 regulation has not been used in 2012-2013. The Group made no material payments in relation to injury awards during the year ended 31 March 2013.

Exit Package cost band (inc special payments)	Number of compulsory redundancies		Officers who left on A19 with lump sum		Other departures agreed		Total exit packages by cost band		Total cost of exit packages		
	2011-12	2012-13	2011-12	2011-12	2011-12	2012-13	2011-12	2012-13	2011-12	2011-12	2012-13
				amended				amended	£000	amended	£000
£0 - £20k	12	3	0	0	150	9	162	12	1,455	1,455	111
£20 -£40k	3	3	0	0	53	4	56	7	1,578	1,578	216
£40 -£60k	0	0	0	1	16	0	17	0	795	853	0
£60 -£80k	0	1	0	0	2	1	2	2	131	131	139
£80 -£100k	0	0	0	0	1	0	1	0	89	89	0
£100 -£150k	0	0	50	63	1	1	64	1	6,632	8,232	104
£200k	0	0	19	20	0	0	20	0	3,398	3,586	0
£250k	0	0	0	0	0	0	0	0	0	0	0
Over £250k	0	0	2	2	0	0	2	0	525	525	0
Total	15	7	71	86	223	15	324	22	14,603	16,449	570

24. Related Parties

Disclosures are required for material transactions with related parties, bodies or individuals that have the potential to control or influence the Group or vice versa. This allows transparency to the extent that the Group might have been constrained in its ability to operate independently, or might have limited another party's ability to bargain freely.

Central Government asserts significant influence over the general operations of the police. It is responsible for providing the statutory framework. It provides the majority of its funding in the form of grants and sets out the precepting legislation. (Note 3.4)

Members of the Audit and Scrutiny Panel have influence over finances and operations. Note 21 shows members allowances paid during the year. The CIPFA Code of Practice requires members to complete a declaration of personal interests under section 81(1) of the Local Government Act 2000 and the Local Authorities (Model Code of Conduct) Order 2007. Members of the Audit and Scrutiny Panel will be required to complete a register of interest form. Senior employees can influence decisions and they also complete a declaration of personal interests.

Joint arrangements and collaborations are areas where significant influence can be exerted by all parties. (explanatory foreword note 12, and note 13).

**INDEPENDENT AUDITOR'S REPORT TO THE NOTTINGHAMSHIRE OFFICE OF THE
POLICE AND CRIME COMMISSIONER & GROUP**

**Opinion on the Nottinghamshire Office of the Police and Crime Commissioner & Group and
Pension Fund financial statements**

To be added

THE NOTTINGHAMSHIRE OFFICE OF THE POLICE AND CRIME COMMISSIONER

ANNUAL GOVERNANCE STATEMENT

2012-2013

This Statement is for the Nottinghamshire Office of the Police and Crime Commissioner only. The equivalent information for the Chief Constable is contained within those Accounts.

TO BE ADDED

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.

Actuarial Gain or Loss

The change in actuarial deficits or surpluses that arise because either events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses), or because the actuarial assumptions have changed.

Actuarial Valuation

A valuation of assets held, an estimate of the present value of benefits to be paid, and an estimate of required future contributions, by an actuary, on behalf of a pension fund.

Amortisation

This is the amount set aside to pay for the loss in value of intangible assets.

Budget

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

Capital Expenditure

This is expenditure on new assets or on the enhancement of existing assets so as to prolong their useful life or enhance market value.

Capital Financing Requirement (CFR)

The Capital Financing Requirement represents Capital Expenditure financed by external debt and not by capital receipts, revenue contributions, capital grants or third party contributions at the time of spending. It measures the underlying need to borrow for a capital purpose.

Capital Grant

Grant from Central Government used to finance specific schemes in the Capital Programme.

Capital Grants Unapplied

The Grants as described above which contractual arrangements to finance future capital expenditure have not yet incurred.

Capital Receipts

Proceeds, exceeding £10,000, from the sale of an asset which may be used to finance new Capital Expenditure or to repay outstanding loan debt as laid down within rules set by Central Government. They cannot be used to finance normal day to day revenue spending.

Chief Constable of Nottinghamshire (CCN)

Comprehensive Income and Expenditure Statement (CIES)

Consumption of Economic Benefits (CEB)

Impairment caused by either physical damage, or deterioration in the quality of the service provided by the asset. Impairment caused by a general fall in prices is referred to as No CEB.

Corporate & Democratic Core

The costs associated with corporate policy making and member based activities, together with costs relating to corporate management, public accountability and treasury management.

Creditor

An amount owed for work done, goods received, or services rendered, but for which payment had not been made at the date of the Balance Sheet.

Current Service Cost (Pensions)

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

Debtor

A sum of money due in the relevant financial year but not received at the Balance Sheet date.

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.

Earmarked Reserves

These reserves represent monies set aside that can only be used for that specific, "earmarked", purpose.

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 NOPCC financial year commences 1 April and finishes 31 March the following year.

General Fund

This reserve is to provide for unexpected expenditure that cannot be managed within existing budgets.

Heritage Assets

These assets have historical, artistic, scientific, technological, geophysical or environmental qualities and are held mainly for educational or cultural reasons.

International Financial Reporting Standard (IFRS)

These standards are developed by the International Accounting Standards Board and regulate the preparation and presentation of Financial Statements. International Financial Reporting Standards are new standards developed by the IASB.

International Accounting Standards (IAS)

The International Accounting Standards Board issue and update these standards which are numerically identified.

International Accounting Standards Board (IASB)

The International Accounting Standards Board is an independent, privately-funded accounting standard-setter based in London with representatives from several countries in the world.

Government Grants Deferred

The balance of grants applied to the financing of fixed assets, awaiting amortisation to the Income and Expenditure Account to match depreciation on relevant assets.

Impairment

A reduction in the value of a fixed asset below the amount included on the balance sheet.

Imprest Account

Cash held locally to pay for small or urgent items.

Intangible Fixed Assets

These are assets which are not physical such as software licences.

Minimum Revenue Provision (MRP)

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

Non Current Assets

These are assets which are physical such as buildings or land.

Nottinghamshire Office of the Police and Crime Commissioner (NOPCC)**Nottinghamshire Office of the Police and Crime Commissioner and it's Group (The Group)****Net Book Value**

This is the amount at which non-current assets are included in the balance sheet.

Operational Assets

These are non-current assets held, occupied, or utilised in the direct delivery of those services for which it has statutory responsibility.

Past Service Cost (Pensions)

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

Police and Crime Commissioner (PCC)**Police Grant**

Central government support for policing distributed to Police & Crime Commissioners according to a pre-determined formula.

Precept

This is a levy, which the NOPCC makes through the Council Tax to pay for services.

Public Works Loan Board (PWLb)

A Government Agency that provides longer term loans to Local Authorities at advantageous interest rates.

Remuneration

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

Revenue Expenditure

The day to day running costs incurred in providing services.

Revenue Financing

Resources provided from the revenue budget to finance the cost of capital projects.

Revenue Support Grant (RSG)

Grant provided by Central Government, to all Local Authorities, distributed according to a pre-determined formula.

The Act

The Police Reform and Social Responsibility Act 2011.

The Code

The Code of Practice on Local Authority Accounting 2012-2013.

Unusable Reserves

These are reserves resulting from the interaction of legislation and proper accounting practices. These reserves are not resource backed and cannot be used for any other purpose.

Usable Reserves

These are held as a working balance or for a specific future purpose.



NOTTINGHAMSHIRE
POLICE

PROUD TO SERVE

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

The Chief Constable of Nottinghamshire Statement of Accounts Contents Page

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Explanatory Foreword

1. Introduction

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

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

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

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

2. Purpose

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

3. Background

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

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

4. The Financial Statements

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

The main sections contained within the Statement of Accounts are:

- **Annual Governance Statement (page 21)**
This sets out governance arrangements.
- **The Statement of Accounting Policies (Page 8)**
This states the policies adopted in compiling the Statement of Accounts. These are congruent with policies as adopted by the NOPCC.
- **The Statement of Responsibilities (Page 11)**
This sets out the respective responsibilities of the Chief Constable of Nottinghamshire and the Chief Financial Officer and also includes the signed certificate of approval.
- **Comprehensive Income & Expenditure Statement (Page 13)**
This Statement shows the accounting cost in the year of providing services in accordance with The Code. There is appended a memorandum note stating the resources used in providing the policing service, this has been calculated at true economic cost.
- **Movement in Reserves Statement (Page 14)**
The Chief Constable holds no reserves.
- **Balance Sheet (Page 14)**
The Chief Constable holds no assets or liabilities.
- **Cash Flow Statement (Page 14)**
The Chief Constable holds no cash and cash equivalents.
- **Notes to the Accounts (Page 15)**
These provide additional information concerning items in the above statements and additional relevant information.
- **Independent Auditor's Report (Page 20)**
The Auditors opinion will be provided in one report that will be included in the Group Statement of Accounts.

5. Governance Arrangements

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

6. Budget Management Statement of the Resources used

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

Notes:

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

7. Pensions

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

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

8. Changes to Accounting Policies

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

9. Post Balance Sheet Events

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

10. Jointly Controlled Operations

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

11. Future Outlook

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

In 2013-14 the Air Support Service, which is currently a collaboration with Derbyshire will transfer to the National Police Air Support Service and this will be reflected in the accounts.

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

12. Going Concern

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

13. Accounting Standards Issued but not Adopted

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

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

Statement of Accounting Policies

1. General Principles

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

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

2. Accruals of Income and Expenditure

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

In particular:

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

3. Acquisitions and Discontinued Operations

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

4. Exceptional Items

There are no exceptional items applicable to the Chief Constable in 2012-13.

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

There are no prior period adjustments applicable to the Chief Constable in 2012-13..

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

6. Charges to Revenue for Non-Current Assets

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

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

The memorandum accounts reflect the cost of these.

7. Employee Benefits

Benefits Payable during Employment

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

Termination Benefits

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

8. Post Balance Sheet Events

There are no post balance sheet events for the Chief Constable relating to 2012-13.

9. Government Grants and Contributions

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

10. Interests in Companies and Other Entities

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

11. Jointly Controlled Operations and Jointly Controlled Assets

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

12. Overhead Costs

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

13. Depreciation

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

14. Private Finance Initiative (PFI)

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

15. Provisions

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

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

16. VAT

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

Statement of Responsibilities

The Chief Constable of Nottinghamshire's Responsibilities

The CCN is required to:

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

The Chief Financial Officer Responsibilities

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

In preparing the Accounts, the Chief Financial Officer has:

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

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

M Monckton ACA

Chief Financial Officer to the Chief Constable of Nottinghamshire

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

C Eyre
The Chief Constable

24 September 2013

Core Financial Statements

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

CS1. Comprehensive Income and Expenditure Statement

There are no transactions.

Memorandum Account

Statement of Resources Consumed in the Provision of Police Services

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

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

CS2. Movement in Reserves

There are no transactions all reserves are with the NOPCC

CS3. Balance Sheet

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

CS4. Cash Flow Statement

There are no transactions

Notes to the Accounts

1. Critical Judgements in Applying Accounting Policies

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

2. Prior Period Adjustments and Post Balance Sheet Events

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

3. Statement of Resources used in Provision of Police Services

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

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

4. Jointly Controlled Operations

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

5. External Audit Costs

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

6. Pensions

Defined Benefit Pension Schemes

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

7. Leases and PFI

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

8. Officer Emoluments

8.1 Employees earning over £50,000

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

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

8.2 Senior Officers Remuneration

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

SENIOR OFFICERS EMOLUMENTS 2012-2013

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

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

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

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

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

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

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

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

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

SENIOR OFFICERS EMOLUMENTS 2011-2012

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

Note1. Assistant Chief Constable (TKAP) was attached to the Home Office based in London.

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

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

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

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

9. Termination Benefits

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

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

10. Related Parties

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF NOTTINGHAMSHIRE
Opinion on the Statement of Accounts 2012-13

The Auditors opinion will be provided in one report that will be included in the Group Statement of Accounts.

CHIEF CONSTABLE OF NOTTINGHAMSHIRE

ANNUAL GOVERNANCE STATEMENT

2012-2013

TO BE ADDED

Glossary of Terms and Abbreviations

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

Accounting Policies

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

Accrual

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

Budget

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

Chief Constable of Nottinghamshire (CCN)

Comprehensive Income and Expenditure Statement (CIES)

Current Service Cost (Pensions)

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

Depreciation

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

Emoluments

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

Financial Year

The period covered by a set of financial Accounts – the CCN financial year commences 1 April and finishes 31 March the following year.

International Financial Reporting Standard (IFRS)

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

Minimum Revenue Provision (MRP)

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

Nottinghamshire Office of the Police and Crime Commissioner (NOPCC)

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

Past Service Cost (Pensions)

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

Remuneration

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

Revenue Expenditure

The day to day running costs incurred in providing services.

The Act

The Police Reform and Social Responsibility Act 2011

The Code

The Code of Practice on Local Authority Accounting 2012-2013



ANNUAL GOVERNANCE STATEMENT

2012-13

1. SCOPE OF RESPONSIBILITIES

- 1.1 The Nottinghamshire Police & Crime Commissioner (Commissioner) is responsible for ensuring that 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.
- 1.2 The Commissioner also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.3 In discharging this overall responsibility the Commissioner is responsible for putting in place suitable arrangements for the governance of the organisations affairs, which facilitate the effective exercise of its functions and include arrangements for the management of risk.
- 1.4 The Commissioner has approved and adopted jointly with the Chief Constable a Joint Corporate Code of Governance, which is consistent with the principles of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government*. A copy of our code is available on our website at www.nottinghamshire.pcc.police.uk or from:

The Nottinghamshire Office of the Police & Crime Commissioner
County Hall
West Bridgford
Nottinghamshire
NG2 7QP

This statement explains how we have followed the code and also meets the requirements of the Accounts and Audit (England) Regulations 2011.

- 1.5 Throughout this statement there are references made to other documents being available on the Commissioners website (or the website). This reference relates to the Police & Crime Commissioners website at the address given above.

2. THE AIM OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework is basically the systems and processes, and the culture and values, we are controlled by and which we answer to, get involved with and lead the community. The framework allows us to monitor how we are achieving our long-term aims, and to consider whether our aims have helped us deliver appropriate services that are value for money.
- 2.2 The system of internal control is an important part of the framework and is designed to manage risk to a reasonable level. It cannot remove all risk of failing to achieve our policies and aims, so it can only offer reasonable protection. The system of internal control is based on an ongoing process designed to:
- Identify and prioritise risks that could prevent us from achieving our policies and aims
 - Assess how likely it is that the identified risks will happen, and what will be the result if they did;
and
 - Manage the risks efficiently, effectively and economically.

We have had a governance framework in place for the year ended the 31st March 2013 and up to the date of approval of the annual statement of accounts.

3. THE GOVERNANCE FRAMEWORK

Our governance framework is made up of many systems, policies, procedures and operations we have in place to do the following:

3.1 *Introduction*

The Policing and Social Responsibility Act 2011 (the Act) introduced one of the biggest changes in governance arrangements for policing. The act created two legal entities the Police & Crime Commissioner and the Chief Constable.

The Chief Constable retained the responsibility for operational policing whereas; the Commissioner has the responsibility for the totality of policing in the area. The Commissioners responsibilities were also extended to include crime prevention and the protection of vulnerable people and victims.

The Commissioner was elected on 15th November and took up post on the 22nd November 2012. All assets, liabilities and staff were transferred directly from the former Police Authority to the Commissioner and for accounting purposes the Commissioner and Chief Constable assumed responsibility retrospectively as though they had been legal entities since 1st April 2012.

3.2 *Publish our aims for local people and others who use our services*

We have created a Police & Crime Plan, which builds upon the promises made by the Commissioner during his election. The plan sets out our priorities for the next five years, focusing on achieving seven priorities which aim to make communities safer and place victims at the centre of what we do. The plan reflects the time period covered by the Medium Term Financial Plan (MTFP).

The Police & Crime Plan is based upon the following seven priorities:

- Protect, support and respond to victims, witnesses and vulnerable people
- Improve the efficiency, accessibility and effectiveness of criminal justice processes
- Focus on areas most affected by crime and antisocial behaviour
- Reduce the impact of drugs and alcohol on crime and antisocial behaviour
- Reduce the threat from organised crime
- Prevention, early intervention and reduction in reoffending
- Spending your money wisely

These priorities build upon the Commissioners vision of giving victims and citizens a bigger voice in policing to achieve a safer Nottingham and Nottinghamshire.

The plan was built after listening to members of the public and with our partners. It includes the requirement of each organisations strategic assessments, incorporating regional and national requirements in relation to policing and crime. The performance measures and targets within the plan have all been agreed with partners and the force.

3.3 *Review our aims and the effect they have on our governance arrangements*

We have worked hard to communicate (and receive feedback on) our aims for the community. We have done this a number of ways, including:

- The Commissioner listened to the public during his campaign and this informed his plans on what he wanted to deliver through the Police and Crime Plan. For example, he promised 150 extra police officers and 100 extra PCSO's. Recruitment plans have been put in place to deliver this and the resources prioritised within the budget.
- The Commissioner has also instigated a number of review/scrutiny pieces of work to build upon the Police and Crime Plan priorities such as a review of BME Recruitment and Retention, Base Budget Review, Domestic Violence, Restorative Justice, Criminal Justice processes and Alcohol.
- However, this is not all - since coming into post the Commissioner has listened to partners, the public and the force on what are emerging issues and started working with people on areas such as taxis in the City Centre, Alcohol, Mental Health issues particularly in custody and community safety issues relating to the Forest Recreation Ground.
- The Commissioner and Deputy Commissioner have attended meetings with community groups across the City and County and many public events during their first 6 months of office. This work is informing them of the priorities they will be implementing in the next police and crime plan update.
- Focus groups were held with ASB victims and members of the public in relation to the draft police & crime plan priorities and the precept.
- An on-line survey was used for consulting on the precept and a telephone survey was undertaken in relation to the plan and the precept.
- Public meetings have been held with a variety of groups, to discuss a variety of issues and at a variety of venues - for example with the Asian Youth Group, the City Council Youth Cabinet, Broxtowe Youth Council, Women's groups and at African Caribbean National Artistic Centre.

- The Commissioner has held discussion groups and web chats with young people and undertaken patch walks across the City and County.
- The Commissioner and OPCC staff have attended events across the City and County, promoting the PCC elections in 2012 and with an Alcohol Survey in 2013.

We use feedback that we receive from all sources to help inform decisions. Feedback that the Commissioner received during the election period resulted in us setting our outcomes, which reflect our communities top priorities of improving antisocial behaviour, supporting our vulnerable people and victims of crime and increasing community safety.

3.4 *Measure the quality of our services and make sure we provide them in line with our aims and that they provide value for money*

The Commissioner is provided with weekly briefings on performance and formally holds the Chief Constable to account for performance in the Strategic Resources and Performance meetings that are held in public venues around the County and City.

The Commissioner is also briefed on a monthly basis on expenditure against the budget. The Chief Finance Officer to the Commissioner also advises on any changes and emerging issues that could impact on the Medium Term Financial Plan.

In addition to the Strategic Resources and Performance meetings the Joint Audit and Scrutiny Committee receives updates on performance and financial monitoring and the Police & Crime Panel receive update reports from the Commissioner.

The Commissioner has instigated several pieces of review/scrutiny work, drawing on professionals in the field and community representation. Such areas of work under review include:

- BME representation within the force and the use of stop and search in BME communities.
- Base Budget Review – an in-depth analysis of the current budget to identify where savings can be made and how to align the budget with police & crime priorities. This will also ensure value for money.
- Alcohol Strategy – the aim to devise a Countywide (including the City) Joint Alcohol Strategy.

- Restorative Justice – A review into its use and any improvements that can be made.
- Transforming Rehabilitation – A review with interested stakeholders within Nottinghamshire and the region following the announcement of reform of probation by the Government.
- Mental Health – A review on an area of work that has increasing demands being made on policing resources as all agencies are affected by reducing resources.

The reports from these pieces of work will be presented to the Audit & Scrutiny Panel and the recommendations will be monitored by the Panel.

3.5 ***Ensuring a High Quality Service***

The Police and Crime Plan is based upon the Commissioners values which are:

Victims -	by listening and taking action to protect and safeguard vulnerable people.
Openness-	by putting victims and public at the heart of open and transparent decision-making.
Inclusiveness-	by working effectively with communities and business to tackle crime and anti social behaviour.
Communities -	by ensuring fairness, respect and accountability to victims and communities.
Empowering -	by engaging with victims and communities to help shape policing services and building partnerships.

The Plan itself incorporates national, regional and local requirements into the seven priorities and details how these will be met, measured and monitored. Specific targets for the force and partners are included in this and the overall measure of success will be the improvement in victim satisfaction and public confidence.

Each year the Commissioner will produce an annual report detailing how well performance against the plan is progressing. A copy of the Annual Report is available on the Commissioners website.

In addition to this is the role of the Police & Crime Panel. The Commissioner is held to account by this panel, which also has power to veto the precept and the appointment of a new Chief Constable. This panel is administered by the County Council and its terms of Reference can be found on Nottinghamshire County Councils website.

3.6 ***Ensuring Value for Money***

In times of austerity there is a great deal of focus on the “money” and how it is being spent. The Commissioner wanted to do more than this and has implemented a base budget review in 2013 on the principles of priority based budgeting. This means that no budget is protected; each element of expenditure must demonstrate that it is being used in the achievement of the police and crime plan and in doing this is the work being done at the most economic level.

This review should identify where and how further savings can be achieved. It will link closely with the vision of the Commissioner for putting victims at the heart of what we do and what policing in Nottinghamshire will look like in 2016-17.

The review will be the start of a process involving all staff, officers and partners in continuously looking at what services we provide, how we provide them and at what cost; thereby, ensuring that we are putting value for money at the heart of all decisions made.

The Commissioner is also commissioning working with partners and the third sector. Each commissioning agreement requires performance details and achievement. Similarly, the grant monies that are being allocated to community groups and the third sector also have a requirement to achieve performance aims linked to the Police and Crime Plan.

The Commissioner is also the Regional PCC representative on the Regional Efficiency Board; ensuring regional activities continue to drive out further savings over the medium term financial period.

The joint audit and scrutiny panel receive audit reports, update report and the strategic risk register. These reports enable the panel to challenge the OPCC and the Force on ensuring value for money across all activities. The terms of reference for the joint audit & scrutiny panel, together with all reports and minutes are available on the website.

3.7 ***Working Together***

As has been reported in previous sections the Commissioner is listening to victims, communities and partners and this is at the heart of how he does business. He is involving people from across these areas to develop and work with him in bringing about improvements.

Each partnership, commissioning agreement, grant agreement and review work terms of reference link to the clear achievement of the police and crime plan priorities. These agreements clearly define the responsibility of each participant.

Regionally the five PCC's and forces collaborate to ensure resilience and deliver value for money. This is done under Section 22 agreements (previously section 23 agreements).

The "Act" required PCC's to put a Scheme of Delegation in place to ensure the business continued to run smoothly. There was one significant change relating to this in that delegations could no longer be made to the Chief Constable (or any constable) and therefore have been made to specific members of staff employed by the Commissioner, but some of whom are under the direction and control of the Chief Constable. The scheme of delegation is approved and operating effectively. The Scheme of Delegation is available on the Commissioners website.

The OPCC and force also have a working relationship agreement, bringing clarity to the service required by the OPCC from functions under the Chief Constable's direction and control.

3.8 *Ensuring High Standards of Conduct and Behaviour*

There are a number of ways that this is achieved:

- The Commissioner, Deputy Commissioner, Chief Executive and Chief Finance Officer have published declarations of interest on the OPCC website.
- Details of salaries and expenses claimed are also published on the website.
- A gifts and hospitality register is in place for all staff and members of the OPCC to record details of all offers made and this is reviewed annually.
- Members of the Joint Audit and Scrutiny Panel and staff attending the Strategic Resources and Performance meeting are required to make declarations of interest where appropriate and that these are formally minuted.
- Professional bodies codes of conduct, that staff have to comply with (e.g. Chartered Institute of Public Finance and Accountancy) are part of what we do.

- A complaints procedure is in place for complaints against the Commissioner, Deputy Commissioner, staff and members in the OPCC and the Chief Constable.
- An anti-fraud and anti-corruption policy is in place and reported on together with fraud returns annually to the Audit Commission.
- Financial Regulations are in place together with standing orders for Land and Property.

All of the above together with other policies and the culture of working in the OPCC ensure the high standards of conduct and behaviour are achieved.

3.9 ***Decision Making Transparency***

All decisions not specifically delegated are made by the Police and Crime Commissioner. There are two ways in which decisions can be made, either:

1. In a public meeting of Strategic Resources and Performance, where minutes are taken recording decisions made. These minutes are published on the website.
2. In day-to-day management activity by the Commissioner. This is done by a report with any required supporting information and Executive Decision Record being completed and submitted to the Commissioner. Once approved the decision record is published on the website.

The PCC refers to the professional officers within the OPCC to inform the decisions being made.

The role of the Joint Audit and Scrutiny Panel also ensures transparency in the decisions made. It receives reports and can make recommendations to the Commissioner on issues relating to audit and inspection, risk management, recommendations from other sources such as scrutiny working groups and governance.

The strategic risks of the OPCC are incorporated in the joint strategic risk register that is reported regularly to the Joint Audit and Scrutiny Panel.

All significant public interest decisions are published on the Commissioners website.

3.10 ***Developing Capacity and Capability***

Staff within the OPCC were directly transferred from the former Police Authority, bringing those skills with them. However, in certain areas the work has changed: we no longer require members support; whereas, communication particularly in social media areas is now more important.

A gap analysis was undertaken to ensure that either the OPCC staff or staff within the force could work to ensure the statutory requirements of the OPCC are met. This identified the need for a Commissioning Manager, Executive Support Officer and a Communications and New Media Assistant.

As part of this review all job descriptions have been updated and skills-matching is being undertaken in line with the agreed policies.

In addition to this the Commissioner has been supportive of a new scheme for CIPFA Graduate Trainees. This is a scheme where trainees rotate across local authorities', fire and police. The partnering authorities share the resource and cost. This ensures good quality trainees within the finance function that will have received a good and varied experience across local government, fire and police; and provides financial managers for the future.

Members of the Joint Audit and Scrutiny Panel have planned inductions with staff and senior management in the force and OPCC. Internal audit and external audit will also provide training on their roles and the roles of the members in providing an effective Audit Panel. CIPFA are also going to provide their training course to members in the region in September and this will allow networking.

3.11 ***Engagement***

Throughout the previous sections you will have seen that engagement with people in our communities, in business, in third sector organisations, in partners and in our own staff and police officers is very important to us.

We are constantly striving to ensure inclusion of all stakeholders especially in driving improvement in community safety that is important to you.

We encourage you to complete our surveys and questionnaires which we have available at public events and on line.

The Commissioner is committed to establishing two stakeholder boards to allow stakeholders to have a direct influence and voice over policing priorities and how resources are allocated.

How the Commissioner proposes to engage with the public and victims of crime is set out in the published Community Engagement and Consultation Strategy. This document can be found on the Commissioners website.

4. REVIEW OF EFFECTIVENESS

- 4.1 The Office of the Police and Crime Commissioner (OPCC) has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including:

- The system of internal audit
- The system of internal control

The review by the OPCC has two elements to it. Firstly, it has to be satisfied that the process put in place by the Chief Constable for the force's assurance review is adequate and reliable. This was done through a joint consultation early in the review process.

Secondly, is the process upon which the OPCC can rely. This consists of obtaining individual assurances from the Chief Constable, the ACO Resources, the Chief Executive and the Chief Finance Officer, together with the annual assurance provided by the internal auditors and regional DCC. These assurances form the basis of assessing whether governance is operating effectively and that controls which are in place are being adhered to.

- 4.2 The comments made on the assurance forms are incorporated where applicable in the accounts and action plans. For example contingent liabilities and accruals have been made where appropriate.
- 4.3 In addition to this a review based upon the use of resources self assessment principles and the schedule provided in the CIPFA/SOLACE framework has been developed and completed. This provides links to documentary evidence to support this statement and has been provided to the external auditor for their review.
- 4.3 The Chief Finance Officer has had responsibility for reviewing and updating the Scheme of Delegation and Financial Regulations during the year to ensure they were fit for purpose and met the new requirements of the Act. The reviewed delegation and regulations have been approved by the Commissioner, but will require further review and changes once the implications of the Stage 2 transfer are understood.
- 4.4 The internal auditors produce reports for the Joint Audit & Scrutiny Panel throughout the year and use this work to inform their annual assurance opinion in their annual report. For 2012-13 they have rated the assurance level as adequate. The internal audit annual report is available on the website under the Audit & Scrutiny Panel meeting papers for June 2013.

- 4.5 The work of the HMIC is also reported to the Joint Audit & Scrutiny Panel and the force produce regular reports to the panel on the implementation of all audit and inspection recommendations. The Audit & Scrutiny Panel papers on the website include as a standing item a report on all audit and inspection report recommendations, which includes a tracker for their implementation.
- 4.6 Internal Audit verifies the implementation of all audit and inspection recommendations in their follow-up audits during the year. The results of the follow-up audit are reported in the Internal Audit Progress Reports to the Audit & Scrutiny panel.
- 4.7 Other assurance mechanisms include the Regional meeting of Commissioners and Chief Constables and the Police & Crime Panel.

5. SIGNIFICANT GOVERNANCE ISSUES

FINANCIAL CLIMATE

- 5.1 This continues to dominate the public sector risk registers. The current Comprehensive Spending Review (CSR) required up to 20% cuts in grant funding to 2014-15. On 26th June 2013 a further CSR is to be announced for 2015-16 and the indications to date are that The Home Office will have their resources cut by up to a further 10% and the police and crime budget accounts for 75% of their expenditure.
- 5.2 To date the force has delivered savings on average of £10m per annum. A 10% cut in funding for 2015-16 will create a funding gap of £18.5m, with a potential for another £11m needing to be found in 2016-17.
- 5.3 The Medium Term Financial Plan is approved by the Commissioner in February and is available on the website. It is updated during the year as significant changes emerge. These updates are also available on the website. The update following Junes CSR announcement was reported to the Strategic Resources and Performance meeting in July 2013.
- 5.4 There are further risks that could impact on the above estimates for example the impact of the Single Rate Pension from April 2016 this could put an additional cost of £3.5m in the budget.
- 5.5 We are also limited in any other mitigation that we could take. Council Tax referendum limits are being set low and the freeze grant ceases in 2015-16.
- 5.6 We are further impacted by the localisation of council tax – the billing authorities in response to the Governments limited delegation, have made decisions that have significantly reduced the tax base estimates and therefore the amount to be raised through the precept.
- 5.7 Whilst funding continues to reduce it is imperative that good governance structures and processes continue to operate in the OPCC and Force.

PERFORMANCE

- 5.8 Performance continued to improve during 2012-13. However, targets to become the best performing force are stretching and further cuts in resources available may impact on delivery of this objective.

- 5.9 Details on performance and the improvements made are reported to the Strategic Resources & Planning meeting as a standing item on the agenda. Performance details are also provided in the Commissioners update report which is reported to the Police & Crime Panel and the Audit & Scrutiny Panel. These are also available on the website and Nottinghamshire County Councils website.
- 5.10 The support of the Commissioner in increasing the numbers of offices and PCSO's and working closely with partner organisations does mitigate this currently.

HUMAN RESOURCES

- 5.11 The “turning” back on of recruitment has put an additional strain on the resources. There are plans to regionally collaborate on HR transactional services which may affect the continuing recruitment plans. We will continue to monitor this.
- 5.12 BME recruitment and retention to reflect the communities of Nottinghamshire continues to be a cause for concern and the force positive action campaigns' will continue to be reviewed.
- 5.13 A contingent liability has been identified within the statement of accounts relating to the application of regulations A19 during 2011-12.

STAGE 2 TRANSITION

- 5.14 This will bring further changes to governance arrangements and will require changes to the existing scheme of delegation, financial regulations and all jointly owned policies.
- 5.15 A board of senior management has been put in place to develop the transfer order for the Home Secretary and ensure a smooth transition.

INFORMATION GOVERNANCE

- 5.16 The arrangements for information governance need to be reviewed and improved to provide the assurance needed by the Commissioner. This particularly relates to the unauthorised use of force data and the need for information sharing protocols to be standardised for partner organisations.
- 5.17 The Information Sharing Protocol between the Force and the Commissioner is being developed.



Nottinghamshire

POLICE & CRIME COMMISSIONER

ANNUAL ASSURANCE STATEMENT

2012-13

SIGNED:

**Mr Paddy Tipping
Police & Crime Commissioner
24 September 2013**

**Mr Kevin Dennis
Chief Executive - OPCC
24 September 2013**

**Mrs Charlotte Radford
Chief Finance Officer – OPCC
24 September 2013**



Nottinghamshire Police Annual Governance Statement 2013/14

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1. Scope of responsibility

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

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

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

2. The purpose of the governance framework

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

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

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

3. Creating a clear vision and purpose

The vision

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

Corporate plans

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

In November 2012 all police forces in England and Wales, except London, elected their first Police and Crime Commissioner. One of the Commissioner's key responsibilities was to issue

a Police and Crime Plan to cover their period in office, in which they make clear their priorities and the objectives they are setting for the Force.

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

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

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

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

Delivering and monitoring the Policing Plan

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

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

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

The following areas are reported on under each Force priority:

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

Partnership working and performance monitoring

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Clearly defined functions and roles

Scheme of delegation

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

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

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

Policing Protocol

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

Financial regulations

Responsibilities within the Financial Regulations that have been in place during the 12 month period of 2012/13 have been applied universally across the Force and there are no significant issues to be reported and no instances of non-compliance to be reported.

Going forward into 2013/14 the Force will be adopting the PCC's Financial Regulations. All Divisional and Departmental Heads have formally acknowledged their responsibilities in accordance with the Force and the PCC's Financial Regulations that uphold the internal control and assurance framework.

Contract standing orders

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

5. Standards of conduct and behaviour

Our Values

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

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

Standards of conduct

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

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

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

Conflicts of interest

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

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

Gifts and hospitality

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

Managing complaints

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

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

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

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

Whistle blowing

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

6. Decision making and risk management

Governance structures and decision making

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

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

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

Risk management

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

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

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

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

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

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

Business Continuity

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

Information management

The Force experienced a number of data breaches in 2012/13 and has a preliminary enforcement notice in place against it. A review is being carried out across Information Management and Information Security within the Force. The work is being led by an independent consultant and an improvement plan is being created to address issues such as Information Sharing Agreements and meeting the full requirements of the Data Protection Act.

Policy governance

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

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

Legislative monitoring and compliance

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

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

7. Development of Officers and Staff

Training and induction

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

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

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

Individual performance

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

Succession planning

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

8. Engagement and consultation

Community engagement and consultation

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

The Force has developed a robust structure of strategic and local Independent Advisory Groups (IAGs) which represent different community groups across the whole of the city and county. They provide an invaluable service to Nottinghamshire Police in three core areas;

critical incidents, building trust and confidence and advising on strategies, policies and procedures.

The Neighbourhood Alert electronic communication system is designed to help members of the public communicate with their local Neighbourhood Policing Team and their local Neighbourhood Watch coordinator. The system can be used to report information about suspicious behaviour and antisocial behaviour and to allow users to be sent information about crime trends in their area and community safety and crime reduction advice. The aim is to provide up-to-date information direct to registered members to support two-way communication between members of the public, Nottinghamshire Police and Neighbourhood Watch, in order to reduce crime.

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

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

Workforce engagement and consultation

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

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

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

9. Review of effectiveness

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

The review is made robust by obtaining assurance through the process of interviews with the Chief Officer Team and the Heads of Divisions and Departments and their senior management teams. Each Chief Officer and Divisional and Departmental Head has provided a comprehensive, signed Statement of Assurance which comments on their compliance with the Force's governance framework during 2012/13. Potential areas for improvement where there are weaknesses in either controls or assurances have also been identified for 2013/14.

The areas already being addressed and those to be specifically addressed with new actions planned are outlined in Section 10.

The results of this review will be reported to the Joint Audit and Scrutiny Panel alongside the external auditor's annual report, which will set out their opinions in relation to accounts, governance and performance.

Joint Audit and Scrutiny Panel

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

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

Internal audit

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

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

External audit

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

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

10. Significant governance issues

The review process to support the production of the Annual Governance Statement in 2013/14 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.

Area of assurance	Action	Responsible Officer
Risk management	Implement the regular use of divisional and departmental risk registers by the end of Q2 2013/14.	Head of Business and Finance
Risk management	Develop a three year corporate risk management strategy to facilitate the Force's development of its future approach	Head of Business and Finance

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

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

Signed _____

Chris Eyre,
Chief Constable

Signed _____

Margaret Monckton,
ACO Resources (CFO)

For Information / Consideration	
Public/Non Public	Public
Report to:	Audit and Scrutiny Panel
Date of Meeting:	24th September 2013
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
E-mail:	
Other Contacts:	Angela Ward
Agenda Item:	6

INTERNAL AUDIT PROGRESS REPORT

1. Purpose of the Report

- 1.1 To provide members with an update on progress against the Internal Audit Annual Plan and the findings from audits completed to date.

2. Recommendations

- 2.1 Members are recommended to consider the report and where appropriate make comment or request further work in relation to specific audits to ensure they have adequate assurance from the work undertaken.

3. Reasons for Recommendations

- 3.1 This complies with good governance and in ensuring assurance can be obtained from the work carried out.

4. Summary of Key Points

- 4.1 The attached report details the work undertaken to date and summarises the findings from individual audits completed since the last progress report to the panel.
- 4.2 The report also includes information relating to RSM Tenon and its recent combining with Baker Tilly.

5. Financial Implications and Budget Provision

- 5.1 None as a direct result of this report.

6. Human Resources Implications

- 6.1 None as a direct result of this report.

7. Equality Implications

- 7.1 None as a direct result of this report.

8. Risk Management

8.1 None as a direct result of this report.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This report complies with good governance and financial regulations.

10. Changes in Legislation or other Legal Considerations

10.1 None

11. Details of outcome of consultation

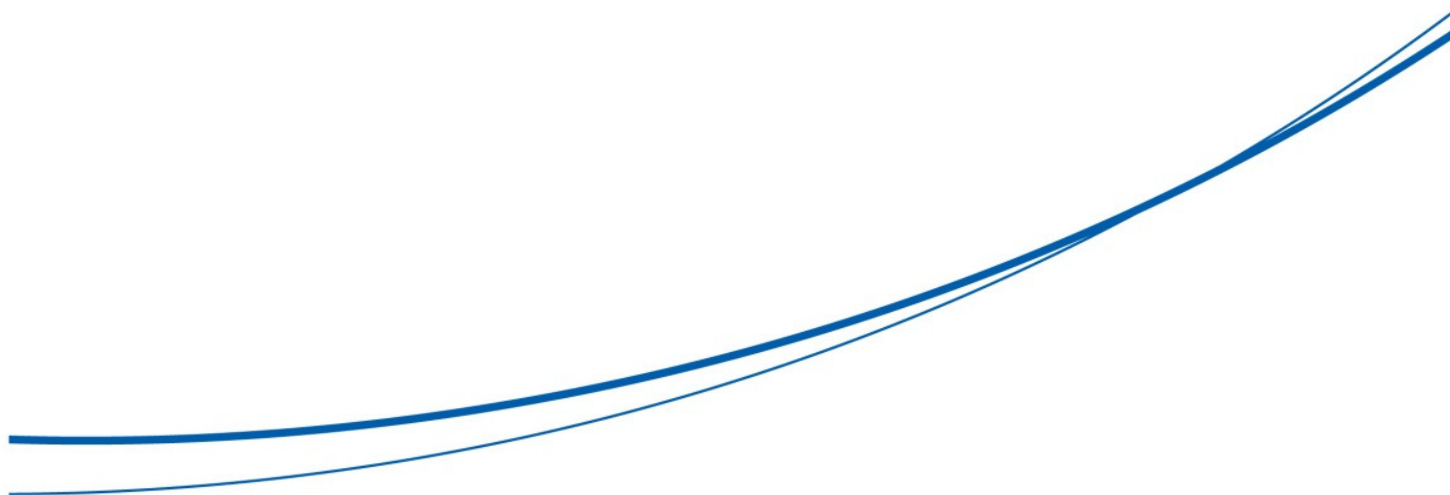
11.1 Not applicable

12. Appendices

12.1 Appendix A - Internal Audit progress report.



RSM Tenon
Connected for Success



Nottinghamshire Office of the Police & Crime Commissioner and Nottinghamshire Force

Internal Audit Progress Report
24th September 2013

Introduction

The internal audit plan for 2013/14 was approved by the Joint Audit & Scrutiny Panel on 14 February 2013. This report provides an update on progress against that plan and summarises the results of our work to date.

Summary of Progress against the Internal Audit Plan

Assignment <i>Reports considered today are shown in italics</i>	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
<i>Culture</i>	<i>Final Report issued</i>	<i>Advisory*</i>	-	-	-
Commissioning	Scoping meeting booked				
Governance – Financial Governance	Ongoing				
<i>Data Quality – Medacs</i>	<i>Final Report issued</i>	<i>Advisory</i>	8		
ICT Resilience	TBC				
Partnerships	Scoping meeting booked				
Performance Management – Manifesto	Scoping meeting booked				
Scrutiny Panel – Anti Social Behaviour	Draft report issued				
Business Continuity	Scoping meeting booked				
Workforce Planning	1 st October 2013				
Equality & Diversity	Draft report issued				
Health & Safety	Scoping meeting to be arranged				
Environmental Policy	Scoping meeting to be arranged				
Attendance Management	Scoping meeting to be arranged				
Volunteering	Scoping meeting to be arranged				
Estates	Scoping meeting to be arranged				
Joint Tasking & OPR	Scoping meeting to be arranged				
Financial Controls	w/c 7 th October				
Training	Complete	Not Applicable			
<i>Follow Up</i>	<i>Final Report issued</i>	<i>Good Progress</i>	-	-	-

*Advisory suggestions were also included within the report

Other Matters

Planning and Liaison:

We are in the process of completing scoping meetings for the work that is scheduled to be completed during quarter 3. Once completed, the reports will be brought to a subsequent meeting.

Information and Briefings: We have not issued any client updates electronically since the last Assurance & Audit Committee. However, for information purposes, we have included the client notification letter that was issued in relation to the announcement of RSM Tenon Group PLC. This is included at the end of the progress report.

Key Findings from Internal Audit Work

Assignment: Culture	Opinion:	Advisory
<p>The aim of the review was to consider the impact of the Change Programme to the Organisation, specifically in relation to Organisational Culture.</p> <p>Organisational change should take a structured approach to ensure the changes are smoothly and successfully implemented to achieve long terms benefits. The Organisation is operating in a modern business environment where by they are facing rapid changes, which have not been experienced before, for example:</p> <ul style="list-style-type: none">▪ Globalisation and the constant innovation of technology have a large impact on the operating environment. Recent innovations in social media and mobile adaptability have had an effect on the need to adapt operational and culturally; and▪ Technological changes and improvements have also had a secondary effect of increasing the availability and therefore accountability of knowledge. Easily accessible information has resulted in unprecedented scrutiny from stakeholders, the public and the media. <p>With the operating environment experiencing so much change, the Organisation must then learn to become comfortable with these changes as well. Therefore, the ability to manage and adapt to organisational change is an essential ability required in the workplace today. The organisational culture plays a major factor in the process, as it is a major determining factor on how well the change is adopted. Regardless of the type of change, the critical aspect is an organisation's ability to win the buy-in of their employees and major stakeholders on the change. Effectively managing the change relies on the culture of the organisation and four main areas:</p> <ul style="list-style-type: none">▪ Recognizing the change and its impact on the operating environment;▪ Adjusting the Organisation's needs to match the change;▪ Training employees on the appropriate changes; and▪ Winning the support of the employees and major stakeholders. <p>Changing an entrenched culture is a tough task and to do so, may involve combating four major challenges:</p> <ul style="list-style-type: none">▪ Cognitive: people must have some understanding of why the change in strategy or in culture is needed;▪ Limited resources: inevitably, changing an organisation will require shifting resources away from some areas and towards others;▪ Motivation: ultimately, employees have to want to make the change; and▪ Organisational politics. <p>The Organisation employs over 4000 employees overall, split between Officers and Staff. Nottinghamshire Office of the Police & Crime Commissioner (PCC) & Nottinghamshire Police is committed to reduce crime rates and antisocial behaviour and increase detection rates around theft, violent and sexual offences against a background of changing external factors such as:</p> <ul style="list-style-type: none">▪ Anticipated funding reductions through to 2015;▪ The economic downturn's impact on crime;		

- Police Reform and Social Responsibility Act;
- Stretched public order policing;
- Substantial reductions in funding arising from the Comprehensive Spending Review (CSR) in 2010;
- The review of Police Pay and Conditions 2010;
- Introduction of PCCs from 2012/13;
- Local impact on East Midlands Police Collaborative Programme; and
- Anticipated reductions in numbers of Police Officers and Police Staff employed by 2015.

Inevitably these external factors will impact on the day to day work of both Police Officers and Police Staff. This places additional challenges on the Organisation to achieve significant internal changes in culture.

The Organisation commenced a programme for transformational organisation change in 2010, as part of a 4 year plan. Given the size of the organisation and the external pressures and diversions, the size of the overall campaign is significant.

The commencement of the change process has been slow for the first 12 to 18 months and we believe this is reflected in the 2011 Staff Perception Survey when compared to the 2009 Survey. The Force did not seek to gain any quick wins early on in 2010 at the commencement of the campaign, which may have helped staff to feel more valued by 2011. There is no right or wrong way to achieve such large organisational change and the lack of some early quick wins should not impact on the overall result if the overall campaign is successful in gaining the engagement of its employees and which would be demonstrated in the 2012 Staff Perception Survey and subsequent surveys.

The journey and progress during the early part of 2012 has been impressive. The organisation is tackling all areas within the same time frame. Based primarily on our discussions with the various participants in this review, a significant amount of preparatory work was being undertaken, however almost all of this would not be ready until later in 2012 through to 2013.

In our opinion, there is a risk that the enormity of the transformational change programme along with the high volume of activity required to delivery against each strand will place strain on existing resources which appeared to be enthusiastic, but under considerable pressure at the time of the initial review. The day job does not go away and HR teams plus the Communications team still have to deliver normal day to day activities. Although, it is noted that at the time this report was finalised, the Organisation had managed both the change programme and normal day activities, within HR and Communications teams, but it is an implication that needs to be considered, for future change programme tasks.

During the 6 months from March to August that we attended Nottinghamshire Police, we were able to see that the programme was gathering momentum and an undeniable desire to maintain that momentum to implement the changes during the latter part of 2012 and into 2013.

We consider that there is also a risk that once new processes are in place that unless the values are truly embedded there would be a slippage back (it is noted that the values form part of the PDR process). Cultural change is all about changing behaviours which is an emotional journey for each of their 4000 plus employees. The journey is therefore not one of logic and process (although these are necessary to support the change), but one based on feelings and demonstrable behaviours giving rise to challenges in terms of monitoring and evaluating performance.

The external pressures on Nottinghamshire Police remain and while they may differ from those in place a year ago, the overall background for all Forces of having to do more with less will remain. As future plans are put into place to achieve and maintain cultural change, the Force will need to factor in known external factors so that there are adequate resources.

Overall, we were impressed with the work and approach being undertaken. However, a review of progress during the latter half of 2013 would seem sensible.

We have made a number of advisory recommendations within the report to ensure focus and momentum is maintained.

Action	Responsible Officer	Date
A review of the 2012 Staff Perception Survey results in conjunction with the 2011 and 2009 surveys to demonstrate the cultural changes have made an impact on staff perception.	Sharon Ault	Implemented
The Force should undertake a number of random or 'pulse test' surveys during the latter 2013 to further	Sharon Ault	By 31 st March 2014.

gauge whether the cultural change have had an impact.		
A review of the PEOPLE strategic plan should be undertaken, particular with the appointment of the PCC to demonstrate what this looks like now, what has been delivered against the plan and what is in the pipeline for the future.	Simon Tovey	By September 2013
Process implementation plans should be developed, for the new processes such as for induction, probation, recruitment, promotion, PDRs and performance management, to confirm when they will be implemented and number of employees affected.	Sharon Ault	By September 2013
When developing the management and employee workshops, attendance should be mandatory, thereby allow the Force to review attendance and the identification of any officers that have missed particular sessions. This will help in the buy in process for the new culture and processes.	Sharon Ault	By March 2014
Feedback should be obtained from the management and employee workshops. Thereby empowering the attendees and allowing the workshops to organically develop in to process which are welcomed by employees.	Sharon Ault	Implemented
The Force has proposed a number of communications tools. It should consider how successful it has been in using these tools and mediums.	Matt Tapp	Implemented
The Force was in the process of reviewing and redeveloping its Leadership & Development programme. Considerations should be given as to where any programmes have been developed, what programmes have been run and what remains in the pipeline.	Sharon Ault	Implemented
The Force should consider reviewed employee engagement under the PROUD programme to review scheme sign up and nominations. Any direct feedback could be used by the Force as case studies.	Matt Tapp	Implemented
The Force should consider the enforcement of PROUD programme and the plans in place. Where implementation plans have been developed, the Force should review the impact of the plan.	Sharon Ault	Implemented
The Force should undertake a formal review of the internal factors (for example resources, merging of forces and/or activity, structural changes) and the external factors, using a risk analysis, which may impact fulfilment of the Cultural Review.	Sharon Ault	Implemented
Any change programme requires high levels of internal communication to continually drive and support the change. It is considered that the Force may benefit from additional resource, dedicated to internal communications.	Matt Tapp	Implemented

The review has specifically focused on the delivery of the healthcare service to detainees and victims. The healthcare service is provided by Medacs. As part of the audit we have considered the service that is currently provided and compared that to the contract terms and requirements and furthermore, have reviewed the management information that supports the service delivery and validated the robustness and accuracy of that data.

Medacs is a leading provider of fully managed custody suite and forensic medical services. The Forensic Medical services provide care for those people who have been detained, from the point of arrest and throughout the detention process, and is compliant with professional, legislative and ethical standards (such as PACE). Routine tasks carried out by the Forensic Medical Examiners (FMEs) and Custody Nurses include: examining detained individuals; assessing and treating victims, suspects and witnesses; taking samples; providing statements; and giving evidence in court.

As part of the review, on 6th March, we visited the head office of Medacs and met with Chief Executive, Operations Director, Head of Clinical Governance and the Client Service Manager.

Our review has highlighted a number of areas, where the service currently being delivered by the HealthCare Provider, is not in accordance with the contractual terms and requirements. Training, rosters and resources have all been highlighted as areas where Medacs are not providing the level of service that is outlined within the contract terms. Furthermore, the monthly management information that is received does not accurately reflect the level of service that is being delivered. The management information supports the financial invoice provided by Medacs and consequently if the management information is not accurate there is a risk that the invoice payments have also been calculated incorrectly. It should be noted that audit are continuing to review the management information and the invoices that have been received from Medacs, to understand the financial impact, if any, and in particular the actual performance surrounding service delivery. This will be reported separately to Management, once completed.

It is advisable to consider and review the current contractual arrangements for the provision of the healthcare service, with a view to ensuring that the Force can be confident that they will receive a robust, reliable, efficient and effective service, moving forward.

Action	Responsible Officer	Date
In accordance with contractual terms, quarterly contract review meetings should take place between the Contractor and Nottinghamshire. Notes of the meetings should be taken and actioned, appropriately. Any notes or minutes from the meetings should be held on the Force intranet. The contract review meeting would provide, for both parties, the opportunity for clarification regarding performance information, invoicing, training and general service delivery. (High)	Jayne Christer	Immediate
The issues surrounding rosters should be raised with Medacs and assurances need to be provided that there are appropriate arrangements in place to ensure that such delays will not be repeated to ensure that the quality of care provided, is not at risk. Where gaps are expected, the Force should be notified as soon as possible so that they can explore alternative options. (High)	Jayne Christer	Immediate
Clarification is required in terms of receiving assurance that all HealthCare Providers working across Nottinghamshire have appropriate vetting. The risk is where the individual is working across borders and has applied for security clearance elsewhere. Furthermore, the responsibilities for ensuring security clearance is up to date needs to be clarified, to ensure that where the	Jayne Christer	Immediate

security clearance is due to expire that this has been captured and efforts are in place to renew the security clearance, prior to the previous clearance expiring. This will minimise the risk of HealthCare Providers working without appropriate clearance. A spreadsheet should be developed that records those individuals where security clearance has been received and the date that it expires. The spreadsheet could also include where the individual has authority to work in the UK. (High)		
These issues should be raised with Medacs and assurances need to be provided that there are appropriate arrangements in place to ensure that such working hours will not be repeated to ensure that the quality of care provided, is not at risk. (High)	Jayne Christer	Immediate
A more robust process needs to be in place to provide assurance that all HealthCare Professionals have received and understood any changes to procedures and medical practices. (High)	Jayne Christer	Immediate
Once the training matrix has been completed, a copy of the document including those HealthCare Professionals that work for Nottinghamshire should be forwarded to the relevant officers at Nottinghamshire, to provide assurance that the HealthCare Professionals have received appropriate training. (High)	Jayne Christer	Immediate
Appraisals should take place on an annual basis for HealthCare Professionals. A mechanism needs to be in place to provide assurance that where Medacs is not the main employee for the HealthCare Professional, that any performance issues arising from appraisals is notified and recorded by Medacs. (High)	Jayne Christer	Immediate
<p>An urgent meeting / discussions need to take place between the Force and Medacs to understand the true service delivery and to understand the actions that need to be taken to ensure the Force receive a robust service from their HealthCare provider.</p> <p>Following such discussions, it would be advisable to consider and review the current contractual arrangements for the provision of the healthcare service, with a view to ensuring that the Force can be confident that they will receive a robust, reliable, efficient and effective service, moving forward. (High)</p>	Jayne Christer	Immediate

We have undertaken a review to follow up progress made by Nottinghamshire Police Authority to implement previous audit and inspection recommendations.

The audits and inspections considered as part of the follow up review were:

- IT Healthcheck;
- Key Financial Controls
- HR Recruitment
- Performance Management
- Criminal Justice Joint Inspection Report on Unannounced Visit to Custody Suites
- Management of Crime
- General Ledger
- Corporate Governance Improvement Plan
- Procurement – Programme of Change
- Mistakes were made. HMIC's review into allegations and intelligence material concerning Jimmy Savile between 1964 and 2012

Staff members responsible for the implementation of recommendations were interviewed to determine the status of agreed actions. Where appropriate, audit testing and site visits have been completed to assess the level of compliance with this status and the controls in place.

Taking account of the issues identified and in line with our definitions, in our opinion Nottinghamshire Office of the PCC and Nottinghamshire Force has demonstrated good progress in implementing actions agreed to address internal audit and inspection recommendations.

In all 18 cases, the recommendation was confirmed as implemented and no further action is required.

Private and Confidential

RSM Tenon Group PLC

You may have seen the announcement that RSM Tenon Group PLC, our holding company has been placed into administration and that the administrator has agreed to sell the underlying trading business to Baker Tilly. In practical terms, this means that the combination of Baker Tilly and RSM Tenon which we announced on 25 July might be a possibility, will now take place.

We conduct business through RSM Tenon Limited, a subsidiary of RSM Tenon Group PLC and its subsidiaries. I am writing to confirm that RSM Tenon Limited and its subsidiaries continue to trade as normal: it is business as usual for our clients. It is RSM Tenon Limited which contracts with you and which employs all of our staff.

Combining the businesses of RSM Tenon and Baker Tilly creates a pre eminent new firm of size and scale to serve the UK mid market, secures the jobs of RSM Tenon's partners and staff and mostly importantly ensures continuing service to all our clients. It allows our business to continue, free from historical debt obligations, as part of an enlarged and financially strong Baker Tilly Group.

Specifically, in terms of our work with you, prior to this merger Baker Tilly did not have a substantial presence in the internal audit and risk advisory market area neither did it have much work of any note in the public sector. In fact this was one of the attractions of the merger in that, as a combined entity, we will be the largest specialist provider of these services to the UK public sector –a position the new firm wishes to retain and, indeed, grow further. Thus, our commitment to you as a client does not change.

We look forward to continuing to work with you. Your client engagement partner Patrick Green is currently on annual leave so if you have any questions in the meantime please do not hesitate to contact me (richard.smith@rsmtenon.com / 07768 868932).

Yours sincerely



Richard Smith

Partner

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

This report is prepared solely for the use of Nottinghamshire Office of the Police & Crime Commissioner & Nottinghamshire Force. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

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For Information	
Public/Non Public*	Public
Report to:	Audit and Scrutiny Panel
Date of Meeting:	24th September 2013
Report of:	ACO, Resources
Report Author:	Natalie Baker, Strategic Support Officer
E-mail:	natalie.baker@nottinghamshire.pnn.police.uk
Other Contacts:	Read Hibbert, Planning and Policy Officer Julie Mair, Organisational Development Manager Simon Tovey, Head of Business and Finance
Agenda Item:	7

Audit & Inspection

1. Purpose of the Report

- 1.1 To provide the Audit and Scrutiny Panel with an update on the status of audits and inspections taking place in Force. This report also informs the Panel of expected future audits and inspections.

2. Recommendations

- 2.1 That the Audit and Scrutiny Panel note the progress made against audit and inspection recommendations.
- 2.2 That the Audit and Scrutiny Panel take note of forthcoming audit and inspections.

3. Reasons for Recommendations

- 3.1 To enable the Audit and Scrutiny Panel to fulfil its scrutiny obligations to oversee and consider Force arrangements to deliver against audits and inspections.

4. Summary of Key Points

- 4.1 The actions outlined in this report are the result of recommendations made by the Force's internal auditor RSM Tenon and external inspectorates, such as Her Majesty's Inspectorate of Constabulary (HMIC) and Criminal Justice Joint Inspectorate (CJJI). They are managed through the Force Action Plan process and reported at the Chief Officer Portfolio Boards on a monthly basis.
- 4.2 In line with the Force's new meeting structure an update on audit and inspection will also be given at the Corporate Governance Board.
- 4.3 Status of actions arising from audits and inspections**
- 4.4 Appendix 1 outlines the status of all live actions arising from audits and inspections and those completed in Quarter 2.

4.5 Completed actions

- 4.6 Appendix 2 outlines all the actions arising from audits and inspections that have been completed during Quarter 2.

4.7 Overdue actions

- 4.8 There is one action arising from audit and inspection that is currently overdue:

- **HMIP/ HMIC: Unannounced Visit to Custody (2012)**

Action: Replace the call bell system at the Bridewell.

Comment: The installation of the workstations for the new cell call and CCTV equipment will begin to be installed by Information Services week commencing 26th August, at Newark Custody, and if the installation is successful and runs for a week without any complications, the workstations at Mansfield and Bridewell will be fitted a couple of weeks later.

4.11 Forthcoming audits and inspections

- 4.12 There are currently two inspections confirmed for Quarter 3:

- **HMIC: 21st Century Child Exploitation**

This inspection has been proposed following publication, in February 2012, of HMIC's Thematic Inspection 'Forging the Links: Rape Investigation and Prosecution'. Since that time, there have been a number of high profile cases concerning child sexual exploitation and, in March 2013, HMIC published their thematic inspection into the allegations against the late Jimmy Savile, 'Mistakes Were Made'.

The issues due to be examined in this inspection are internet/ technology-based child sexual exploitation offending and internet grooming

- **HMIC: Strategic Policing Requirement – Part 2**

This inspection will examine the mechanisms forces are using to determine the capabilities and capacity required to counter each of the five threats; terrorism, other civil emergencies, organised crime, threats to public order and a large-scale cyber incident.

5 Financial Implications and Budget Provision

- 5.1 There are no direct financial implications. If financial implications arise from recommendations raised from audits, inspections and reviews these implications are considered accordingly. Where an action cannot be delivered within budget provision, approval will be sought through the appropriate means.

6 Human Resources Implications

- 6.1 There are no direct HR implications. Where an audit or inspection has Human Resources implications, these will be managed through the Force Action Plan.

7 Equality Implications

- 7.1 There are no direct equality implications. Any equality implications which arise from an audit or inspection recommendation will be managed on an individual basis.

8 Risk Management

- 8.1 There may a risk to Force reputation, governance or compliance if mandatory or agreed actions identified as a result of audit or inspection are not completed. All associated risks will be managed through the Force Strategic Risk Register.

9 Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 There are no direct policy implications. Where an audit or inspection recommends changes to Force Policy or Strategy, those changes will be managed through the Force Action Plan.

10 Changes in Legislation or other Legal Considerations

- 10.1 There are no direct legal considerations. Where an audit or inspection relates to a change in Legislation or other legal considerations, those changes will be managed accordingly.

11 Details of outcome of consultation

- 11.1 This process for monitoring audits, inspections and reviews has been agreed by the Business Planning Group and approved by the COT.
- 11.2 Responsible Officers are consulted through the action monitoring process.

12. Appendices

- 12.1 Appendix 1: Status of actions arising from audits and inspections - Quarter 2
Appendix 2: Summary of actions completed during Quarter 2.

Appendix 1. Audit and Inspection Action Status Report - Quarter Two

Status Key		Definition						
Red – Overdue		The action has passed its Target Completion Date and requires urgent review						
Green – On schedule		The action is likely to be completed by its Target Completion Date						
Title	Scrutiny Body	Audit / Inspection	Chief Officer Lead	Total number of actions	Number overdue	Number on schedule	Number completed	Status
Key Financial Controls 2011	RSM Tenon	Audit	ACO, Resources	4			4	On going
Local Policing Plan Audit 2012	RSM Tenon	Audit	ACO, Resources	4		1	3	On going
Partnerships Governance 2012	RSM Tenon	Audit	ACC, Local Policing	1		1		On going
Proceeds of Crime Act 2012	RSM Tenon	Audit	ACC, Crime, Justice and Protective Services	7		1	6	On going
Procurement - Programme of Change 2013	RSM Tenon	Audit	ACO, Resources	7		3	4	On going
ASB Re-visit (Advisory) 2013	HMIC	Inspection	ACC, Local Policing	6		6		On going
Unannounced Visit to Custody 2012	HMIP/HMIC	Inspection	ACC, Crime, Justice and Protective Services	38	1	1	36	On going
Nottinghamshire Police (Airwave and ICT) Cryptographic Account Inspection	CESG (GCHQ)	Inspection	ACO, Resources	9		9		On going
Nottinghamshire Police IL3 Network 2013	National Police Information Risk Management Team	Inspection	ACO, Resources	6		6		On going
Nottinghamshire Police IL4 Network 2013	National Police Information Risk Management Team	Inspection	ACO, Resources	1		1		On going
Office of the Surveillance Commissioner 2012	Office of the Surveillance Commissioner	Inspection	ACC, Crime, Justice and Protective Services	10			10	Complete
				93	2	29	63	

Appendix 2: Completed Actions								
Date added (Month / Year)	Source type	Source originator	Source title	Recommendation or area for improvement	Manager responsible	Action / Project (or manager's comment to support no action)	Estimated completion date	Action / Project update
21/05/2013	Audit	RSM Tenon	Procurement - Programme of Change	1a. As planned by the Commercial Director, a review of all savings should be completed which clearly identifies revenue savings and their quantum. We recommend that these savings are stripped out of the main saving plan and reported separately, as revenue savings are a critical success factor to the Programme of Change.	Ronnie Adams (Commercial Director Procurement)	1a. Monitor, track and report on a monthly basis to the Corporate Services Programme Board the target of 10% savings to be made on all procurement projects.	31/07/2013	Update 12/07/2013 MI pack given to BT. Evidence on page 3 under heading 'Savings'. ACTION COMPLETE
21/05/2013	Audit	RSM Tenon	Procurement - Programme of Change	2. Profile the revenue savings into the year, month or quarter they will be actually delivered, to ensure the relevant Finance Directors have clarity when budgets can be reduced. In addition, individual sign off from each regional Finance Director should be obtained.	Ronnie Adams (Commercial Director Procurement)	Design a savings capture report and present monthly to the Corporate Services Programme Board.	31/07/2013	Update 12/07/2013 MI pack given to BT. Evidence on page 3 under heading 'Savings'. DCC Scrutiny 17/07/2013. Support completion. ACTION COMPLETE
21/05/2013	Audit	RSM Tenon	Procurement - Programme of Change	3. Continue to measure the savings from within the Unit, but agree a protocol with each Finance Director to agree and sign off when the saving has been achieved and furthermore that the Finance Director has taken action to reduce the relevant budget.	Ronnie Adams (Commercial Director Procurement)	Head of Procurement Services to meet with Heads of Finance within each force to agree protocols for signing off savings on a monthly basis.	31/07/2013	Update 12/07/2013 MI pack given to BT. Evidence on page 3 under heading 'Savings'. DCC Scrutiny 17/07/2013. Support completion. ACTION COMPLETE
21/05/2013	Audit	RSM Tenon	Procurement - Programme of Change	1b. As planned by the Commercial Director, a review of all savings should be completed which clearly identifies revenue savings and their quantum. We recommend that these savings are stripped out of the main saving plan and reported separately, as revenue savings are a critical success factor to the Programme of Change.	Ronnie Adams (Commercial Director Procurement)	1b. Monitor, track and report on a monthly basis to the Corporate Services Programme Board income generation opportunities from suppliers.	31/08/2013	Update 31/07/2013 WH. This has been added to the MI pack. This will be presented at the Corporate Services Board meet on the 7th August. DCC Scrutiny 17/07/2013. Support completion. ACTION COMPLETE.

NOT PROTECTIVELY MARKED

31/08/2013	Inspection	Office of Surveillance Commissioner	Office of Surveillance Commissioner	In relation to the Level I TSUs. 3) A suitably robust audit process must be established to ensure integrity of purpose and accountability of equipment held.	Det Supt Mark Pollock (Head of Intelligence Crime and Justice)	3) An audit regime will form part of any centralised structure and plans are in place for the CAB to provide training to the TSU staff.	28/02/2013	Update Gary Newton 29/05/2013 email to BT. Draft audit to be sent to Supt Mark Pollock by 07/06/2013 and final audit to be completed by 14/06/2013. 11/06/2013. Update from MP. GN has presented the extra evidence to the DCC. ACC Supports completion.
31/03/2012	Audit	RSM Tenon	Key Financial Controls Audit 2011	6.2 An Asset Management Policy should be developed, in accordance with the Financial Regulations, which clearly details the process and requirement of the Authority in relation to the disposal of assets. In addition, the Asset Management Policy should also provide detail on the maintenance of the asset register, annual verification responsibilities and outlining the account treatment of assets and the depreciation.	John Gordon (Financial Controller)	Develop an Asset Management Procedure, in accordance with the Financial Regulations, which clearly details the process and requirement of the Authority in relation to the disposal of assets. In addition, the Asset Management Policy should also provide detail on the maintenance of the asset register, annual verification responsibilities and outlining the account treatment of assets and the depreciation.	30/06/2013	Update 10/05/13 - The Asset Management Software for 2012/13 has been released by CIPFA & is in the process of being updated for year end. Update 10/07/13 - Notes on the asset management system have been prepared and are being reviewed by Pam Taylor. Auditors are on sight currently and unless any problems are reported with the asset management system during the audit the action can be closed. Update 29/08/13 - Asset Management Procedure complete. ACTION COMPLETE.

NOT PROTECTIVELY MARKED

For Information / Consideration / Comment / Decision (delete as appropriate)	
Public/Non Public*	
Report to:	Audit and Scrutiny Panel
Date of Meeting:	24 th September 2013
Report of:	Kevin Dennis Chief Executive
Report Author:	Philip Gilbert Performance and Policing Policy Officer
E-mail:	philip.gilbert11028@nottinghamshire.pnn.police.uk
Other Contacts:	Kevin Dennis
Agenda Item:	8

EXPLORING BME POLICING EXPERIENCES - UPDATE

1. PURPOSE OF THE REPORT

- 1.1 This report presents the Audit and Scrutiny Panel with an update report on 'Exploring BME Policing Experiences Project'.
- 1.2 To aid the Audit and Scrutiny Panel fulfil its responsibilities as defined within its terms of reference, aspects of relevance to this report include:
 - To assist the Police and Crime Commissioner (PCC) and Chief Constable (CC) in fulfilling their responsibility for ensuring Value for Money.
 - To review any issue referred to the Panel by the statutory officers of the PCC and CC and make recommendations as appropriate.

2. RECOMMENDATIONS

- 2.1 The Panel to note the contents of this update report.
- 2.2 Make recommendations as appropriate.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To provide the Panel with sufficient information about the project so that they can review progress and provide the Commissioner with advice.

4. Summary of Key Points

- 4.1 The Commissioner's vision is fully documented in the Police and Crime Plan (2013-18) and includes:
 - Giving victims and citizens a bigger voice in policing to achieve a safer Nottingham and Nottinghamshire
 - Improving trust and confidence in policing

- Increased representation of black and ethnic minorities (BME) through recruitment

4.2 The Commissioner's priority actions include:

- Improving BME experience of policing through better engagement and being more responsive to needs
- Ensuring that Stop and Search is transparent and proportional
- Improve the recruitment, retention and progression of for BME and other officers and staff to reflect the local community

4.3 This project supports the Commissioner's vision and priority actions.

4.4 The Commissioner has made it clear that he intends to strengthen the Force's relationship with the black and ethnic minority community and in February this year he commissioned a major research project as a first step toward that aim.

4.5 The main objectives of the research was to review the current performance indicators, other data, stakeholders views and action taken to date by Nottinghamshire Police, which informs:

- BME satisfaction for various crime types and other incidents
- Stop and Search (to assess if disproportionate for BME and why)
- Representation of BME within Nottinghamshire Police Service employees
- Current BME community and IAG engagement and its effectiveness

4.6 National research indicates that Black, Asian and people from minority ethnic groups are more likely to be disproportionately searched than white people by the police. In Nottinghamshire, figures show BME communities are subject to higher levels of stop and search and also have less representation within the Force in employment.

4.7 The Commissioner wants to provide a fair and equal policing service that embraces our diverse county and reflects this in both the workforce and our approach to fighting crime. BME communities need to have a stronger voice within policing and will be instrumental in our ability to change and promote confidence.

4.8 The Commissioner believes that the use of stop and search powers are a legitimate tactic for the police to tackle serious crime but they can have a significant impact on public confidence in policing when they are not effective.

4.9 At an event on the 15th July 2013, Professor Wright and her research team presented the Commissioner with her report together with 30 recommendations intended to address the four objectives listed at section 4.3 above.

4.10 More than 500 BME residents were asked to give their feedback as part of the three-month study. The findings show that amongst those asked members of the BME community are twice more likely to become victims of crime than the rest of

the population while 'hate crime' is the most commonly experienced crime among BME residents. It also shows more than one third of those who had been a victim of crime did not report it to the police – something Commissioner Tipping is passionate about improving.

- 4.11 The report 'Exploring BME Policing Experiences' is available from the Commissioner's web site.^a
- 4.12 The Commissioner agreed to review and implement all of the recommendations and invited the BME Steering Group (formed to oversee the research) to continue to meet and oversee the implementation stage indicating that he would report back to them in three months time on progress to-date.
- 4.13 A Working Group has been formed to be chaired jointly by DCC Fish and the Commissioner and the BME Steering Group has been reconvened. Terms of reference are being finalised for both groups and will be circulated at the meeting.
- 4.14 The Force has already developed a number of action plans to address the range of issues identified by the research. The Working Group will oversee the implementation of the recommendations and the Commissioner will feed back to the Steering Group on a regular basis.
- 4.15 The report Exploring BME Policing Experiences (July 2013) Professor Wright is available online:-
<http://www.nottinghamshire.pcc.police.uk/Public-Information/Scrutiny-Findings/BME-Report.aspx>

5. Financial Implications and Budget Provision

- 5.1 The project was allocated £10k from the Commissioner's budget.

6. Human Resources Implications

- 6.1 The implementation of the recommendations and other actions being taken will address the issues identified in the research report and should improve trust and confidence with BME communities, improve BME representation within the Force and reduce the disproportionality of stop search.

7. Equality Implications

- 7.1 The implementation of the research recommendations will directly address inequality experienced by BME communities.

^a

<http://www.nottinghamshire.pcc.police.uk/Public-Information/Scrutiny-Findings/BME-Report.aspx>

8. Risk Management

- 8.1 There is a risk that the implementation of the recommendations will not deliver the inequalities identified although this risk is deemed low.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 Any changes to policy and procedure arising from the implementation of the BME research report are in support of the Commissioner's Police and Crime Plan.

10. Changes in Legislation or other Legal Considerations

- 10.1 The Home Office is currently consulting on powers used in relation to street crime, burglary, antisocial behaviour, and public order offences. The consultation which closes on 24th September 2013 seeks views on the police powers of stop and search, specifically under the following legislation:

- Section 1 of the Police and Criminal Evidence Act 1984 (PACE)
- Section 23 of the Misuse of Drugs Act 1971
- Section 60 of the Criminal Justice and Public Order Act 1994

11. Details of outcome of consultation

- 11.1 The BME report was sent out to members of the BME Steering Group and senior police officers prior to being finalised.

12. Appendices

- 12.1 Draft Terms of Reference for the Steering and Working Groups will be circulated at the meeting

For Consideration	
Public/Non Public	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	24 September 2013
Report of:	Paddy Tipping – Police and Crime Commissioner
Report Author:	Kevin Dennis
E-mail:	kevin.dennis@nottinghamshire.pnn.police.uk
Other Contacts:	Kevin Dennis
Agenda Item:	9

POLICE AND CRIME COMMISSIONER – UPDATE REPORT

1. PURPOSE OF THE REPORT

- 1.1 This report presents the Police and Crime Panel (Panel) with the Police and Crime Commissioner's (Commissioner) update report.
- 1.2 In accordance with section 13 of the Police Reform and Social Responsibility (PR&SR) Act 2011 and subject to certain restrictions, the Commissioner must provide the Panel with any information which the Panel may reasonably require in order to carry out its functions. The Commissioner may also provide the Panel with any other information which the body thinks appropriate.
- 1.3 This report provides the Panel with an overview of current performance, key decisions made and his activities since the last report in June 2013.

2. RECOMMENDATIONS

- 2.1 The Panel to note the contents of this update report and consider and discuss the issues.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To provide the Panel with information so that they can review the steps the Commissioner is taking to fulfil his pledges and provide sufficient information to enable the Panel to fulfil its statutory role.

4. Summary of Key Points

POLICING AND CRIME PLAN – (2013-18)

- 4.1 This is the second report in relation to the Police and Crime Plan 2013-18. The previous Policing Plan had three strategic priorities; this plan has 7 strategic themes. Performance against targets across all themes is contained in the tables at **Appendix A** up to July 2013.

- 4.2 It should be emphasised that some of the performance data is only readily available on a quarterly basis (especially partnership and other national data) and therefore not available for this report. However, some data is now reported on to show comparative City and County performance.
- 4.3 The Performance data contained in this report has been taken from the Force's detailed and validated unrestricted monthly Performance and Insight Reports and Commissioner's weekly performance reports in respect of key Policing Plan priorities.
- 4.4 The Commissioner has a statutory duty to ensure that the Force is efficient, effective and provides value for money. A range of performance indicators relating to the 7 strategic themes contained within the current Police and Crime Plan are monitored by the Office of Commissioner and where performance is identified as a risk the Commissioner holds the Chief Constable to account to seek assurances that action is being taken to address the performance concerns.
- 4.5 The Commissioner will do this through bilateral weekly meetings with the Chief Constable and through an extended bimonthly Resource and Performance meeting with the wider Chief Officer Team. In addition, the Commissioner his Deputy and various members of his office attend a number of Force and Divisional performance meetings where necessary assurances are sought and obtained.

Theme 1 Protect, support and respond to victims, witnesses and vulnerable people (July 2013)

Performance

- 4.6 It will be seen that 87.4% of victims of crime are completely, very or fairly satisfied with the service they have received from Nottinghamshire Police which is just 2.6% away from the 90% target and the Force remains within the top eleven forces when looking at the national position for overall satisfaction. The County is 1.7% short of the target and the City is 3.9% short.
- 4.7 As of December 2012, 49.4% of people agreed that the Police and Council are dealing with local anti-social behaviour and other crime issues. This is 10.6% short of the 60% target to be achieved by 2015-16 and the Force is ranked 39th (out of 42) and below the national average of 58.8%. The Force is also ranked 7th (out of 8) and below the MSG average of 56.4%.
- 4.8 These results are a little surprising since ASB reduced 34% last year and continues to exceed target this year.
- 4.9 The Force has been set a target (5% year on year compared to 2012-13) to reduce the number of repeat victims of:
- Domestic Violence
 - Hate Crime

- Anti-Social Behaviour

4.10 This is a new indicator and identifies the extent to which positive action to tackle repeat victimisation has been successful or not. Identifying repeat victims and taking positive action should result in reduced numbers of repeat victims. The Force is currently achieving the year-to-date target for this measure, having recorded a 16.5% reduction in repeat victims compared to last year. The highest reductions level relate to antisocial behaviour. However, repeat victimisation of domestic violence and hate crime has increased (6.6% and 60% respectively) as shown in the table below.

Offence	Repeat Victims			
	2013/14	2012/13	Vol. Change	% Change
Domestic Violence	675	633	42	6.6%
Hate Crime	24	15	9	60.0%
Anti-Social Behaviour	2717	3443	-726	-21.1%
Total	3416	4091	-675	-16.5%

4.11 The change in domestic violence repeat victims continues to be driven by a rise in victims residing in the City division, which follows a similar pattern to domestic violence offences recorded between April and July 2013. The increases in the City are recorded against all risk levels, however the main volume increase is for offences risk assessed as medium with the volume of standard and high risk offences lower in comparison.

4.12 The target for the 2013 calendar year is a 9.0% reduction, and at present the Force is on track to achieve this, with the quarter 1 figures (January – March 2013) revealing that KSIs have reduced by 28.9% (37 people) when compared to the same period of last year. The largest percentage reduction is seen in the Fatalities group, with a reduction of 57.1% (4 fewer fatalities), while Serious injuries have reduced by 27.3% (33 KSIs) and Slight injuries are down 14.8% (115 KSIs).

4.13 Validated figures for the 2012 calendar year revealed that the Force recorded a reduction in the number of persons Killed or Seriously Injured on Nottinghamshire's roads when compared to the previous year. Whilst this direction of travel is positive, the reduction recorded was not sufficient to enable the Force to meet the 17.4% reduction for the year, and this in turn impacts on the long term target of a 50% reduction in KSIs by 2020 ^a.

4.14 Geographic factors continue to show the majority of the most serious collisions to take place on the County A-class roads. The analysis suggests that more people are moving away from car ownership (possibly due to the current economic climate) and taking up more vulnerable means of transport. This increase in vulnerable road users appears to be driving the KSI figures and impacting on the overall reduction level.

^aTo reduce by 50% in 2010-2020 compared to 2005-2009 average of 688 KSI casualties. This equates to a 9.0% or 53 KSI reduction in the 2013 calendar year when compared to the 2012 calendar year.

Activity:

- 4.15 The Force is fully aware of the performance issues and taking various action to address the key problems e.g. to improve keeping victims informed, introducing 'TrackMyCrime', introducing a performance framework to identify officers and teams who do well and those who do not and targeted interventions to vulnerable road users.
- 4.16 The Force has developed a Public Engagement Strategy 2013-2018 has been to deliver increased and more meaningful public engagement activity throughout Nottingham and Nottinghamshire. The aims of the strategy are to contribute positively to the Commissioner's policing priorities and enhance the public's perception.
- 4.17 The Force has implemented its new website having completely rebuilt it to improve the user's browsing experience, increase accessibility, bring multimedia content to the audience and enhance two-way communication with the public.
- 4.18 The Force has also commenced a project to evaluate Case Management systems that can be accessed by both police and partner agencies to allow a full partnership approach to the management of ASB vulnerable and repeat victims, thereby further reducing risk to vulnerable persons.
- 4.19 A new Stop and Search mobile data application has been introduced that allows stop and searches to be recorded by officers at the point of engagement. This replaces the previous paper-based process. Details of the encounter are captured together with GPS co-ordinates of the location to allow mapping of stop and search activity. Neighbourhood teams will then be able to present data at community engagement meetings to aid public understanding.
- 4.20 A Volunteer Police Cadets Scheme has been approved. The aim is to increase greater engagement between the force and young people aged between 16 and 18, especially those from minority, under represented and deprived sections of the community. It is encouraging that 17% of applicants are from BME backgrounds.

Theme 2: Improve the efficiency, accessibility and effectiveness of the criminal justice process (July 2013)

- 4.21 The Table below details the conviction rates for both Magistrates and Crown Court for April to June 2013. There is a partnership target to be consistently in line with Crown Prosecution Service (CPS) national averages. In this respect, for both Courts this performance is above National and Regional averages for the month of June 2013, and in terms of performance against national averages this performance is mirrored for the Crown Court for the whole of Q1 for 2013/14, whilst the Magistrate Court is line with the national conviction rate.

Measure	Apr-13	May-13	Jun-13	Q1 13/14
Magistrate Court Conviction Rate				
East Midlands	84.3%	82.2%	84.1%	83.5%
National	85.3%	84.4%	84.4%	84.7%
Nottingham	85.7%	82.8%	85.4%	84.5%
Crown Court Conviction Rate				
East Midlands	84.2%	86.6%	86.4%	85.7%
National	81.7%	81.5%	81.1%	81.4%
Nottingham	86.4%	83.5%	92.1%	87.0%

4.22 There is also a partnership target to reduce the % of ineffective trials in the Magistrates' and Crown Courts (HMCTS Measure) compared to 2012-13 and maintain or exceed a 50% effective trial rate. In this respect, performance across both Courts has been fairly static over the last 14 months although the Crown Court has seen a slight reduction compared to the same period last year.

4.23 Currently (the year-to-date average, April to July), the Magistrates Court (MC) is 43.5% effective and Crown Court (CC) 42.6%.

Activity:

4.24 The Force is aware of the issues and continues to work with its partners to take action to increase the quality and timeliness of the evidence submitted by officers. Key issues have been identified and a Force working group has been established to tackle the range of issues.

Theme 3: Focus on those local areas that are most affected by Crime and anti-social behaviour (ASB) (July 2013)

4.25 The Force remains off target on reducing crime, having recorded an increase in All Crime of **+3.2%** (747 offences) year-to-date. However, this is an improvement as it was previously at +5% in June 2013. The main drivers behind the increase in All Crime are Theft and Handling (mainly shoplifting and other theft like mobile telephones), Violent Crime and Burglary Dwelling offences all continuing to record year-to-date increases in volume.

4.26 The Force is maintaining a year-to-date reduction in Anti-Social Behaviour (ASB) incidents and is currently exceeding the 8% target reduction set for this measure. Despite this, there are indications that the downward trend evident throughout 2012-13 is losing momentum, with the year-to-date reduction smaller, at -15.8%, than the -24.3% reported in the June report.

4.27 Although the County's Partnership Plus Areas are subject to costed delivery plans which are funded through the PCC to the Safer Nottinghamshire Board and subjected to higher stretch targets of -18%, and a range of partnership interventions, recent analysis identifies disproportionate increases in Total Crime. This is also the case in most of the City's Top 5 High Impact Wards. For example the top 5 areas with the highest percentage increases are:

- Eastwood South +40.8% (+71)

- Arboretum +27.7% (+112)
- Hucknall East +20.9% (+38)
- Carr Bank +20.4% (+19)
- Woodlands +17.7% (+41)

4.28 In terms of volume, the top 5 areas are:

- Arboretum +112 (+27.7%)
- Eastwood South +71 (+40.8%)
- St Anns +53 (+12.8%)
- Sutton Central and East +51 (+8.1%)
- Woodlands +41 (+17.7%)

4.29 Key crimes include Shoplifting, violence with injury, other thefts (i.e. mobile telephones) and burglary dwelling.

Activity:

4.30 The Commissioner has a plan of activity to visit all of these key crime areas with the Deputy Commissioner over the next month to better understand the issues at grass roots levels and in liaison with Partners ensure that what can be done is being done. Officers from the Commissioner's Office have also attended Divisional Performance meetings and the Commissioner and Deputy Commissioner have also met with both new Assistant Chief Constables and Divisional Commanders to review plans to address the performance issues.

4.31 These increases reflect national trends and the Force has recently held three partnership Crime Summits (i.e. Burglary, Violence and Shoplifting) to review and respond to the emerging issues.

4.32 As a result, it has been agreed that key Crime Gold Groups be established to tackle the various issues emerging. The table below identifies the Gold Group and Chairs (including Partners) who will help drive performance improvements.

Burglary Gold Group	Violence Gold Group	Retail Crime
Chair: Philip Marshall Ashfield CEO Vice Chair: Ch Supt Ian Waterfield	Chair: Dave Wakelin Gedling Director Vice Chair: Ch Supt Ak Khan	Ch Supt Khan as Force champion

4.33 The Force has initiated a raft of measures to tackle the emerging issues including a Week of Action with tactical and media plans to address 'Reduction of Alcohol Related Harm' and a Violence campaign in September.

- 4.34 There is problem solving partnership working in various localities on a daily and monthly basis and numerous referrals are made from the Licensing team. Section 27 Direction to Leave an area have increased and followed up with ASBO letters.
- 4.35 The Proactive Licensing Team target problem premises in the City with numerous test purchase operations taking place. Offender management will now include 'Violence' offenders.
- 4.36 Officers continue to be deployed to patrol on trams/buses with body cams which is well received and Street Pastors are briefed to patrol key Hotspots daily. Also 'Street Triage'^b for mental Health is being developed for implementation in November in the City, and to be rolled out subsequently to the County.
- 4.37 An initiative to prevent robbery/theft of mobile phones through awareness (£10 Comms cards) is in place.
- 4.38 A peer review by Merseyside will also take place in September; and best practice used by Kent in respect of developing a 'Micro beats' approach to violence in City Central and North.

Theme 4: Reduce the impact of drugs and alcohol on levels of crime and anti-social behaviour (July 2013)

- 4.39 The volume of hospital alcohol related admissions in Q3 of 2012/13 was 1,832 for Nottingham City, 3,745 for Nottinghamshire County and 733 per for Bassetlaw. These totals represent increases for Nottingham City (+6.8% or 116 admissions) and Nottinghamshire County (+1.9% or 71 admissions), with only Bassetlaw recording a reduction (-2.7% or 21 admissions) compared to the same quarter the previous year.
- 4.40 Nationally, the rate of admission in the Q3 of 2012/13 (in England) was 492 per 100,000 population, a 1% increase from the corresponding quarter in 2011/12. The number of admissions for the same period was 311,095, up 1% on 2010/11. As in all four quarters of 2011/12, the rate of growth in the first two quarters of 2012/13 is lower than the annual rates of growth observed in preceding years.
- 4.41 However, monitoring of the new proxy measures for the proportion of alcohol related crime is 15.5% (3,695 offences) for April-July 2013, compared to 18.2% (or 4,192 offences) for the same period in 2012. So on the one hand whilst hospital admissions for alcohol related incidents are up slightly, alcohol related crime is down.

^b Street Triage: See <http://www.bbc.co.uk/news/uk-england-23759565>

'Nurses will join patrols, assist on emergency calls and in control rooms as part of the street triage scheme. Trials have already been established in Leicestershire and Cleveland. The new pilots will involve the British Transport Police and the Metropolitan, Thames Valley, West Midlands and West Yorkshire forces. The extension was announced by care and support minister Norman Lamb. The scheme, funded by the Department of Health and backed by the Home Office, is aimed at improving the way people with mental health problems are treated during emergencies.'

- 4.42 In terms of divisional proportions in 2012/13 the City's was 20.9%, with the highest month being October (24.3%) and the lowest month being January with a proportion of 17.2%. The County recorded an overall proportion of 15.6% and its highest month was December with a proportion of 18.5% and its lowest month was October with a proportion of 14.1%.
- 4.43 Comparing proportions year-on-year (comparing April-July 2013 to April-July 2012), the Force, despite recording an increase in overall crime volume, has recorded a proportional drop in the number of offences which were alcohol related – dropping from 18.2% in 2012 to 15.5% in 2013. This pattern is repeated across both the City and County, with both divisions recording year-on-year drops, the City from 21.1% to 17.1% and the County from 16.0% to 14.3%.
- 4.44 The number of Alcohol Related Crimes is being monitored as a proxy measure due to current recording limitations and as such there is no target for this measure. The current results should be therefore be noted but treated with some caution during this monitoring phase.

Activity:

- 4.45 Improvements in recording practices continue to be undertaken and monitored with a view to setting a target in later years once the measure is considered reliable.
- 4.46 The Force has developed a Substance Misuse Performance Framework in consultation with Force leads and is ready for sign off.
- 4.47 A system for improving Alcohol / Drug Tagging continues to be developed between Performance and Insight and Crime Management Bureau. This will require officers to ensure that crimes which are considered a factor in the crime are tagged on the crime report. This will enable analyst to better identify alcohol and drug related crimes.
- 4.48 Contact Management are being briefed to help better understanding of the processes for Alcohol tagging of Incidents.
- 4.49 There is a "Super strength" project in partnership with Nottingham City Council with the ambition of removing supers strength alcohol from sale in the City.
- 4.50 The Commissioner is in the process of developing an alcohol strategy. In this respect, on 1st July Nottinghamshire's Inaugural Alcohol Conference chaired by the Office of the PCC and the Police and Crime Panel took place at Nottingham Racecourse. National Speakers attended from London and Glasgow to give their views on what works in managing alcohol related harm and well over 100 delegates contributed from a wide range of statutory agencies, voluntary agencies, the trade and local businesses.
- 4.51 Eight workshops were held to allow all delegates the opportunity to discuss ideas for future action planning. The feedback from these has been received by the

Commissioner's office and the write up from the conference will be available on the Commissioner's website from 23rd September. Key themes to emerge from the Conference include:

- Improved communication
- An improved focus on working with young people
- Greater partnership working and shared best practice especially between statutory and non statutory agencies
- Better use of licensing tools.

4.52 These along with all the ideas from the Conference and the ongoing consultation across the county will help to inform the Strategy. The Commissioner's next steps will be to work together with partners to agree specific objectives and how interventions will be taken forward.

Theme 5: Reduce the threat from organised crime (July 2013)

4.53 The Force Threat, Harm and Risk (THR) Level is slightly reduced when compared to that recorded at the end of last year. The 2013 Nottinghamshire Police Strategic Intelligence Assessment identifies the criminal activities of Organised Crime Groups as the main external threat to policing in Nottinghamshire.

4.54 The Proceeds of Crime Act is an effective tool in combating organised crime. In this respect a total of £357,538.70 has been recovered from 63 recovery orders with an average value per order of £5,675.22. This represents an increase in the average order value of £387.06 (7.3%) compared to last year.

4.55 Based upon the 192 orders (Confiscation and Forfeiture orders) recorded in 2012/13 the Force is expected to record a total of 211 orders in 2013/14. For the current year-to-date period the Force has recorded 63 orders (eight Forfeiture orders and 55 Confiscation orders) compared to the 64 orders recorded for the same period last year (nine Forfeiture order and 55 Confiscation orders). This represents a decrease in order volume of 2.0% comparing this year to last.

Activity:

4.56 Each active Organised Crime Group has a specific management plan and Lead Responsible Officer, with progress monitored through the Force Tasking and Coordination process in line with National Intelligence Model (NIM) guidelines.

4.57 The Financial Investigation Unit is currently reviewing its processes to ensure maximum benefit is being accrued by the Force in respect of POCA legislation.

4.58 The unit has been re-launched with far more communication and support for those officers working on the front line.

4.59 It is the intention going forward that money obtained from POCA will contribute towards the Commissioner's Community Safety Partnership Fund which provides

funding to partners and third sector organisations to support initiatives to prevent crime and improve community safety.

- 4.60 Work is underway to consider whether money taken from those involved in crime can be put back into areas of policing and the community from where it was taken.

Theme 6: Prevention, early intervention and reduction in re-offending (July 2013)

- 4.61 The use of Restorative Justice Disposals and Community Resolutions came into force at the beginning of 2012-13 and it is expected that as it gathers momentum there will be less FTEs year on year.
- 4.62 The Force has increased its use of Community Resolution disposals over the last 12 months. This means that fewer young people are entering the youth justice system as they are being dealt with through these more informal outcomes.
- 4.63 There have been 160 First-Time Entrants (FTEs) this year (April - July 2013). This is a reduction of 27.3% (60 FTEs) compared to last year.
- 4.64 The Force continues to maintain a strong position against target for this measure, with a reduction of 27.3% (37 FTEs) when compared to last year, meaning that the 10% reduction target has been achieved. This is particularly positive performance as the year-to-date reduction has been growing month-on-month (April -13.0%, May -18.9%, June -22.2%), this trend suggests that reductions are expected to continue throughout the rest of the year.
- 4.65 The main types of offences committed by FTEs are Theft & Handling (mainly shoplifting), Violence Against the Person (mainly Common Assault), Drug Offences, and Criminal Damage. The majority of offence types have recorded a reduction in FTEs this year, although the area that is driving the Force level reduction is Theft and Handling Stolen Goods, which has seen a reduction of 71.4% (45 fewer FTEs) this year.
- 4.66 This strong reduction is likely to be the result of an increase in the use of Community Resolutions (which are predominately used for youth offenders and low-level offences such as shoplifting) as an alternative method of disposal. Areas which are showing the largest increases in FTEs are motoring offences (7 FTEs compared to 2 in the same period of last year) and Criminal Damage offences (23 FTEs compared to 18 in the same period of last year).
- 4.67 There are currently 323 Integrated Offender Management (IOM) nominal's managed by the Force with over half on the County. Comparing the cohort in June to May, 10 nominals are no longer managed as part of the IOM scheme with an additional 13 added in June. The majority of nominals are adult^c with just under seven percent currently classed as a juvenile.

^c

Aged 18 and over

4.68 Following a successful Restorative Justice (RJ) Summit earlier this year, the Commissioner is working with the Local Criminal Justice Board (LCJB) and REMEDI^d (a leading expert in restorative justice) to develop a local strategy and development of occupational standards to ensure that RJ and Community Resolution practices are delivered to a consistent standard. The Commissioner is also hosting a national conference with an organisation called 'NoOffence'^e in Nottinghamshire on 3rd December 2013.

Activity:

4.69 There is a Targeted Support & Youth Justice Services Prevention Team that works with young people.

4.70 Several districts within the County area are using diversionary schemes, such as weekly football matches and stay safe schemes, to give young people something to do with their spare time, in the hope that this will steer them away from crime and anti social behaviour.

4.71 The Commissioner's Community Safety Partnership Fund aims to prevent young people from becoming involved in crime and ASB. At the conclusion of the process there were 87 applications received totalling £1.4m of which 31 grants have already been approved resulting in the Commissioner paying £388,848 to community and third sector groups providing services across the City and County.

4.72 It should be pointed out that some applicants withdraw at the last minute for personal reasons which is beyond the Commissioner's control.

Theme 7: Spending your money wisely (July 2013)

4.73 Actual net expenditure for the four months to July 2013 was £65.152m against a budget of £65.841m. The resulting position against budget was an under spend of £0.689m. This under spend is largely as a result of releasing the accrual for community support grant of £0.417m and not incurring the budgeted agency spend £0.270m on Operation Daybreak, both of which will be incurred later in the year. Therefore after adjusting for this the actual year to date is broadly on budget.

4.74 Police pay and allowances expenditure was £34.363m year to date. This represented a £0.069m over spend against budget. Whilst actual average number of FTE's was lower than the budget of 2,026, the actual mix of ranks compared unfavourably to the budget rank mix resulting in this overspend. The budget in July assumed **an additional 34 FTE's, 16 new recruits and 18 transferees**, however there was **only 29 (15 new recruits and 14 transferees)**.

4.75 Included is an accrual for £0.029m relating to allowances for officers released to the G8 summit which has been offset by income. The budget was based on the

^d <http://www.remediuk.org/restorativejustice.htm>

^e <http://www.no-offence.org/content.php>

workforce plan by applying an average cost per rank. The workforce plan and costing basis is being updated as part of the first quarter forecast.

- 4.76 The Force's Officer overtime expenditure during July 2013 was £0.241m, which is an over spend of £0.034m against a budget of £0.207m. Staff overtime expenditure was £0.062m during July 2013, which is an over spend of £0.019m against a budget of £0.043m.
- 4.77 Currently the sickness rate over 12 months is 3.89% (8.6 days per Officer) against a target of 3.70% (8.2 days) and 3.83% and (8.5 days per Officer) year to date. For Police Staff 12 months rolling is 3.68% (8.2 days per person) against a target of 3.70% (8.2 days) and 3.35% (7.4 days per person) year to date.

Activity:

- 4.78 Further work is ongoing to improve the resilience of overtime recording processes and data capture systems to improve the quality of Management Information. Once this improvement is implemented further analysis of the drivers behind monthly overtime will be investigated, reported and responded to.
- 4.79 The Absence Management Policy, Procedure and Management Guide were launched in October 2012 and continue to be implemented. This policy appears to be achieving the desired results of reducing levels of sickness. For example, as at the end of July 2013, the rolling year staff sickness rate was 3.68% (8.2 working days). This has reduced from 4.44% in October 2012, when the updated Attendance Management policy was implemented. Staff sickness in the year to July 2013 amounted to a yearly cost to the Force of £1.504m. This has reduced from £1.807m as at the end of October 2012.
- 4.80 A Base Budget Review has been commissioned by the Commissioner using external consultants to ensure independence. The final report is expected at the end of September 2013. CIPFA has also been helpful in providing benchmarking data and comparisons over the past 4 years.
- 4.81 A new system, 'Artemis', is being introduced which will allow the Force to review the vehicle utilisation scientifically and better allocate the fleet to business requirements.

VIOLENCE AGAINST THE PERSON – ASSAULT ON A CONSTABLE

- 4.82 At the Police and Crime Panel meeting in June it was requested that the Commissioner report back at the next meeting on the number of Police Assaults. The Table below identifies that there were 155 Police Assaults reported to the Force Health and Safety Officer over the past 12 months and provides a breakdown of which roles are particularly vulnerable.
- 4.83 It will be seen that officers on response in the County report the most assaults (53, 34.2%) followed by Response Officers in the City (36, 23.2%).

155 Police Assaults (23 Aug 2012 to 22 Aug 2013)											
City		%	County		%	Crime & Justice		%	Other		
Response	36	23.2%	Response	53	34.2%	Custody	14	9.0%	DM	1	0.6%
NPT	14	9.0%	NPT	14	9.0%	Child Abuse	1	0.6%	TSG	2	1.3%
Intel/IOM	3	1.9%	Intel/CID	6	3.9%				OSG	9	5.8%
									Reg Op	2	1.3%
Total	53		Total	73		Total	15		Total	14	
% of Total	34.2%			47.1%			9.7%			9.0%	

4.84 The table below provides a breakdown of where the assaults took place. It can be seen that most take place in the street or a house (58, 37 and 37.4%, 23.9% respectively).

Count of Assault Location		
Assault Location	Total	%
In the Street	58	37.4%
In a house	37	23.9%
Other, please specify	17	11.0%
NULL	17	11.0%
Police Station Custody Suite	16	10.3%
Police Vehicle	7	4.5%
Licensed Premises	4	2.6%

4.85 Between 1st April and 21st July 2013 there were 87 'Assaults without Injury on a Constable' which is 13% less than the same period last year and equates to 3.97% of all Violence Against the Person Without Injury'. In the table above, 'Null' means that the location has not been reported or is not known.

POLICE OFFICER, PCSO RECRUITMENT AND BME PROJECT

4.86 The Commissioner has a target in his Police and Crime Plan to reduce the gap in current BME representation within the Force and local BME community representation.

4.87 In this respect, the Force launched its Positive Action programme towards the end of last summer and a number of events were held to encourage underrepresented groups to apply for positions within the organisation.

4.88 In February this year, the Commissioner commissioned a project to help him better understand the root causes to current under representation. The finding(s) of the research was launched at an event held on 15th July 2013. A copy of the report is available for download from the Commissioner's web site^f.

4.89 More than 500 BME residents were asked to give their feedback as part of the three-month study. The findings show that amongst those asked members of the BME community are twice more likely to become victims of crime than the rest of

^f <http://www.nottinghamshire.pcc.police.uk/Public-Information/Scrutiny-Findings/BME-Report.aspx>

the population while 'hate crime' is the most commonly experienced crime among BME residents. It also shows more than one third of those who had been a victim of crime did not report it to the police – something the Commissioner is passionate about improving.

- 4.90 The Commissioner has agreed to review and implement the 30 recommendations and report back to the BME Project Steering Group. In this respect, a Joint Working Group is to be established jointly chaired by the Commissioner and DCC Fish to oversee the program of work which will be reported to the BME Project Steering Group on a regular basis.

Recruitment

- 4.91 A time table showing the time line Workforce Planning - Recruitment is shown at **Appendix B**.

- 4.92 There are 4 Competency Based Questions (CBQs) on the Police Officer application form. This is part of the national assessment process used to identify whether the candidates can demonstrate the core competencies needed to be effective in the role of a police constable. They cover effective communication, personal responsibility, resilience and respect for race and diversity. The 4 CBQs are marked externally by independent assessors and have an overall pass mark of 10 in accordance with the National recruitment process.

- 4.93 In respect of the recent Police Officer Recruitment, the current breakdown at 28th August 2013 is as follows ⁹:

- CBQ Unsuccessful * – 1,135 (55%)
- CBQ Successful * – 476 (25%)
- Assessment Centre * – 478 candidates have been invited to attend. Of the results received (439 total results returned), 257 have passed (59%), 182 were unsuccessful (41%). The remaining candidates did not turn up for the Assessment Centre.
- Interviews * – A total of 210 interviews have been conducted to date of which 134 have passed (64%) and 76 have been unsuccessful (36%).
- Cohorts * – to date 30 have commenced training in Cohorts 28 / 29. 18 will commence training in Cohort 30 on the 06/09/2013, with a further up to 18 candidates starting in each of the remaining cohorts in the 2013/14 financial year. The remaining successful candidates will make up part of the 2014/2015 recruitment numbers for Police Officers.

- 4.94 In respect of the BME Breakdown, this is currently as follows;

- CBQ Successful * – Total 476 (White 91.39%, BME 7.98%, Prefer not to say 0.63%)
- CBQ Unsuccessful * – Total 1,135 (White 92.25%, BME, 7.40%, Prefer not to say 0.35%)

⁹ * Denotes - Withdrawn from Process at various stages (to date) - 31

- Assessment Centre Successful * – Total 257 (White 93.39%, BME 5.84%, Prefer not to say 0.78%)
- Assessment Centre Unsuccessful * – Total 182 (White 92.31%, BME 7.69%)
- Interviews Successful * – Total 134 (White 93.28%, BME 5.22%, Prefer not to say 1.49%)
- Interviews Unsuccessful * – Total 76 (White 94.74%, BME 5.26%)

4.95 In respect of the recent PCSO, the current breakdown at 27/08/2013 is as follows;

- CBQ Successful – 90 (36%)
- CBQ Unsuccessful – 100 (40%)
- Assessment – 88 candidates have been invited to attend. Results breakdown as follows: 60 have passed (78%), 17 were unsuccessful (22%). The remaining candidates did either not show up for the Assessment.
- Interviews – A total of 60 interviews have been conducted to date of which 29 have passed (48%) and 31 were unsuccessful (52%). Cohorts – to date 12 have commenced training in Cohorts 18.

DECISIONS

4.96 The Commissioner has the sole legal authority to make a decision as the result of a discussion or based on information provided to him by the public, partner organisations, members of staff from the Nottinghamshire Office of the Police and Crime Commissioner (NOPCC) or Chief Constable.

Significant Public Interest Decisions

4.97 The Commissioner's web site provides details of all significant public interest decisions. Since the last report a number of decisions have been in respect of:

- To support the business case for the Estates Rationalisation Phase 3 - Harworth Police Station. The review of the Harworth Police Station is part of the Estates Rationalisation Phase 3 work stream to provide a fit for purpose, flexible and sustainable estate enabling savings to be delivered of £2.4m over 2 years.
- Approved the appointment of Deloitte for Base Budget Review Work. The PCC has initiated a Base Budget Review which is based on zero based and priority based budgeting principles.

ACTIVITIES OF COMMISSIONER

4.98 Since the last report, the Commissioner and Deputy Commissioner have been engaged in a number of activities and meetings in relation to strategic matters, media activities, conducted numerous walkabouts and engaged with partners and various communities. These extensive activities reflect the Commissioner's commitment and pledge to be the People's Commissioner. A copy of the Commissioner's latest partnership newsletter is attached as **Appendix C**.

4.99 As detailed in section 2 above, the Commissioner and Deputy Commissioner have taken numerous steps to obtain assurances that the Chief Constable has not only identified the key threats to performance but more importantly that swift remedial and appropriate action is being taken to tackle the problems especially in the top 15 Priority Wards in the County and High Impact Wards in the City.

4.100 The Commissioner is inviting partners to raise their game by working even closer together in partnership with the Police to tackle the emerging issues currently adversely impacting overall performance.

5. Financial Implications and Budget Provision

5.1 None - this is an information report. Although the report does contain some information on budget variance.

6. Human Resources Implications

6.1 None - this is an information report. However, the report does provide some information about recruitment of staff and BME representation.

7. Equality Implications

7.1 None – although it should be noted that high levels of crime occur predominately in areas of high social deprivation.

8. Risk Management

8.1 Risks to performance are identified in the main body of the report together with information on how risks are being mitigated.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This report provides Members with an update on performance in respect of the Police and Crime Plan.

10. Changes in Legislation or other Legal Considerations

10.1 None which affects the content of this report.

11. Details of outcome of consultation

11.1 The Deputy Chief Constable has been consulted on this report and feedback responded to.

12. Appendices

- A. Performance Tables
- B. Workforce Planning - Recruitment Timeline (Updated 27 Aug 2013)
- C. Commissioner's Latest Newsletter (August 2013)

APPENDIX A Performance Tables

Strategic Priority Theme 1: Protect support and respond to victims, witnesses and vulnerable people.					
Proposed Measure		Target	July 2013		
			City	County	COMMENT
1	% of victims of crime are completely, very or fairly satisfied with the service they have received from the Police	<ul style="list-style-type: none"> 90%. To be in the top five Forces nationally 	86.1% (Mar-13)	88.3% (Mar-13)	With a rate of 87.4%, the Force is ranked 11 th nationally and 3 rd in its MSG (MSG average 86.5%). The County is 1.7% short of the target and the City is 3.9% short.
2	% of victims and witnesses satisfied with the services provided in Court	<ul style="list-style-type: none"> 90% satisfied with service received 85% feel confident to give evidence in court Improved satisfaction levels compared to 2012-13 	<i>No Split available</i> 95.6% of victims and witnesses extremely or very satisfied 88.0% feel confident to give evidence (average Apr – Jun 2013)		This will be measured using the 'Witness Service Quality of Service Survey'. In the absence of an overall outcome measure for satisfaction, this provides a useful proxy indicator of user satisfaction with an important element on the support they receive to improve their experience of the CJS and increase willingness to participate.
3	% of people who agree that the Police and Council are dealing with local anti-social behaviour and other crime issues	<ul style="list-style-type: none"> 60% by 2015-16 	<i>No Split available</i> 49.4% (Mar 13)		The Force is currently 10.6% below the 2015-16 target, is ranked 39th (out of 42) and below the national average of 58.8%. The Force is ranked 7th (out of 8) and below the MSG average of 56.4%
4	% reduction of people that have been repeat victims within the previous 12 months	Reduce the number of repeat victims of: <ul style="list-style-type: none"> Domestic Violence Hate Crime Anti-Social Behaviour By 5% year on year compared to 2012-13	12.3% reduction (Apr – Jul 13)	19.6% reduction (Apr – Jul 13)	This new indicator will identify the extent to which positive action to tackle repeat victimisation has been successful. Identifying repeat victims and taking positive action should result in reduced numbers of repeat victims. The Force is currently achieving the year-to-date target for this measure, having recorded a 16.5% reduction in repeat victims.
5	The number of people Killed or Seriously Injured (KSIs) on Nottinghamshire's roads.	<ul style="list-style-type: none"> 40% reduction in all Killed and Seriously Injured RTCs by 2020 (from 2005-09 average) Monitor KSIs for 0-15 year olds 	<i>No Split available</i> 28.9% (37 KSIs) reduction (Jan – Mar 2013)		This is both a City and County target. The County has a 40% KSI reduction target for 0-15 year olds but the City has not The reduction target of 9.0% (105 KSI casualties - 2013 calendar year) has been achieved. The current performance shows a 28.9% reduction in KSIs in quarter 1 of 2013 compared to the same period of 2012 8th nationally in terms of casualties per 100M vehicle kms,

Strategic Priority Theme 2:
Improve the efficiency, accessibility and effectiveness of the criminal justice process.

Proposed Measure		Target	July 2013		
			City	County	COMMENT
1	% of Crown Court files to be submitted by the police to the CPS on time and without deficiencies Crown Court and Magistrates conviction rates	<ul style="list-style-type: none"> To improve the current timeliness and quality of files To be better than the national averages To be consistently in line with CPS national averages	<i>No Split available</i> <u>Quality: Error rate</u> Magistrates Court (MC) – 9.9% / Crown Court (CC) – 52.4% <u>Timeliness: Late Rate</u> MC – 22.4% / CC – 62.7% (Apr – Jun 13)		In terms of target position, there has been a slight deterioration on last months position in terms of Quality (MC -1.7%) and Timeliness (CC -4.2%). There is no change in Timeliness (+/-0.0%) in the Magistrates Court, while the Crown Court recorded an improvement in Quality (+1.4%)
2	% of effective trials in the Magistrates and Crown Courts (HMCTS Measure)	<ul style="list-style-type: none"> Reduce % ineffective trials compared to 2012-13 Achieve an effective trial rate of: <ul style="list-style-type: none"> 50% for Magistrates Court 50% for Crown Court 	<i>No Split available</i> Magistrates Court – 43.5% / Crown Court – 42.6% (Average Apr - Jul 13)		Both courts are currently performing below the target rate at this time. The Magistrates Court have recorded a slight improvement (+3.7%) in its rate, whereas the Crown Court performance remains at a similar level (-0.9%)

Strategic Priority Theme 3:
Focus on those local areas that are most affected by crime and anti-social behaviour.

Proposed Measure		Target	July 2013														
			City	County	COMMENT												
1	Reduction in 'All Crime' across the Force.	<ul style="list-style-type: none">10% reduction compared to 2012-13	+5.3% (Apr – Jul 13)	+1.7% (Apr – Jul 13)	<p>The Force is currently +3.2% (Year to Date) compared to last year. Since the target is -10% performance is 13.2% above target.</p> <p>However, recent monthly totals suggest an improvement in performance.</p> <p>The increases are due to Theft & Handling mainly shoplifting, violent crime and burglary.</p> <p>The Force is ranked 32nd (out of 42) nationally in terms of offences per 1,000 population and 4th out of 8 in its MSG.</p>												
2	Reduction in anti-social behaviour incidents across the Force	<ul style="list-style-type: none">8% reduction year on year from 2013-14 to 2015-16A 50% reduction in anti-social behaviour incidents across the Force by 2015-16 compared to 2011-12	-13.5% (Apr – Jul 13)	-17.4% (Apr – Jul 13)	<p>The Force is currently achieving the reduction target, having reduced ASB volume by 15.8% (2,423 incidents). A further year on year reduction of 8% would also satisfy the local partnership target of reducing anti-social behaviour by 50% by 2015-16.</p>												
3	The detection rate (inc. positive outcomes) for recorded offences	<ul style="list-style-type: none">37% (inc. positive outcomes) rate for all crime. <p>To monitor Home Office Disposals</p> <table><tr><td>1</td><td>Charge/Summons</td></tr><tr><td>2</td><td>Caution/Reprimand/Warning</td></tr><tr><td>3</td><td>Taken into consideration</td></tr><tr><td>4</td><td>Penalty Notice for Disorder</td></tr><tr><td>5</td><td>Cannabis Warning</td></tr><tr><td>6</td><td>Community Resolution</td></tr></table> <p>6 – new from 1st April 2013</p>	1	Charge/Summons	2	Caution/Reprimand/Warning	3	Taken into consideration	4	Penalty Notice for Disorder	5	Cannabis Warning	6	Community Resolution	32.0% (Apr – Jul 13)	31.0% (Apr – Jul 13)	<p>The current Force detection rate is 31.5% which is 5.5% below target.</p> <p>Community resolutions continue to be utilised both locally and nationally as an effective and efficient disposal method which under certain conditions better meets the needs of the victim and are likely to increase.</p> <p>Community Resolutions currently equate to 18.0% of positive disposals with most offences resulting in a charge or report for summons (48.8%)</p> <p>A detailed breakdown of disposal types will be provided in the monthly Performance & Insight reports.</p> <p>The Home Office intend to change the way Forces report crime disposal by introducing an outcome framework.</p>
1	Charge/Summons																
2	Caution/Reprimand/Warning																
3	Taken into consideration																
4	Penalty Notice for Disorder																
5	Cannabis Warning																
6	Community Resolution																

** Estimated

Strategic Priority Theme 4:
Reduce the impact of drugs and alcohol on levels of crime and anti-social behaviour.

Proposed Measure	Target	July 2013		
		City	County	COMMENT
1 Number of alcohol related admissions to hospital The number of Alcohol Related Crimes (proxy measure)	<ul style="list-style-type: none"> A reduction in the number of alcohol related admissions to hospital compared to 2012-13 Monitor the number of crimes which appear alcohol related 	<p>Nottingham City: +6.8% or 116 admissions</p> <p>Nottinghamshire County: +1.9% or 71 admissions</p> <p>Bassetlaw: -2.7% or 21 admissions (Oct – Dec 2012)</p> <p><i>No split available</i></p> <p>Proportion of alcohol related crime – 15.5% (3,695 offences) (Apr – Jul 13)</p>		<p>Anecdotal evidence and experience suggests that a far higher proportion of substance related crime, particularly violence and theft, are committed than is recorded on Force systems.</p> <p>The current proxy measure for April reveals 15.5%* of crime across the Force was alcohol related. This is a reduction on the 18.2% recorded during the same period of 2012.</p> <p>Due to current recording limitations there is no target for this measure and the current results should be treated with some caution during the monitoring phase. Improvements in recording practices will be monitored this year with a view to setting a target in later years.</p>
2 % of Successful completions of OCU & Non OCU (Opiate and Cocaine Users)	<ul style="list-style-type: none"> 1% Increase compared to 2012-13 	Not yet Available	Not yet Available	<p>Increasing the number of successful treatment completions of OCU users will reduce the impact of drugs on levels of crime and anti-social behaviour</p> <p>There is a quarterly time lag but baselines for 2012-13 will be established when current year-end data is available.</p> <p>Analysis identifies that both City and County are on target to exceed 1% but not 2%.</p> <p>County: Baseline 2012-13 - 8.8% Target 2013-14 - 9.8%</p> <p>NB: Not all users are referred from the criminal justice route. James to supply</p>

* Estimated – treat with caution as this is a new proxy measure and new recording practices will take time to embed and may cause this to change over time.

**Strategic Priority Theme 5:
Reduce the threat from organised crime.**

Proposed Measure		Target	APRIL 2013		
			City	County	COMMENT
1	The number of Proceeds of Crime Act (POCA) confiscation and forfeiture orders.	<ul style="list-style-type: none"> 10 % increase (year on year) in the numbers of confiscation and forfeiture orders compared to 2012-13 	<i>No Split available</i> 63 orders recorded (8 forfeiture orders / 55 confiscation orders) (Apr – Jul 13)		So far this year the Force has recorded a total order value of £357,538.70 which equates to an average order value of £5,675.22, an increase of 7.3% compared to the average order value recorded during the same period of last year. The Force has not achieved the target volume of orders year-to-date, with 63 orders compared to a target of 70 orders.
2	Force threat, harm and risk (THR) assessment level.	<ul style="list-style-type: none"> To reduce THR to below the 2012-13 level. 	<i>No Split available</i> The year-to-date THR Level is slightly reduced when compared to that recorded at the end of last year		<p>The <i>current threat</i> from Serious, Organised Crime in Nottinghamshire can be described as significant and consistent but with evidence of successful disruption within the last 6 month period.</p> <p>In terms of <i>criminal intent and capability</i>, there remains a significant number of Organised Crime Groups in Nottinghamshire that are classified as being a <i>competent structured group of individuals involved in violence and serious criminality</i>. However, despite the <i>criminal intent and capability</i> remaining significant it can also be described as being reduced in the last 6 month period following successful disruption resulting from various Nottinghamshire Police and EMSOU operations.</p> <p>The year-to-date THR Level is slightly reduced when compared to that recorded at the end of last year</p>

Strategic Priority Theme 6:
Prevention, early intervention and reduction in re-offending.

Proposed Measure		Target	APRIL 2013		
			City	County	COMMENT
1	First Time Entrants (FTEs) into the Youth Justice System.		-8.4% (Apr – Jul 13)	-45.1% (Apr – Jul 13)	<p>There have been 160 First-Time Entrants (FTEs) this year (Apr - Jul 13). This is a reduction of 27.3% (60 FTEs) compared to last year.</p> <p>The current year-to-date target has been achieved. Currently 23.8% or 38 FTEs better than target.</p> <p>The use of Restorative Justice disposals and Community Resolutions came into force at the beginning of 2012-13 and it is expected that as it gathers momentum there will be less FTEs year on year.</p>
2	<p>National Reduce the offending of offenders managed and supervised by IOM (Integrated Offender Management) that cause significant harm</p> <p>Local</p> <ul style="list-style-type: none"> - Acquisitive Crime Cohort - High Risk of Harm Offenders - Young Adult offenders (18yrs to 21yrs) 	<ul style="list-style-type: none"> • 10% reduction (year on year) compared to 2012-13. • Reduce (proven) re-offending to be below the national average, less than 32.4 per cent. <ul style="list-style-type: none"> • Monitor • Monitor • Monitor 	<p><i>No split available</i> Proven re-offending rate of 36.9% (12 months to Jul 11)</p> <p>This places the Nottinghamshire above the national average of 33.9%, meaning that Nottinghamshire is not achieving target at this time</p>		<p>There are currently 314 IOM nominal's managed by the Force with just over half on the County. The majority of nominal's are adult with just under 6% currently classed as a juvenile. IOM Cohorts fall into three levels.</p> <p>Effective targeting and management of prolific offenders will have a considerable impact on the Force achieving the 'All Crime' reduction target.</p> <p>National data published by the Ministry of Justice covering the quarters April 2010 to March 2011 suggest that Nottinghamshire had a 'proven' re-offending rate of 36.9 per cent, 2.7 per cent above the national average, placing the Force 31st out of 36 areas.</p> <p>The Force are currently working in partnership with the Probation service to provide a joined up performance management framework to enable more timely monitoring of performance. This will be used to inform the Force Policing Plan in term supporting the indicators within the Police and Crime Plan.</p>

**Strategic Priority Theme 7:
Spending your money wisely.**

Proposed Measure		Target	APRIL 2013		
			City	County	COMMENT
1	Make efficiency savings	<ul style="list-style-type: none"> Save £10.5m by 2013-14 	NA	NA	<p>The Government's grant has reduced significantly and in order to balance the budget, savings of £8.6m need to be made in 2013-14.</p> <p>Detailed plans are in place to ensure the savings target is met. However, it is too early in the year to make sensible measure of progress against the target</p> <p>Confirmed efficiencies are currently being made through staff savings and savings from Fleet, Estates and Collaboration.</p>
2	Ensure balanced budget	<ul style="list-style-type: none"> Overall spend v budget Save £10.5m by 2013-14 	NA	NA	<p>The full year net revenue budget for 2013-14 is £196.998m. Actual net expenditure for Apr – Jul 13 was £65.152m against a budget of £65.841m. The resulting position against budget was an under spend of £0.689m (-1.05% of budget).</p> <p>It is too early in the year to make sensible measure of progress against the target</p>
3	Total number of days lost due to sickness	<ul style="list-style-type: none"> 3.7 % for officers and staff (8.2 days) 	<p>Force Wide Only</p> <p>Police Officers 3.89% (8.6 working days) Just short of target</p> <p>Police Staff 3.68% (8.2 working days) Target Achieved</p>		<p>Based on the 12 month rolling performance.</p> <p>The Absence Management Policy, Procedure and Management Guide were launched in October 2012. It is envisaged that this will assist managers to reduce levels of sickness.</p>
4	BME representation	<p>To reduce the gap in current BME representation within the Force and local BME community representation in respect of:</p> <ul style="list-style-type: none"> Recruitment for officers and staff to reflect the local community 	<p><i>No split available</i> BME officer representation – 3.9% BME staff representation 4.4%</p>		<p>It's important that the Police Service reflects the diverse community that it serves not least because it will enhance trust and confidence.</p> <p>The Force launched its Positive Action programme towards the end of last summer, and a number of events are planned to encourage underrepresented groups to apply for positions within the organisation. The Police Commissioner has recently commissioned a project to help him better understand root causes to current under representation.</p> <p>Both officer and staff BME representation figures show little change from last year. Nottinghamshire's current BME representation stands at 11.2% (based on 2011 census)</p>

APPENDIX B

WORKFORCE PLANNING - RECRUITMENT TIMELINE (updated 27 Aug 2013)

	Cohort Number	Start Date	Initial Training Ends	Tutorship (on Division)	Independent Patrol
Police Officers (16 officers)	27	18/01/2013	24/05/2013	27/05/2013	05/08/2013
	28	12/07/2013	15/01/2013	18/11/2013	27/01/2014
	29	16/08/2013	20/12/2013	23/12/2013	03/03/2014
	30	06/09/2013	14/01/2014	20/01/2014	31/03/2014
	31	22/11/2013	11/04/2014	07/04/2014	16/06/2014
	32	17/01/2014	23/05/2014	26/05/2014	04/08/2014
	33	07/02/2014	20/06/2014	23/06/2014	01/09/2014
	34	14/03/2014	17/07/2014	21/07/2014	29/09/2014

PCSO's	14	04/01/2013	22/02/2013	25/02/2013	08/04/2013
	15	25/01/2013	15/03/2013	18/03/2013	29/04/2013
	16	22/02/2013	16/04/2013	17/04/2013	30/05/2013
	17	15/03/2013	08/05/2013	09/05/2013	20/06/2013
	18	02/08/2013	20/09/2013	23/09/2013	04/11/2013
	19	15/11/2013	11/01/2014	20/01/2014	03/02/2014
	20	03/01/2014	21/02/2014	24/02/2014	07/03/2014
	21	07/02/2014	28/02/2014	31/03/2014	12/04/2014

Transferees		Start Date	Initial Training Ends	Deployment
	1	03/06/2013	21/06/2013	24/06/2013
	2	22/07/2013	09/08/2013	12/08/2013
	3	12/08/2013	30/08/2013	02/09/2013
	4	14/10/2013	01/11/2013	04/11/2013

Specials		Start Date	Attestation week & Tutorship	Deployment
	38	10/11/2012	20/05/2013	21/08/2013
	39	10/11/2012	20/05/2013	21/08/2013
	40	05/01/2013	15/07/2013	12/10/2013
	41	05/01/2013	15/07/2013	12/10/2013
	42	09/03/2013	30/09/2013	15/01/2014
	43	09/03/2013	30/09/2013	15/01/2014
	46	29/06/2013	16/12/2013	05/04/2014
	47	29/06/2013	16/12/2013	05/04/2014
	48	31/08/2013	10/02/2014	19/05/2014
	49	Cancelled		

Cadets		Advertised	Interviewed	Start Duty
		29/04/2013	17-30/06/2013	02-15/09/2013

Civilian Investigator		To be confirmed		
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THE BEAT



Summer's not over yet, but it's already been hot... and I don't mean just the weather!

Along with partners across Nottinghamshire, I have brought some challenging issues to the forefront in recent months. In the process, I believe we have identified some new and better ways forward that will lead to greater protection for victims and increase our communities' confidence in Nottinghamshire Police.

Improving engagement with BME communities

It's important that everyone in all our diverse communities have trust and confidence in our police service. That's why I set the ball rolling to understand the root of negative perceptions of the police within the black and ethnic minority (BME) community and replace them with positive experiences.

This work began with a research project I commissioned on relations between Nottinghamshire Police and the county's BME community. Professor Cecile Wright from The University of Nottingham's School of Sociology and Social Policy led this research, and I am now studying her recommendations for improvement.

Professor Wright's findings – drawn from more than 500 BME residents who were asked for feedback – show that BME community members are twice more likely to become victims of crime than the rest of the population, with 'hate crime' being the crime they mostly experience. It was also found that more than one third of those who had been victims of crime did not report it to the police.

With this knowledge, we can now target future decisions towards building trust so that BME residents feel more confident in reporting crime to the police. Our new steering group will consider how to put the report's recommendations into practice and will review progress on a regular basis.

As well as highlighting areas where improvement is needed, this valuable report recognises the hard work already undertaken by the force to address any imbalances within the service as perceived by members of the BME community.

I know that Chief Constable Chris Eyre is committed to furthering the force's efforts to acknowledge and address these concerns, and we look forward to achieving the increased safety and confidence that is needed.

Other recommendations in the report include:

- a review of the force's Stop and Search strategy, weighing up its value as a crime detection measure against the negative impact on community relations
- more effective diversity training for all employees
- stopping voluntary searches, and information sessions to be held within the community so that they are aware of their rights
- more work to boost BME representation within the force.



Tackling alcohol misuse

Alcohol misuse that leads to crime, health issues and a drain on the public purse has plagued far too many innocent citizens in recent years. Tough problems... but I'm now hopeful that we can make residents feel safer by introducing some effective solutions.



Following my Alcohol Conference at the beginning of July, I began planning a number of meetings with criminal justice partners to establish a course of action. What is decided will then form part of my Alcohol Strategy.

At the conference, 120 delegates and experts from Nottinghamshire and beyond discussed intervention ideas already piloted in different parts of the country to reduce alcohol-related crime and ease pressure on NHS staff.

A clear message was the necessity to adopt a broad package of intervention measures rather than concentrate on a single solution. The future management of alcohol misuse in Nottinghamshire will be much more joined-up as a result of this conference. That means we will all be working towards the same objectives and make best use of our combined resources to achieve better results. A draft strategy and action will be ready for further consultation in September 2013.

Support for young witnesses

During a recent visit to Victim Support my Deputy, Chris Cutland, was very impressed with the work being done to support young witnesses of crime, with visits to the court, explanations of how it works and what will be expected of them. "Both staff and volunteers do all they can to ensure that court appearances are less threatening and scary to young people," she said.

"This support is so worthwhile," she added. "Explaining the system to young people and staying with them when in court is enormously valuable. It helps to put their fears at rest and, in turn, is likely to encourage more of their peers to come forward to give evidence."

The visit was originally set up so that we could get a greater understanding of the work that Victim Support does to provide appropriate support to both victims and witnesses. One size does not fit all, and different circumstances require different solutions.

It is particularly important that we really get to grips with the service required as within the next 18 months funding for Victim Support will come to the Police and Crime Commissioner and we are both determined to see the very best support provided to those unfortunate enough to be a victim of crime.

STOP! hate crime against people with disabilities



On Disability Awareness Day on 14 July I focused on unforgivable incidents of hate crime against people with disabilities.

In Nottinghamshire last year, we saw a drop in disability crime of almost 44 per cent with 23 offences recorded. That's a relatively low figure but even one incident is one too many. Abusing people who already have enough on their plate is particularly abhorrent, and I want to bring an end to this type of discrimination. If every victim of hate crime reports their experiences to the police we can get a true picture of what's happening, support those who are on the receiving end and bring the offenders to justice.

My walkabout in Hucknall



Taking to the streets of Hucknall on 16 July with PC Shaun Radford and PCSO Simon Gazzard gave me valuable 'talk-time' with local people and businesses.

In the town centre and surrounding areas, I listened to the concerns and views on policing of residents and businesses. Face-to-face encounters like these help to keep me in the loop and give me a clearer focus on any problems that I can take up on your behalf.

Reducing crime through restorative justice

I'm a big supporter of restorative justice as one of my highest priorities as Commissioner is supporting victims of crime. Evidence shows that bringing offenders face to face with their victims to see the harm they've caused and apologise for their actions can have a cathartic effect on victims and bring about positive change in the offender.

In May I met restorative justice leaders in Nottinghamshire to identify how the system can be enhanced to further reduce crime. The Restorative Justice Summit heard how closer working between the agencies involved in delivering this intervention could turn more offenders away from a life of crime.

As a result, plans were made to establish how organisations can move forward together to achieve higher quality restorative justice mediation. I am confident that this will lead to further success in the future. I have asked 'Remedi', who are national experts in Restorative Justice, to support my office and work with partner organisations to develop a strategy with clear quality standards to assist with the delivery of high quality Restorative Justice delivery. If you want to get involved with this work contact the Kevin Dennis, Chief Executive.

More challenging times ahead

A fresh wave of spending cuts announced by the Government for 2015/16 will eat further into Nottinghamshire Police's scarce resources and affect our capacity to tackle crime.

We won't have the exact figures until the autumn but it looks like we will have a gap of an additional £6m. That's on top of the forecasted £10.1m within our Medium Term Financial Plan and on top of the £42m we have had to find in the current Spending Review.

So far, thanks to the hard work of the force's employees, we've been able to protect performance despite the cuts. But it's important to be prepared, and we will be consulting widely with the public about their priorities to help us negotiate these reductions so that we can continue to meet their expectations.

New Victims' Code draws closer

Still with a firm eye on the needs of victims, Deputy Commissioner Chris Cutland also attended a London conference dedicated to 'Putting Victims First', which looked closely at the reforms contained within the Government's proposed Victims' Code.

It's early days yet as the finer details are still being worked out. "It hasn't been finalised but it's good to know that there are changes afoot," she said.

The plan is for there to be three categories: victims of serious crime, persistently-targeted victims and vulnerable victims. Overall, the new reforms seek to give victims clearer entitlements from criminal justice agencies and provide a service that's better tailored to individual need.

We will be watching the progress on this very closely.

- The Office of the Police and Crime Commissioner will soon be commissioning work to support medium risk domestic violence cases. Chris explains: "The Grant and commissioning applications have now all been considered and decisions made. We'll have more details on this and the other commissioning decisions soon."





Mystery shoppers to help improve service quality



Public spirited volunteers will soon be acting as 'mystery shoppers' to help improve customer service in policing.

I'm delighted to be setting up this scheme as it enables local people to make a difference to the quality of service that the public receives.

Our mystery shoppers will act as customers of Nottinghamshire Police, undertaking agreed tasks to monitor the quality of customer service before reporting back on their experiences. Their information will help shape future services and enable me to make changes aimed at increasing the satisfaction and confidence of victims of crime in the services they receive. It's incredibly important that we treat victims in a way that makes them feel understood and confident that we will resolve the situation.

I have huge pride and gratitude for those in our county who give up their time in various ways to help Nottinghamshire Police the best service possible. Our communities deserve this and the Chief Constable and I are united in our commitment to its delivery.

Beating business crime together

Retailers in Nottinghamshire are being asked to become more involved in local crime partnerships to help reduce business crime.

When I spoke at Mansfield 2020's breakfast meeting on 27 June, I was able to tell business leaders that Nottinghamshire Police is seen as a leader in the field of fighting business-related crime. Our Deputy Chief Constable, Sue Fish, is Business Crime lead at the Association of Chief Police Officers, and Inspector

Richard Stones is director of the National Business Crime Forum which has its data sharing hub at Ashfield School.

I know there is still much to do, but one important step forward will be recording business crime under a single definition to enable accurate measurement of offending patterns. This is expected to happen soon in Nottinghamshire and we are also asking all police forces to undertake similar business crime tagging. Knowing the true scale of the problem will help us to fight it.

KEEP *ON* TALKING



I'm delighted that so many people contact me, with problems, compliments and comments. This is particularly important as I need to be able to listen to your views and learn from them and also know that you can keep up to date with what my Deputy, my team and I are doing.

Whatever I do, I am answerable to you, the electorate. You can contact me at any time to ask questions or put your views across.

You can visit:

www.nottinghamshire.pcc.police.uk

You can follow me

@PaddyTipping and @NottsPCC
or **Facebook PaddyTipping or NottsPCC.**

You can write to me at:

Nottinghamshire Office of the Police and Crime Commissioner, County Hall, West Bridgford, Nottingham NG2 7QP

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For Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	Tuesday 24 September 2013
Report of:	DCC and Chief Executive
Report Author:	Paul White, Strategic Support Officer
E-mail:	paul.white@nottinghamshire.pnn.police.uk
Other Contacts:	Simon Tovey, Head of Business & Finance Julie Mair, Acting Organisational Development Manager Lisa Pearson, NOPCC Office Manager & Member Support
Agenda Item:	10

JOINT STRATEGIC RISK REGISTER REPORT (2013/14 QUARTER 2)

1. Purpose of the Report

- 1.1 To present the PCC and Force Joint Strategic Risk Register for 2013/14 Quarter 2 to the Joint Audit and Scrutiny Panel.

2. Recommendations

- 2.1 That the Panel consider the Joint Strategic Risk Register and in particular the changes that are highlighted in this report.

3. Reasons for Recommendations

- 3.1 Under the Corporate Risk Management Policy the Joint Strategic Risk Register is formally reviewed by the Force and the Office of the PCC every quarter, and is ultimately presented to the Joint Audit and Scrutiny Panel for consideration to inform an evaluation of the effectiveness of corporate risk management arrangements.

4. Summary of Key Points

- 4.1 The Joint Strategic Risk Register (2013/14 Quarter 2) is attached as **Appendix I**.
- 4.2 All High and High Medium risks on the Joint Strategic Risk Register have been fully reviewed with the Responsible Officer, in line with the Corporate Risk Management Policy and Procedure. Force strategic risks require approval of the Force Executive Board; PCC strategic risks are approved by the Chief Executive on behalf of the Commissioner.
- 4.3 Part 1 of the Joint Strategic Risk Register details risks to the achievement of Police and Crime Plan objectives. Part 2 shows additional risks to objectives in the Force's Policing Plan.
- 4.4 The following Part 1 risks are currently assessed as **High**:

Risk title	Responsible officer	Changes since last quarter	Reasons for changes (or no change)
Resourcing the Police & Crime Plan	Chief Executive	<ul style="list-style-type: none"> No changes to risk rating 	<ul style="list-style-type: none"> CSR not as bad as expected but budget cuts still substantial Funding gap identified in NTFP
Workforce recruitment, management, training & development	ACO (Resources)	<ul style="list-style-type: none"> Risk rating increased to High 	<ul style="list-style-type: none"> New vulnerability added in relation to impact of inaccurate HR data on workforce planning

4.5 The following Part 1 risks are currently assessed as **High Medium**:

Risk title	Responsible officer	Changes since last quarter	Reasons for changes (or no change)
Maintaining an efficient and effective police force	Chief Executive	<ul style="list-style-type: none"> No changes to risk rating 	<ul style="list-style-type: none"> Ongoing budget review Predicted balanced budget in 2013/14 Crime performance remains a challenge
Achieving Police & Crime Plan objectives	Chief Executive	<ul style="list-style-type: none"> No changes to risk rating 	<ul style="list-style-type: none"> Too early to make a meaningful assessment Monitoring report being prepared to give a 6 month position
Protecting, supporting and responding to vulnerable people	ACC (Crime, Justice & Protective Services)	<ul style="list-style-type: none"> No changes to risk rating 	<ul style="list-style-type: none"> Ongoing implementation of Public Protection restructure Development of policy on vulnerability
Levels of crime & ASB	ACC (Local Policing)	<ul style="list-style-type: none"> Violent crime and burglary gold groups added as key controls 	<ul style="list-style-type: none"> Ongoing development of violent crime strategy

Risk title	Responsible officer	Changes since last quarter	Reasons for changes (or no change)
Drug and alcohol misuse	ACC (Crime, Justice & Protective Services)	<ul style="list-style-type: none"> No change in risk rating 	<ul style="list-style-type: none"> Ongoing improvements in drug testing in custody Development of management information for Substance Misuse Board
Organised crime and gangs	ACC (Crime, Justice & Protective Services)	<ul style="list-style-type: none"> No change in risk rating 	<ul style="list-style-type: none"> Updated from Force Strategic Intelligence Assessment
Investigation and criminal justice processes	ACC (Crime, Justice & Protective Services)	<ul style="list-style-type: none"> No changes to risk rating 	<ul style="list-style-type: none"> Ongoing delivery of Improving Investigations project Development of regional criminal justice business case
Efficiency savings and annual budget	ACO (Resources)	<ul style="list-style-type: none"> No changes to risk rating 	<ul style="list-style-type: none"> Ongoing development of operating model and efficiency savings plan

4.6 There is one further Part 1 risk, which is currently assessed as **Low Medium** and so it has not been reassessed this quarter.

4.7 The following Part 2 risks are currently assessed as **High**:

Risk title	Responsible officer	Changes since last quarter	Reasons for changes (or no change)
Provision of ICT	ACO (Resources)	<ul style="list-style-type: none"> No change in risk rating Information Services collaboration with Leics & Northants forces added as key control Development of ICT strategy added as key control 	<ul style="list-style-type: none"> Working with private sector partner and collaborative forces to develop a strategic vision for ICT
Information Assurance	DCC	<ul style="list-style-type: none"> No change in risk rating Direction of travel now reducing 	<ul style="list-style-type: none"> Commenced implementation of IAMM improvement plan

4.8 The following Part 2 risks are currently assessed as **High Medium**:

Risk title	Responsible officer	Changes since last quarter	Reasons for changes (or no change)
Health, safety and wellbeing	ACO (Resources)	<ul style="list-style-type: none"> No change in risk rating Research commissioned into underlying cases of stress 	<ul style="list-style-type: none"> Insufficient information available to develop strategic approach to workforce health & wellbeing
Integrity and reputation	DCC	<ul style="list-style-type: none"> No change in risk rating Direction of travel now reducing 	<ul style="list-style-type: none"> Further cases likely to be reported in media Effective control strategy resulting in balanced media and public reaction so far

4.7 All other Part 2 risks are currently assessed as **Medium** or **Low Medium** and so were not reassessed this quarter.

4 Financial Implications and Budget Provision

- 5.1 The annual maintenance cost for the Orchid Risk Management System is currently £5,700, with an additional £3,833.33 paid to Leicestershire Police for hosting the system (of which £2,000 is allocated for an annual security penetration test).
- 5.2 The relative benefits of continuing to invest in the use of Orchid, and alternative options, are currently being considered by the Planning and Policy team.

5 Human Resources Implications

- 6.1 Professional support for implementation of the Corporate Risk Management Policy, which includes maintenance of the Strategic Risk Register, is provided by a Strategic Support Officer within the Planning and Policy team (Business and Finance department).
- 6.2 Additional responsibilities for risk management form part of the roles of individual senior officers and managers and are detailed within the Policy.

6 Equality Implications

- 7.1 An Equality Analysis carried out in relation to the implementation of the Corporate Risk Management Policy did not identify any specific equality implications.

- 7.2 It is the responsibility of individual responsible officers to ensure that equality implications arising from the management of specific risks are considered as part of the decision making process.

7 Risk Management

- 8.1 Good practice in corporate governance requires the Force and PCC to publish the contents of their strategic risk register on a regular basis, in order to provide assurance to key stakeholders and the public that significant risks are being identified and addressed. In doing this the Force and PCC run the risk that they may be drawing attention to particular risks, and therefore attract criticism.
- 8.2 The mitigation for this risk is that the Joint Strategic Risk Register is supported by a robust and effective risk management process and the PCC and Force can demonstrate that positive action is being taken in relation to all identified strategic risks.

8 Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 The Joint Strategic Risk Register reflects the biggest risks to the achievement of the objectives set by the Commissioner in the Police and Crime Plan 2013-18 and in the Force's Policing Plan 2013-18. Decisions taken to mitigate strategic risks will support and enable the achievement of those objectives.

9 Changes in Legislation or other Legal Considerations

- 10.1 There are no known legal considerations or potential changes in legislation that are likely to impact on the implementation of the Corporate Risk Management Policy.

10 Details of outcome of consultation

- 11.1 Corporate Risk Reviews are carried out on behalf of the Responsible Officer with a nominated Risk Coordinator (where applicable) and specific business leads, then presented to the Responsible Officer for their approval.
- 11.2 Details of all individuals engaged in risk analysis are contained within each Corporate Risk Review.


12. Appendices

- 12.1 **Appendix I** – Joint Strategic Risk Register (2013/14 Quarter 2)

Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register


2013/14 Quarter 2 (September 2013)

Part 1: Risks to Police & Crime Plan priorities

Risk ref	Risk title & description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 001	Resourcing the Police & Crime Plan Will the Commissioner be able to resource the objectives and key activities in the Police & Crime Plan?	Finance	In place: <ul style="list-style-type: none"> • Medium Term Financial Plan (MTFP) • NOPCC horizon scanning (developments in government policy) • Lobbying Government for a better deal on funding formula, police grant, precept and community safety fund • Engagement with development of future Force policing model To be implemented: <ul style="list-style-type: none"> • Lobbying Government for a better deal on funding formula, police grant, precept and community safety fund • Base budget review (independent consultant) 	NOPCC Chief Executive	High 


Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register

2013/14 Quarter 2 (September 2013)

Risk ref	Risk title & description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 012	Workforce recruitment, management, training & development Will the Force recruit, manage, train and develop a diverse workforce so that it has the right people, with the right skills, in the right place at the right time?	Performance / Service Delivery	In place: <ul style="list-style-type: none"> East Midlands Collaborative HR Services: <ul style="list-style-type: none"> ➤ Learning & Development ➤ Occupational Health Workforce plan Positive action campaigns Management Development Programme (MDP) Attendance management policy, procedure, guidance & training To be implemented: <ul style="list-style-type: none"> Future operating model development Review of Origin HRMS system Development of corporate approach to improving workforce morale Succession planning & talent management framework HR policy review East Midlands Collaborative HR Services: Shared Service Centre 	ACO (Resources)	High 


Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register

2013/14 Quarter 2 (September 2013)

Risk ref	Risk title & description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 011	Efficiency savings & annual budget Will the Force make necessary efficiency savings and operate consistently within its annual budget?	Finance / Efficiency	In place: <ul style="list-style-type: none"> • Efficiency savings plan 2013/14 • Budget monitoring process • Transformation Board • Programme & project management process • Contingent liability in accounts (for A19 tribunals) To be implemented: <ul style="list-style-type: none"> • Efficiency savings plans 2014-17 • Future operating model development • New resource allocation model 	ACO (Resources)	High Medium 



Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register

2013/14 Quarter 2 (September 2013)

Risk ref	Risk title & description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 021	Protecting, supporting & responding to vulnerable people Will the Force and its partners continue to provide effective protection, support and response to vulnerable people?	Service Delivery	In place: <ul style="list-style-type: none"> Local Safeguarding Adults & Childrens Boards (City & County) Multi Agency Public Protection Arrangements (MAPPA) Multi Agency Risk Assessment Conferences (MARACs) Multi Agency Safeguarding Hub (MASH) – County Nottingham & Nottinghamshire Safeguarding Adults Multi Agency Policy, Procedure & Guidance Nottinghamshire & Nottingham City Safeguarding Children Boards' Safeguarding Children Procedures Child Sex Offender Disclosure Scheme (Sarah's Law) Policy and Procedure Force wide problem profiles for domestic violence, child abuse and rape To be implemented: <ul style="list-style-type: none"> Public Protection restructure Development of vulnerability policy Support development of an integrated Multi Agency Safeguarding Hub (MASH) – City & County 	ACC (Crime, Justice & Protective Services)	High Medium 



Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register

2013/14 Quarter 2 (September 2013)

Risk ref	Risk title & description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 003	Achieving Police & Crime Plan objectives Will the Commissioner receive assurance that the Force is on track to achieve the objectives set in the Police & Crime Plan?	Performance	In place: <ul style="list-style-type: none"> Police & Crime Plan 2013-18 PCC Strategic Performance & Resources Board PCC and Deputy PCC engagement plan with the Force and partners PCC weekly update meeting with Chief Constable PCC weekly update briefing from NOPCC To be implemented: <ul style="list-style-type: none"> Creation of a balanced scorecard Introduction of enterprise management system (In Phase) 	NOPCC Chief Executive	High Medium 
STR 002	Maintaining an efficient and effective police force Will the Commissioner be able to maintain an efficient and effective police force for the police area of Nottinghamshire?	Performance / Service Delivery	In place: <ul style="list-style-type: none"> Joint Audit & Scrutiny Panel Scheme of Delegation Financial Regulations Standing Orders for dealing with land & property Working Relationship Agreement between the PCC and the Force To be implemented: <ul style="list-style-type: none"> Development of an internal use of resources self assessment toolkit 	NOPCC Chief Executive	High Medium 

Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register


2013/14 Quarter 2 (September 2013)

Risk ref	Risk title & description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 005	Levels of crime and ASB Will the Force continue to reduce levels of crime and ASB?	Performance	In place: <ul style="list-style-type: none"> Corporate performance management process Safer Nottinghamshire Board (County): Partnership Plus Nottingham Crime & Drugs Partnership (City): High Impact Neighbourhoods Multi agency Gold Groups for violent crime and burglary ASB Policy To be implemented: <ul style="list-style-type: none"> Development of a multi agency violent crime strategy 	ACC (Local Policing)	High Medium 
STR 006	Drug & alcohol misuse Will the Force, working in partnership where necessary, reduce the impact of drug and alcohol misuse as a driver of crime and ASB?	Performance	In place: <ul style="list-style-type: none"> Substance misuse strategy 2013-18 Substance misuse board: <ul style="list-style-type: none"> ➤ Drugs tactical group ➤ Alcohol tactical group Integrated Offender Management (IOM) structure & processes Safer Nottinghamshire Board (County) Nottingham Crime & Drugs Partnership (City) Health & Wellbeing Boards (City & County) <ul style="list-style-type: none"> ➤ Joint Strategic Needs Assessments (JSNAs) To be implemented: <ul style="list-style-type: none"> Improved drug testing in custody Work with local partner agencies and licensed trades to tackle Night Time Economy issues Drugs Intervention Programme (DIP) funding bid 	ACC (Local Policing)	High Medium 

Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police

Joint Strategic Risk Register



2013/14 Quarter 2 (September 2013)

Risk ref	Risk title & description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 007	Organised crime & gangs Will the Force, working in partnership where necessary, reduce the local threat from organised crime groups (OCGs) and urban street gangs (USGs)?	Performance / Service Delivery	In place: <ul style="list-style-type: none"> East Midlands Special Operations Unit (EMSOU): <ul style="list-style-type: none"> Serious Organised Crime (EMSOU-SOC) Fraud & Financial Investigation (EMSOU-FFI) Regional Asset Recovery Team (EMRART) OCG mapping Ending gang & youth violence strategy Vanguard Plus multi-agency gang & youth violence team (City Division) Mandatory e-learning: organised crime and Proceeds of Crime Act (POCA) To be implemented: <ul style="list-style-type: none"> Process for the use of designated enforcement and disruption tactics 	ACC (Crime, Justice & Protective Services)	High Medium 

Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police



Joint Strategic Risk Register

2013/14 Quarter 2 (September 2013)

Risk ref	Risk title & description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 020	Investigation & criminal justice processes Will the Force maintain investigation & criminal justice processes that are efficient, effective and where necessary accessible?	Confidence	In place: <ul style="list-style-type: none"> Local Criminal Justice Board (LCJB) Investigation policies & procedures Criminal justice policies & procedures File Review Unit (temporary) Temporary replacement healthcare provider in custody (G4S) To be implemented: <ul style="list-style-type: none"> Improving investigations project Regional criminal justice structure National criminal justice system efficiency programme Athena Crime, Case preparation & Custody system Archive & exhibits programme NHS commissioning to take over healthcare provision in custody from 2015 	ACC (Crime, Justice & Protective Services)	High Medium 
STR 008	Crime prevention and reducing reoffending Will the Force and its partners continue to work together effectively to prevent crime, deliver early interventions and reduce reoffending?	Performance	In place: <ul style="list-style-type: none"> Reducing Reoffending Board (LCJB) Integrated Offender Management (IOM) Multi Agency Public Protection Arrangements (MAPPA) To be implemented: <ul style="list-style-type: none"> Total offender health project 'Supporting Families' (County) programme 'Priority' Families (City) programme 	ACC (Crime, Justice & Protective Services)	Medium 

Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register



2013/14 Quarter 2 (September 2013)

Risk ref	Risk title & description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 022	Protecting, supporting & responding to victims of crime & ASB Will the Force continue to provide effective protection, support and response to victims and witnesses?	Service Delivery	In place: <ul style="list-style-type: none"> Victim of crime & ASB satisfaction surveys Team & individual performance monitoring To be implemented: <ul style="list-style-type: none"> Valuing Victims briefings Track My Crime web based crime tracking portal 	ACC (Local Policing)	Low Medium 
STR 004	Managing public expectations Will the Commissioner be able to manage public expectations and improve public understanding of their responsibilities?	Confidence	In place: <ul style="list-style-type: none"> Public relations & media management – Better Times Ltd PCC Communication strategy PCC statutory requirement to produce Annual Report PCC Consultation and Engagement Strategy PCC website (including Executive decision log) PCC and partnership newsletter To be implemented: <ul style="list-style-type: none"> Establishment of stakeholder boards for City and County Development and establishment of public meeting structure PCC's Annual Report 	NOPCC Chief Executive	Low Medium 

Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register


2013/14 Quarter 2 (September 2013)

Part 2: Risks to Force Policing Plan objectives

Risk ref	Risk description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 018	Provision of ICT Will the Force continue to provide its officers and staff with the Information and Communication Technology (ICT) they need to carry out their jobs efficiently and effectively?	Service delivery	In place: <ul style="list-style-type: none"> Nottinghamshire / Leicestershire / Northamptonshire Information Services Collaboration programme – Integrated Nation Project management for ICT projects To be implemented: <ul style="list-style-type: none"> Development of long term ICT strategy Telephony infrastructure replacement Windows 7 upgrade 	ACO (Resources)	High 
STR 025	Information assurance Would the Force be able to provide assurance that its systems and processes are effective in preserving the confidentiality, integrity and availability of its data and information?	Reputation	In place: <ul style="list-style-type: none"> Force Information Assurance Board (FIAB) Corporate Documentation / System Management Policy & Procedure Information Management Policy, Procedures & Guidance Information Security Policy & Procedure Information Sharing Policy, Procedures & Guidance Information assurance e-learning package To be implemented: <ul style="list-style-type: none"> Information Assurance Maturity Model (IAMM) programme Protective monitoring solution project 	DCC	High 


Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register

2013/14 Quarter 2 (September 2013)

Risk ref	Risk description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 013	Health, safety & wellbeing Will the Force continue to support, promote and maintain the health, safety and wellbeing of its workforce, and others who might be affected by its activities?	Health & safety	In place: <ul style="list-style-type: none"> • Health & Safety Policy & guidance • Strategic Health & Safety Committee & sub-groups • East Midlands Collaborative HR Services Occupational Health Unit (EMCHRS-OHU) • Employee Assistance Provider (CiC) • Officer & police staff safety policy & training • Stress management guide & training To be implemented: <ul style="list-style-type: none"> • Stress management strategy • Fire safety system improvements in custody • Review of body armour options 	ACO (Resources)	High Medium 



Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register

2013/14 Quarter 2 (September 2013)

Risk ref	Risk description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 026	Integrity and reputation Will the integrity and reputation of the Force be preserved in light of its decisions and the conduct of its officers and staff?	Reputation	In place: <ul style="list-style-type: none"> • PROUD values • Professional Standards Reporting Procedure • Police staff misconduct policy • Maintaining Professional Boundaries and Standards of Behaviour Code of Conduct • Misconduct & Criminality Communications Policy • Vetting Procedures for the Police Community • Unmanageable Debt Procedure • Notifiable Associations for Police Personnel Policy & Procedure • Business Interests & Additional Employment for Police Officers and Police Staff Procedure • Gifts, Gratuities & Hospitality Procedure • Media and Social & Digital Media Policies • Giving Evidence of Character in non-work related proceedings Policy 	DCC	High Medium 



Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register

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Risk ref	Risk description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 014	Corporate governance & internal controls Would the Force be able to provide assurance that it has in place effective corporate governance arrangements and robust internal controls?	Reputation	In place: <ul style="list-style-type: none"> Joint Code of Corporate Governance Scheme of Delegation Financial Regulations Corporate risk management policy & procedure Business Continuity Strategy 2011-14 Police Regulations & Police staff misconduct policy Information management policy & procedures Performance Development Review (PDR) process Independent Advisory Groups (IAGs) To be implemented: <ul style="list-style-type: none"> Policy development framework Information governance improvement plan Partnership working policy Division & department risk registers Succession planning & talent management framework 	ACO (Resources)	Medium 
STR 019	Provision of vehicles, premises and facilities Will the Force continue to provide its officers and staff with the vehicles, premises and facilities they need to carry out their jobs efficiently and effectively?	Service delivery	In place: <ul style="list-style-type: none"> Estates project board Strategic transport group Vehicle services contract: Vensons Public Sector To be implemented: <ul style="list-style-type: none"> Estates rationalisation project (Phase 3) Central Police Station redevelopment project Integrated shared services project Vehicle fleet management review Artemis & Tranman fleet management systems Research into premises & facilities improvements 	ACO (Resources)	Medium 




Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register

2013/14 Quarter 2 (September 2013)

Risk ref	Risk description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 024	Tackling local community issues Will the Force and its partners continue to work together effectively to tackle the issues that matter most within local communities?	Confidence	In place: <ul style="list-style-type: none"> • Citizen Focus Board • Public Engagement Strategy 2013-18 • Neighbourhood Policing policy • ASB Policy & Communication Strategy • Community Safety Partnerships (CSPs) To be implemented: <ul style="list-style-type: none"> • Tailored services for our diverse communities (project) • Integrated shared service centres • Partnership ASB transition working group (to prepare for the Antisocial Behaviour, Crime & Policing Act) • ASB case management system options 	ACC (Local Policing)	Medium 
STR 023	Responding to emergencies, major incidents and other calls for service Will the Force and its partners continue to work together effectively in response to emergencies, major incidents and other calls for service?	Service delivery	In place: <ul style="list-style-type: none"> • Service Level Agreement (SLA) with East Midlands Ambulance Service (EMAS) • Business continuity plans To be implemented: <ul style="list-style-type: none"> • Appointment based policing project • Review of Contact Management resources and shift patterns 	ACC (Local Policing)	Medium 



Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register

2013/14 Quarter 2 (September 2013)

Risk ref	Risk description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 017	Provision of equipment & services Will the Force continue to provide its officers and staff with the equipment and services they need to carry out their jobs efficiently and effectively?	Service delivery	In place: <ul style="list-style-type: none"> East Midlands Strategic Commercial Unit (EMSCU): Nottinghamshire, Derbyshire, Northamptonshire Sustainable procurement policy Contract management policy Electronic contract management system (Crystal) Guide to business continuity in the procurement process To be implemented: <ul style="list-style-type: none"> EMSCU policies & procedures Commercial awareness training & surgeries 	ACO (Resources)	Medium 
STR 016	Environmental impact Will the Force continue to reduce its impact on the environment?	Environment	In place: <ul style="list-style-type: none"> Environmental Management Policy & Strategy Environmental Management Group Strategic Transport Group To be implemented: <ul style="list-style-type: none"> Carbon Management Plan Bunkered fuel sites review 	ACO (Resources)	Medium 
STR 009	Strategic Policing Requirement (SPR) Will the Force maintain the necessary capacity, contribution, capability, consistency and connectivity to meet the Strategic Policing Requirement (SPR)?	Community impact	In place: <ul style="list-style-type: none"> East Midlands Special Operations Unit (EMSOU): <ul style="list-style-type: none"> Major Crime (EMSOU-MC) Serious Organised Crime (EMSOU-SOC) Special Branch (EMSOU-SB) Local Resilience Forum (LRF) Regional public order policing (Leics police lead) 	ACC (Crime, Justice & Protective Services)	Low Medium 

Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register

2013/14 Quarter 2 (September 2013)

Risk ref	Risk description	Impact category	Key risk controls	Responsible officer	Risk rating
STR 010	Road safety & security Will the Force, working in partnership where necessary maintain a safe and secure road network?	Performance	In place: <ul style="list-style-type: none"> Nottinghamshire Strategic Road Safety Partnership Nottinghamshire Camera Safety Partnership Drink & drug driving procedure Driver education courses (AA Drivetech) Community resolution for road traffic offences To be implemented: <ul style="list-style-type: none"> Multi agency Community Road Safety group 	ACC (Crime, Justice & Protective Services)	Low Medium 
STR 015	Financial controls Will the Force maintain effective financial controls?	Finance	In place: <ul style="list-style-type: none"> Scheme of delegation Financial regulations Treasury management strategy E-Financials electronic management system Insurance policies To be implemented: <ul style="list-style-type: none"> Review & update of Manual of Financial Guidance 	ACO (Resources)	Low Medium 

Nottinghamshire Police & Crime Commissioner and Nottinghamshire Police Joint Strategic Risk Register

2013/14 Quarter 2 (September 2013)

Explanatory note

The Joint Strategic Risk Register details identified risks to the achievement of the Commissioner's and Force's principal aims and objectives. It is managed in line with the Corporate Risk Management Policy and Procedure.

This report provides a summary of current strategic risks, as follows:

- The **Risk ref** is the unique reference number allocated to each risk
- The **Risk title & description** provides a simplified outline of the risk (details of specific threats, vulnerabilities, opportunities and risk control strategies are contained within individual Corporate Risk Reviews)
- The **Impact category** is the area of business most affected by the risk should it materialise
- **Key controls** are the main policies, structures, systems and processes that are in place or in process of implementation to mitigate the risk
- Each risk is assigned to either the Commissioner or a member of the Chief Officer Team as **Responsible Officer**
- The **Risk rating** is determined by the current risk score, graded as High (Red), Medium High (Red / Amber), Medium (Amber), Low Medium (Green / Amber) or Low (Green), and the arrow shows direction of travel

For Information	
Public/Non Public	Public
Report to:	Audit and Scrutiny Panel
Date of Meeting:	24th September 2013
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
E-mail:	
Other Contacts:	
Agenda Item:	11

REGIONAL COLLABORATION UPDATE

1. Purpose of the Report

- 1.1 To update and inform Members of the Regional Collaborative work that is being undertaken in 2013-14.

2. Recommendations

- 2.1 Members are requested to consider and note the report.

3. Reasons for Recommendations

- 3.1 Members of the Police & Crime Panel at their last meeting requested information on the work that is being undertaken with other police forces on regional collaboration.
- 3.2 This also complies with the principles of good governance in keeping members informed of activities being undertaken.

4. Summary of Key Points

- 4.1 The following are the service areas where the region already collaborates:
- a) EMSOU – SOC (Serious & Organised Crime) (5 Force Collaboration).
 - b) EMSOU – TSU (Technical Surveillance Unit) (5 Force Collaboration).
 - c) EMSOU – Major Crime Command (5 Force Footprint).
 - d) EMSOU – Forensics (North – 3 Force Collaboration).
 - e) EMCHRS – Occupational Health Unit (5 Force Collaboration).
 - f) EMCHRS – Learning and Development (4 Force Collaboration).
 - g) EM Legal Services (4 Force Collaboration)
 - h) Regional Commercial Unit (3 Force Collaboration)
- 4.2 The regional collaboration revenue budget for 2013-14 is £20,931,299. This was approved by the regional PCC's in February.

- 4.3 The latest forecast out-turn reported to PCC's on 2nd September 2013 is estimated to be £20,699,816 and represents an estimated underspend of £231,483.
- 4.4 The revenue budget is supplemented by Force's Contributions of Officers in Kind who provide the regional services. The estimated Officer in Kind contribution for the year equates to £8,933,237.
- 4.5 The revenue contributions are split based upon each PCC's share of the funding formula for government grant. This equates to the following percentage shares where there are 5 forces collaborating:
- Nottinghamshire 27.3%
 - Leicestershire 22.8%
 - Derbyshire 22.2%
 - Northamptonshire 14.9%
 - Lincolnshire 12.8%

These percentages vary where there are only 3 forces in the collaboration.

- 4.6 The Regional PCC's were presented with a growth budget over the medium term financial plan period, which they did not agree. They requested that a piece of work should be undertaken to identify further efficiencies within the regional services. An Efficiency Board was set up with the aim of identifying savings by the end of July.
- 4.7 At the September 2013 board meeting of the regional PCC's there was a recommendation from the Efficiency Board to action the identified savings of £2.4m phased over the next 3 years.
- 4.8 The regional collaboration also has a capital programme totalling £420,471. This is to provide vehicles and equipment to the regional services. This expenditure will be financed by the use of regional reserves £377,468 and a contribution from the regional collaboration fund £43,003.
- 4.9 Regional Reserves were £1,207,428 as at 01.04.13 and are estimated to be £874,960 as at 31.03.14.
- 4.10 The Regional PCC's have commissioned the HMIC to:
- review the current regional collaboration work, including the work of the Efficiency Board
 - to review current or emerging proposals for collaboration
 - to consider opportunities for future collaboration

This work is due to be complete in early September to be able to feed into the 2014-15 budget planning process.

- 4.11 New areas of Collaboration that will become live during 2013-14 are:

- Serious Collision Investigations Unit (3 Force collaboration – Notts, Derbys & Leics)
- Armed Policing (3 Force collaboration – Notts, Derbys & Leics)
- Protected Persons Unit (3 Force collaboration – Notts, Derbys & Leics)

5. Financial Implications and Budget Provision

5.1 None as direct result of this report.

6. Human Resources Implications

6.1 None as direct result of this report.

7. Equality Implications

7.1 None as direct result of this report.

8. Risk Management

8.1 All risks are managed within each regional project/service. By collaborating risks relating to finances and resilience are being mitigated.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 The objective to Spend Your Money Wisely within the Police & Crime Plan includes a commitment to achieve greater savings from existing collaborations.

10. Changes in Legislation or other Legal Considerations

10.1 None as direct result of this report.

11. Details of outcome of consultation

11.1 None as direct result of this report.

12. Appendices

12.1 None

For Information	
Public/Non Public	Public
Report to:	Audit and Scrutiny Panel
Date of Meeting:	24th September 2013
Report of:	ACO, Resources
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Agenda Item:	12

Force Governance Structure

1. Purpose of the Report

- 1.1 To inform the Audit and Scrutiny Panel of the new Force governance structure which was implemented during August 2013.

2. Recommendations

- 2.1 That the Panel notes the new meeting structure and revised terms of reference outlined in this report.

3. Reasons for Recommendations

- 3.1 To establish an outcome focused, streamlined decision making framework which is less-bureaucratic, more efficient and is better aligned to Chief Officer Portfolios. (Please see Appendix 1 for the previous meeting structure and Appendix 2 for the newly agreed meeting structure.)
- 3.2 To provide clear, up-to-date terms of reference for all corporate decision making meetings (draft terms of reference have been outlined in Appendix 3 of this report; these will be discussed and formally agreed at the relevant Board meetings).
- 3.3 To review the terms of reference and membership for each project board to ensure effective governance of Force projects and establish effective reporting mechanisms to the Chief Officer Portfolio Boards.

4. Summary of Key Points

- 4.1 The Chief Officer Team meeting became the Force Executive Board to suggest a more formal meeting of the Force's executive group. Only this meeting has the remit to approve changes to the Force vision, values, priorities, control strategy, strategic plan, annual budget, Operating Model and major policy decisions.
- 4.2 A Corporate Governance Board has been introduced, the role of which will be to provide assurance to the Chief Constable, and in turn the Police and Crime

NOT PROTECTIVELY MARKED

Commissioner (PCC), on performance management and the adequacy and effectiveness of the systems of internal control, such as risk management, financial control and service delivery. This meeting is chaired by the Deputy Chief Constable (DCC) and the first one took place on 28th August 2013.

- 4.3 Clear coordination of all areas of assurance across the organisation will promote awareness of the principles of good governance, including the need to take informed and transparent decisions and managing risk. This forum will also ensure more formal auditing of all aspects of internal control.
- 4.4 Corporate Performance Review has been discontinued and performance reporting has realigned to the Chief Officer Portfolio Boards in order to establish a link between performance reporting, planning and risk management. Performance management, at a corporate level, now takes place at the Corporate Governance Board, where the Assistant Chief Constables (ACCs) and Assistant Chief Officer (ACO) are held accountable by the DCC for their respective areas.
- 4.5 Performance management is escalated to the Corporate Governance Board from the Joint Local Policing and Operational Support Board, where operational performance is managed, and the Corporate Services Board, where performance relating to business functions such as Finance and HR is managed.
- 4.6 The three Programme Boards, namely Local Policing, Operational Support and Corporate Services, have been maintained under the new structure, however the remit has been redefined to become the ACC's and ACO's 'Portfolio Boards' or management boards. Each Board has overall governance of their respective portfolio, including activity being managed under the Force Action Plan, the strategic programmes, the risk register relating to the portfolio.
- 4.7 Reporting to the Portfolio Boards will be high level, clear and concise to ensure sufficient and correct information is supplied to inform decision making, with detail and discussion taking place at thematic working groups. Reporting on projects will be carried out by Programme Managers by exception.
- 4.8 The new meeting structure no longer includes the Citizen Focus Board, as a corporate meeting, activity previously managed at this Board is now managed within the remit of the Local Policing Board.
- 4.9 A Transformation Board has been introduced to govern the programme of activity that manages the delivery of the Operating Model. The first meeting took place on Monday 5th August. The focus of the Transformation Board is to prioritise the development and delivery of change projects, which have arisen from internal and external research and review in order to meet future performance and financial challenges.

- 4.10 The Strategic Working Group, which reports into the Transformation Board, has the remit to commission research by the Research Team and to identify potential work streams and interdependencies. Any business cases produced as a result of this, or any other business development need, will undergo quality assurance and sense-checking by the Business Planning Group, as a matter of course, before they are reported to the relevant Portfolio Board for approval.
- 4.11 With regard to the administration of meetings, unless there are exceptional circumstances in which a record of discussion is required, only actions and decisions will be recorded for corporate meetings.

5. Financial Implications and Budget Provision

- 5.1 No further budget provision has been required to implement a new meeting structure.
- 5.2 By reducing the number of meetings attended and chaired by Chief Officers and senior managers there will be non cashable savings, in terms of senior managers' time, these are yet to be determined. There may also be a small cashable saving in travelling costs and administration.

6. Human Resources Implications

- 6.1 There are no HR implications as a result of this review.

7. Equality Implications

- 7.1 There are no equality implications as a result of this review.

8. Risk Management

- 8.1 The review and development of the corporate meeting structure is a key risk control to Force's strategic risk regarding corporate governance and internal controls. Specifically, whether the Force is able to provide assurance that it has in place effective corporate governance arrangements and robust internal controls (STR014).
- 8.2 By having a more robust decision making system in place, this will reduce the risk that the Force will have any failings in regard of corporate governance. This reduced risk will be reflected in the Annual Governance Statement.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 The implementation of a more robust decision making structure will enable transparency and accountability when making changes to Force policy.
- 9.2 The changes support the Police and Crime Plan Strategic Theme to 'spend your money wisely' and are key to meeting the Force objective to 'manage our resources efficiently, effectively and economically, demonstrating robust financial management and good corporate governance'.

10. Changes in Legislation or other Legal Considerations

- 10.1 There is a requirement under the Freedom of Information Act for all public authorities to publish a record of their decisions. By introducing a more formalised approach to governance and decision making the Force will be in a better position to meet this requirement.

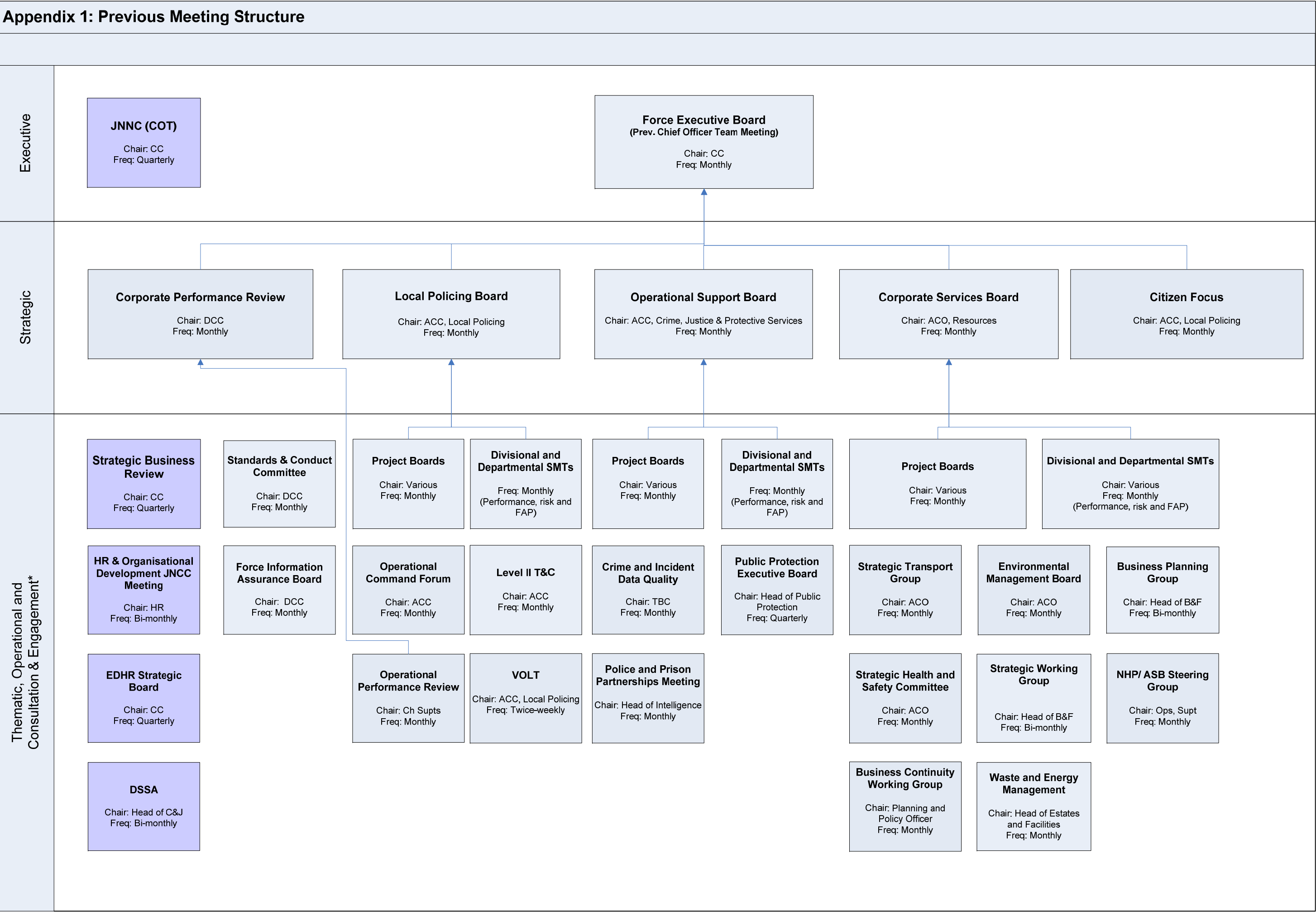
11. Details of outcome of consultation

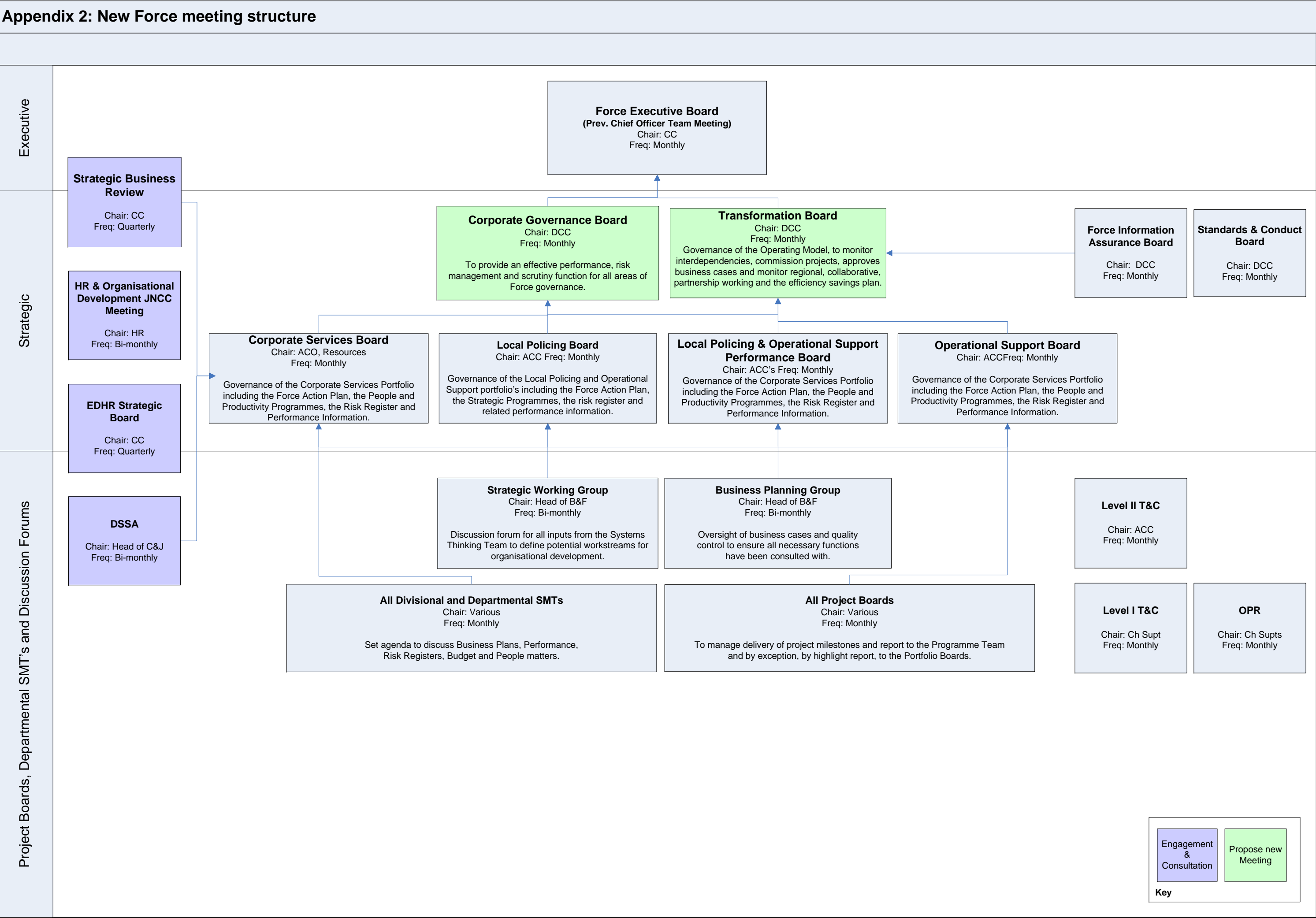
- 11.1 The Chief Officer Team, Divisional and Departmental Heads, Programme Managers and members of the Strategic Working Group were consulted during the meeting structure review.

RSM Tenon were consulted with regarding the changes in administering meetings, moving from formal minutes to the recording of actions and decisions, they confirmed that this would be adequate for auditing purposes.

12. Appendices

- 12.1 Appendix 1: Previous meeting structure
Appendix 2: New meeting structure
Appendix 3: Terms of reference





Appendix 3: Proposed Terms of Reference for Corporate Meetings

1. Corporate Governance Board

1.1 Purpose: To manage performance and provide assurance to the Chief Constable, and in turn the PCC, on the adequacy and effectiveness of systems of internal control.

1.2 Terms of reference:

- Scrutinise high level Force performance against the objectives in the Policing Plan;
- Undertake strategic risk reviews and direct action as appropriate;
- Monitor internal and external audit and inspection activity;
- Make recommendations for the Force's Internal Audit Schedule and refer to the Force Executive Board for approval;
- Monitor Business Continuity activity, including the testing and exercise schedule and any lessons learned;
- Oversee the production of the Annual Governance Statement and review before recommending for approval by the Force Executive Board;
- Monitor progress of the Annual Governance Improvement Plan;
- Review the effectiveness of partnership working;
- Scrutinise and review the Annual Statement of Accounts;
- Review issues arising from external audit of accounts;
- Commission review of the Force meeting structure.

1.3 Frequency: Monthly

1.4 Membership:

DCC (Chair)
ACC, Territorial Local Policing
ACC, Crime, Justice & Protective Services
ACO, Resources

2. Transformation Board

2.1 Purpose: To govern the programme of activity that manages the delivery of the Operating Model to ensure the Force will meet its future performance and financial challenges, whilst meeting the needs of the community.

2.2 Terms of reference:

- To represent the business interests of the service, and exercise control over the programme until completion;
- Prioritise the development and delivery of projects fed up from the Strategic Working Group and Portfolio Boards;
- Ensure that regional progress, ACPO portfolio work streams and partnership working are all considered as part of the prioritisation and delivery process;
- Monitor the progress of the Operating Model programme against its agreed objectives;
- Receive updates on the Design and Future and Operational Efficiencies work streams;
- Manage risks to the achievement of programme objectives and direct action as appropriate;
- Manage the interdependencies of projects across the Operating Model programme and the Portfolio Boards;
- Develop and implement a communication strategy around the Operating Model;
- Receive regional updates and updates on the ACPO portfolio;
- Approve strategic business cases, where applicable;
- Maintain a record of actions and decisions.

2.3 Frequency: Monthly

2.4 Core membership:

DCC (Chair)
ACC, Local Policing
ACC, Crime, Justice and Protective Services
ACO, Resources
Project Manager, Design and Future
Project Manager, Operational Efficiencies
Programme Manager

3. Corporate Services Board

3.1 Purpose: To manage activity, performance and risk under the Corporate Services portfolio.

3.2 Terms of reference:
Business of meeting to be split into three parts:

Part 1:

- Governance of the People and Productivity Programmes;
- Approval of Project Initiation Documents;
- Receive reporting by exception from all projects, by the Programme Manager through Highlight Reports;
- Manage risks to the achievement of projects;
- Approve the final scoping for all strategic business cases relevant to the Portfolio;
- Receive and approve all strategic business cases relevant to the Portfolio Board.

Part 2:

- Governance of projects commissioned by the Strategic Working Group, which impact on the Operating Model;
- Manage risks to the achievement of projects and progress against timescales.

Part 3:

- Receive update reports from departmental meetings, as appropriate;
- Monitor actions on the Force Action Plan under the relevant Portfolio;
- Receive updates on risks which are being managed under the Portfolio and direct risk management, as appropriate;
- Monitor performance measures relevant to the Portfolio;
- Receive reporting on progress against the Efficiency Plan;
- Monitor delivery against the IT Local Delivery Plan;
- Maintain a record of actions and decisions.

3.3 Frequency: Monthly

3.4 Core membership:

ACO Resources (Chair)
Head of Business and Finance
Head of HR and Organisational Development
Head of Estates and Facilities
Head of Information Services
Commercial Director, EMSCU
Programme Manager
Representatives from Planning and Policy (To present the Force Action Plan and Risk Register)
Representative from MI (Performance)
Business Partner
Senior HR Partner
HR Partner

4. Local Policing Board

4.1 Purpose: To manage activity and risk under the Local Policing portfolio.

4.2 Terms of reference:

Business of meeting to be split into three parts:

Part 1:

- Governance of the Public and Partners Programmes;
- Approval of Project Initiation Documents;
- Receive reporting by exception from all projects, by the Programme Manager through Highlight Reports;
- Manage risks to the achievement of projects;
- Approve the final scoping for all strategic business cases relevant to the Portfolio;
- Receive and approve all strategic business cases relevant to the Portfolio Board.

Part 2:

- Governance of projects commissioned by the Strategic Working Group, which impact on the Operating Model;
- Manage risks to the achievement of projects and progress against timescales.

Part 3:

- Receive update reports from divisional meetings, as appropriate;
- Monitor actions on the Force Action Plan under the relevant Portfolio;
- Receive updates on risks which are being managed under the Portfolio and direct risk management, as appropriate;
- Maintain a record of actions and decisions.

4.3 Frequency: Monthly (Running consecutively to the Local Policing and Operational Support Joint Performance Board)

4.4 Core membership:

ACC, Local Policing

Divisional Commander, City Division

Divisional Commander, County Division

Head of Contact Management

Programme Manager

Representatives from Planning and Policy (To present the Force Action Plan and Risk Register)

Business Partner

HR Partner

5. Operational Support Board

5.1 Purpose: To manage activity and risk under the Operational Support portfolio.

5.2 Terms of reference:
Business of meeting to be split into three parts:

Part 1:

- Governance of the Performance Programme;
- Approval of Project Initiation Documents;
- Receive reporting by exception from all projects, by the Programme Manager through Highlight Reports;
- Manage risks to the achievement of projects;
- Approve the final scoping for all strategic business cases relevant to the Portfolio;
- Receive and approve all strategic business cases relevant to the Portfolio Board.

Part 2:

- Governance of projects commissioned by the Strategic Working Group, which impact on the Operating Model;
- Manage risks to the achievement of projects and progress against timescales.

Part 3:

- Receive update reports from departmental meetings, as appropriate;
- Monitor actions on the Force Action Plan under the relevant Portfolio;
- Receive updates on risks which are being managed under the Portfolio and direct risk management, as appropriate;
- Maintain a record of actions and decisions.

5.3 Frequency: Monthly (Running consecutively to the Local Policing and Operational Support Joint Performance Board)

5.4 Core membership:

ACC, Crime, Justice and Protective Services

Head of Crime and Justice

Head of Criminal Justice

Head of Operational Support

Head of Public Protection

Head of Intelligence

Programme Manager

Representatives from Planning and Policy (To present the Force Action Plan and Risk Register)

Business Partner

HR Partner

6. Local Policing and Operational Support Joint Performance Board

5.1 Purpose: To monitor and manage performance for the Local Policing and Operational Support portfolios.

5.2 Terms of reference:

- Monitor and review performance information under the Force priorities relating to operational policing
- Identify areas of vulnerability based upon threat, harm and risk and direct the prioritisation of action to mitigate these threats

5.3 Frequency: Monthly (Running consecutively to the Local Policing Board and the Operational Support Board)

5.4 Core membership:

ACC, Local Policing
ACC, Crime, Justice and Protective Services
Divisional Commander, City Division
Divisional Commander, County Division
Head of Crime and Justice
Head of Criminal Justice
Head of Operational Support
Head of Public Protection
Head of Intelligence
Head of Contact Management
Performance and Insight Manager
Representative from MI (Performance)

For Information	
Public/Non Public	Public
Report to:	Audit and Scrutiny Panel
Date of Meeting:	12th September 2013
Report of:	ACO, Resources
Report Author:	Natalie Baker, Strategic Support Officer
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Agenda Item:	13

Assurance Mapping

1. Purpose of the Report

- 1.1 To present assurance maps to the Audit and Scrutiny Panel as a method of determining gaps in scrutiny and assurance and to outline the process undertaken to produce the assurance maps.

2. Recommendations

- 2.1 That the Audit and Scrutiny Panel consider the future application of assurance mapping to inform their audit and scrutiny agenda.

3. Reasons for Recommendations

- 3.1 Assurance mapping is a valuable tool for determining gaps in assurance to inform the Force's internal audit and scrutiny schedule and that of the Audit and Scrutiny Panel.

4. Summary of Key Points

Background

- 4.1 Assurance maps can provide a 'dashboard view' for the Chief Officer Team and Audit and Scrutiny Panel to enable them to assess at a glance where levels of assurance are adequate or where further assurance may be required.
- 4.2 In order to illustrate the use of assurance maps the following appendices have been included to accompany this report:
- Appendix 1: Assurance map of the Force and OPCC's strategic risks
 - Appendix 2: Assurance map of the key policy areas
 - Appendix 3: Assurance map of areas of corporate governance

Methodology

4.3 As illustrated in Appendices 1-3 assurance of strategic risks, policy and areas of corporate governance were assessed at three levels, which are referred to as the 'three lines of defence'.

- The first line of defence is provided by management assurance. This is the level at which risks are identified and controls are implemented by the officers or staff responsible for that area.
- The second line of defence is provided by targeted internal review and self-assessment to identify gaps and put in place improvement actions.
- The third line of defence is provided by internal audit and external inspection, it entails independent challenge.

4.4 The levels of assurance, the scrutiny type, the method of assessing assurance and the evidence used to populate the assurance maps are outlined in the table below.

Level of assurance	Scrutiny type	Assurance method	Evidence used
First line of defence	Internal	Management oversight	Evidenced by outcomes of the strategic risk review process and the annual governance review process.
Second line of defence	Internal	Corporate assurance	Evidenced by formal internal review and self assessment
Third line of defence	Independent	Internal audit	Evidenced by RSM Tenon Internal Audit reporting
		External inspection	Evidenced by external inspection reporting, for example, HMIC

4.5 Each strategic risk, policy area and area of corporate governance was assessed against each level of assurance and given a rating.

- No assurance provided – No formal internal review, internal audit or external inspection has taken place of this area.
- Limited assurance – This is an area of high to high/ medium risk, there is limited control or assurance currently provided.

- Reasonable – This is an area of medium risk, levels of control and assurance is reasonable.
- Substantial – This is an area of low/ medium to medium risk; levels of control and assurance are substantial.

4.6 Once assurance was assessed for each level, all risks, policy area and areas of corporate governance were considered, taking into account the three ratings, to decide if the level of assurance currently provided is adequate. The level of assurance is only deemed adequate if the overall rating is substantial. Where the level of assurance is not deemed adequate a recommended action has been assigned in the final column for the consideration of the Chief Officer Team and the Audit and Scrutiny Panel.

Future application and governance

- 4.7 Strategic risk, policy and corporate governance were identified as key areas that the Chief Officer Team and Audit and Scrutiny Panel may find useful to assess the assurance of, however, it would be possible to employ this methodology in assessing other key processes or policy areas.
- 4.8 A list of all Force policies has been included in Appendix 4 should the Chief Officer Team or Audit and Scrutiny Panel wish to commission the analysis of assurance in these areas.
- 4.9 It is recommended that assurance maps are updated on a regular basis by the Planning and Policy Team and reported to the Corporate Governance Board on an annual basis to inform the development of the internal audit schedule for RSM Tenon and any further internal assessment and review they may wish to commission.
- 4.10 It is also recommended that assurance maps are reported to the Audit and Scrutiny Panel to inform their scrutiny agenda.

5 Financial Implications and Budget Provision

- 5.1 There are no direct financial implications with regards to assurance mapping, which is carried out within normal budget provision.
- 5.2 The internal audit budget may be affected if there are significant changes to the internal audit schedule.

6 Human Resources Implications

- 6.1 There are no direct human resource implications.

7 Equality Implications

- 7.1 There are no direct equality implications. Changes to Force policy as a result of internal audit or external inspection should be assessed on an individual basis.

8 Risk Management

- 8.1 By commissioning further assurance mapping and the reporting of assurance mapping to the Audit and Scrutiny Panel and the Corporate Governance Board the Force may be able to reduce the strategic risk STR014 that 'the Force may not be able to provide assurance that it has in place effective corporate governance arrangements and robust internal controls'.

9 Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 There are no direct policy implications to assurance mapping, however, the process of producing and reporting assurance maps will be a valuable tool in assessing gaps in the assurance of Force policy.

10 Changes in Legislation or other Legal Considerations

- 10.1 There are no direct legal implications.

11 Details of outcome of consultation

- 11.1 The Force's risk management officer has been consulted to produce the assurance maps.

12. Appendices

- 12.1 Appendix 1: Assurance map of the Force and OPCC's strategic risks
Appendix 2: Assurance map of the key policy areas
Appendix 3: Assurance map of areas of corporate governance
Appendix 4: List of published Force policies

Appendix 1: Strategic Risks Assurance Map

Strategic Risks		Governance/ Reporting	Risk Rating	Three lines of defence assurance providers				Is Level of Assurance Adequate?	Recommended action
				First line of defence	Second line of defence	Third line of defence - Independent Assurance			
				Management oversight	Corporate assurance	Internal Audit	External Inspection		
				This level of assurance is evidenced by the outcomes of strategic risk reviews which are conducted with leads for the relevant area.	Corporate assurance is evidenced by formal internal review and self assessment.	This level of assurance is provided independently by the Force's internal auditors, RSM Tenon and is evidenced by audit reports in the last 3 years.	This level of assurance is given by Inspectorates such as HMIC and the IPCC and is evidenced by Inspection reports in the last 3 years.		
PCC Strategic Risks	STR 001 Will the Commissioner be able to resource the objectives and key activities in the Police and Crime Plan?	PCC	High	Limited	None	None	None	No	NA
	STR 002 Will the Commissioner be able to maintain an efficient and effective police force for the police area of Nottinghamshire?	PCC	High/Medium	Limited	None	None	None	No	NA
	STR 003 Will the Commissioner receive assurance that the Force is on track to achieve the objectives set in the Police and Crime Plan?	PCC	High/Medium	Limited	None	None	None	No	NA
	STR 004 Will the Commissioner be able to manage public expectations and improve public understanding of their responsibilities?	PCC	Low/Medium	Substantial	None	None	None	No	NA
Force Strategic Risks	STR 005 Will the Force, working in partnership where necessary, sustain performance improvements within those local areas that are most affected by crime and ASB?	Local Policing	High/Medium	Limited	Performance and Insight Report	None	Reasonable HMIC Inspection of ASB, Re-visit (January 2013)	No	Consider as part of the internal audit schedule.
	STR 006 Will the Force, working in partnership where necessary, reduce the impact of drug and alcohol misuse as a driver of crime and ASB?	Local Policing	High/Medium	Limited	None	None	None	No	Consider as part of the internal audit schedule.
	STR 007 Will the Force, working in partnership where necessary, reduce the local threat from organised crime groups (OCGs) and urban street gangs (USGs)?	Operational Support	High/Medium	Limited	Force Strategic Intelligence Assessment	None	None*	No	*HMIC inspection planned - Strategic Policing Requirement (Sept 2013)
	STR 008 Will the Force and its partners continue to work together effectively to prevent crime, deliver early interventions and reduce reoffending?	Operational Support	Medium	Reasonable	None	None	None*	No	*HMIC inspection planned - Preventative Policing (Date TBC)
	STR 009 Will the Force maintain the necessary capacity, contributions, capability, consistency and connectivity to meet the Strategic Policing Requirement (SPR)?	Operational Support	Low/Medium	Substantial	Civil Contingencies STRA Public Order STRA	None	None*	No	*HMIC inspection planned - Strategic Policing Requirement (Sept 2013)
	STR 010 Will the Force, working in partnership where necessary maintain a safe and secure road network?	Operational Support	Low/Medium	Substantial	Strategic Threat and Risk Assessment	None	None	Yes	
	STR 011 Will the Force make necessary efficiency savings and operate consistently within its annual budget?	Corporate Services	High/Medium	Limited	None	RSM Tenon: Key Financial Controls	HMIC Valuing the Police Inspection (May 2013)	No	Consider as part of the internal audit schedule.
	STR 012 Will the Force recruit, manage, train and develop a diverse workforce so that it has the right people, with the right skills, in the right place in the right time?	Corporate Services	High/Medium	Limited	None	None	HMIC Valuing the Police Inspection (May 2013)	No	Consider as part of the internal audit schedule.
	STR 013 Will the Force continue to support, promote and maintain the health, safety and wellbeing of its workforce, and other who might be affected by its activities?	Corporate Services	High/Medium	Limited	None*	None*	None	No	* Review of workplace health due to take place *RSM Tenon audit planned - Health and Safety (Date TBC)
	STR 014 Would the Force be able to provide assurance that it has in place effective corporate governance arrangements and robust internal controls?	Corporate Governance Board	Medium	Reasonable	Corporate Governance Gap Analysis (2012)	None	None*	No	* KPMG external audit taking place (Aug-Sept 2013)
	STR 015 Will the Force maintain effective financial controls?	Corporate Governance Board	Low/Medium	Substantial	None	Substantial	None*	Yes	* KPMG external audit taking place (Aug-Sept 2013)
	STR 016 Will the Force continue to reduce its impact on the environment?	Corporate Services	Medium	Reasonable	None	None*	None	No	* RSM Tenon audit planned - Environmental Policy (Date TBC)
	STR 017 Will the Force continue to provide its officers and staff with the equipment and services they need to carry out their jobs efficiently and effectively?	Corporate Services	Medium	Reasonable	None	RSM Tenon: Procurement - Programme of Change (May 2013)	None	No	Consider as part of the internal audit schedule.
	STR 018 Will the Force continue to provide its officers and staff with the Information and Communication Technology (ICT) they need to carry out their jobs efficiently and effectively?	Corporate Services	High	Limited	None	None*	None	No	*Commissioned Deloitte to develop a vision for ICT.

STR 019 Will the Force continue to provide its officers and staff with the vehicles, premises and facilities they need to carry out their jobs efficiently and effectively?	Corporate Services	Medium	Reasonable	PROTECTIVELY MARKED None	None*	None	No	*RSM Tenon audit planned - Estates (Date TBC)
STR 020 Will the Force maintain investigation and criminal justice processes that are efficient, effective and where necessary accessible?	Operational Support	High/Medium	Limited	Performance and Insight Report	None	None	No	Consider as part of the internal audit schedule.
STR 021 Will the Force and its partners continue to provide effective protection, support and response to vulnerable people?	Operational Support	High/Medium	Limited	None	RSM Tenon: Protecting Vulnerable People	None*	No	*HMIP Inspection of Protecting children planned
STR 022 Will the Force continue to provide effective protection, support and response to victims and witnesses?	Local Policing	Low/Medium	Substantial	Performance and Insight Report	None	None	No	Consider as part of the internal audit schedule.
STR 023 Will the Force and its partners continue to work together effectively in response to emergencies, major incidents and other calls for service?	Local Policing	Medium	Reasonable	Performance and Insight Report	None	None	No	Consider as part of the internal audit schedule.
STR 024 Will the Force and its partners continue to work together effectively to tackle the issues that matter most within local communities?	Local Policing	Medium	Reasonable	None	None	HMIC Inspection of ASB, Re-visit (January 2013)/ HMIC Inspection of Stop/ Search (March 2013)	No	Consider as part of the internal audit schedule.
STR 025 Would the Force be able to provide assurance that its systems and processes are effective in preserving the confidentiality, integrity and availability of its data and information?	Corporate Governance Board	High	Limited	Review against IAMM Standard (2013)	Limited (ICT Health Check)	Limited (Information Security Audit)	No	ICO review in Dec
STR 026 Will the integrity and reputation of the Force be preserved in light of its decisions and the conduct of its officers and staff?	Corporate Governance Board	High/Medium	Limited	None*	None	None*	No	*Review to take place against the ACPO Integrity Model *HMIC Inspection of Leadership and Culture planned (Date TBC)

NB. 'Management oversight' and 'Corporate assurance' levels of assurance are based on outcomes of the strategic risk review process.

Levels of Assurance	
No assurance process undertaken.	No formal internal review, internal audit or external inspection has taken.
Limited	This is an area of high to high/ medium risk, there is limited control or assurance currently provided.
Reasonable	This is an area of medium risk, levels of control and assurance are reasonable.
Substantial	This is an area of low/ medium risk; levels of control and assurance are substantial.

Appendix 2: Corporate Governance Assurance Map

Areas of Governance		Governance / Reporting	Three lines of defence assurance providers				Is Level of Assurance Adequate?	Recommended action
			First line of defence	Second line of defence	Third line of defence - Independent Assurance			
			Management oversight	Corporate assurance	Internal Audit	External Inspection		
			This level of assurance is evidenced by Individual Assurance Statements provided by Divisional and Departmental Heads for the AGS 2012/13.	Corporate assurance is evidenced by formal internal review and self assessment.	This level of assurance is provided by independent Auditors and Inspectors, such as RSM Tenon and HMIC.	This level of assurance is provided by independent Auditors and Inspectors, such as RSM Tenon and HMIC.		
Areas of assurance based on CIPFA Governance Framework	Risk management	SMT's, Corporate Governance Board, Force Executive Board	Limited	Review against ALARM Performance Model 2013	RSM Audit of Risk Management 2013	None	No	
	Partnership working	SMT's, Corporate Governance Board	Limited	None	RSM Tenon Audit of Partnership Governance 2012	None	No	Consider as part of internal audit or review.
	Business planning	SMT's, Business Planning Group, Force Executive Board	Limited	None	None	None	No	Consider as part of internal audit or review.
	Financial management	SMT's, Business Planning Group, Force Executive Board	Limited	None	RSM Tenon Audit of Key Financial Controls 2013	HMIC Valuing the Police Inspection	Yes	
	Stakeholder relations	SMT's, Corporate Governance Board.	Limited	None	None	None	No	Consider as part of internal audit or review.
	Business continuity	SMT's, Corporate Governance Board.	Reasonable	Reviewed against ISO Standard.	None*	None	No	*Internal audit due to take place Q3.
	Complaints management	Standards and Conduct Board.	Reasonable	None	None	None	No	Consider as part of internal audit or review.
	Standards of conduct	Standards and Conduct Board.	Reasonable	None*	None	None*	No	*Review to take place against ACPO Integrity Model. *HMIC Inspection of Leadership and Culture planned (Date TBC)
	Information management	Force Information Assurance Board.	Limited	Reviewed against IAMM Standard (2013)	Limited (ICT Health Check)	Limited (Information Security Audit)	No	Consider as part of internal audit or review.
	Learning and development	Governed regionally.	Limited	None	None	None	No	Consider as part of internal audit or review.
	Whistle-blowing arrangements	Standards and Conduct Board	Limited	None	None	None	No	Consider as part of internal audit or review.
	Performance management	Portfolio Boards, Corporate Governance Board, Force Executive Board.	Reasonable	Performance and Insight Report	RSM Tenon Performance Management 2012	None	Yes	

NB. 'Management oversight' levels of assurance based on the outcomes of the Annual Governance Review process.

Levels of Assurance

No assurance process undertaken.	No formal internal review, internal audit or external inspection has taken.
Limited	This is an area of high to high/ medium risk, there is limited control or assurance currently provided.
Reasonable	This is an area of medium risk, levels of control and assurance are reasonable.
Substantial	This is an area of low/ medium risk; levels of control and assurance are substantial.

Appendix 3: Key Policy Areas Assurance Map

Key Policy Areas		Governance / Reporting	Three lines of defence assurance providers				Is Level of Assurance Adequate?	Recommended action
			First line of defence	Second line of defence	Third line of defence - Independent Assurance			
			Management oversight	Corporate assurance	Internal Audit	External Inspection		
			This level of assurance is evidenced by strategic risk reviews held with leads for the relevant area.	Corporate assurance is evidenced by formal internal review and self assessment.	This level of assurance is provided independantly by the Force's internal auditors, RSM Tenon and is evidenced by audit reports in the last 3 years.	This level of assurance is given by Inspectorates such as HMIC and the IPCC and is evidenced by Inspection reports in the last 3 years.		
Non-Policing	Environmental Management	Corporate Services	Reasonable	None	None*	None	No	*An audit by RSM Tenon has been scoped although the date is yet to be confirmed.
	Risk Management	Corporate Services, Corporate Governance Boards	Limited	ALARM Risk Management Gap Analysis (2013)	RSM Tenon Audit: Strategic Risk Management (2013)	None	No	
	Recruitment and Selection - Police Staff	HR SMT, Corporate Services	Limited	None	RSM Tenon Audit: HR Recruitment (November, 2011)	None	No	Consider as part of internal audit or review.
	Health and Safety	Strategic Health and Safety Committee, Corporate Services	Limited	None*	None*	None	No	*Internal review of workplace health is due to take place. *An audit by RSM Tenon has been scoped although the date is yet to be confirmed.
Policing	Custody	Operational Support Board	Limited		None	HMIP and HMIC Joint Inspection: Custody (March 2013)		Consider as part of internal audit or review.
	Anti-Social Behaviour	Local Policing Board	Limited	Performance and Insight Report	None	HMIC Follow-up Inspection: ASB (2012)	No	Consider as part of internal audit or review.
	Partnership Working	Local Policing Board	Limited	Corporate Governance Gap Analysis - Highlighted Partnership Working (Summer 2012)	RSM Tenon: Partnership Working (July 2012)	None	No	* This does not reflect on the quality of partnership working but the reporting on partnership working at a corporate level, which is currently limited. A Partnership Working Policy is currently being developed to address this.

Levels of Assurance	
No assurance process	
Limited	
Reasonable	
Substantial	

Consideration	
Public/Non Public	Public
Report to:	Audit and Scrutiny Panel
Date of Meeting:	24th September 2013
Report of:	The Chief Executive
Report Author:	Sara Allmond
E-mail:	sara.allmond@nottsc.gov.uk
Other Contacts:	
Agenda Item:	14

PANEL WORK PLAN AND MEETING SCHEDULE

1. Purpose of the Report

- 1.1 To provide the Panel with a programme of work and timetable of meetings

2. Recommendations

- 2.1 To consider and make recommendations on items in the work plan and to note the timetable of meetings

3. Reasons for Recommendations

- 3.1 To enable the Panel to manage its programme of work.

4. Summary of Key Points

- 4.1 The Panel has a number of responsibilities within its terms of reference. Having a work plan for the Panel ensures that it carries out its duties whilst managing the level of work at each meeting.

5. Financial Implications and Budget Provision

- 5.1 None as a direct result of this report

6. Human Resources Implications

- 6.1 None as a direct result of this report

7. Equality Implications

- 7.1 None as a direct result of this report

8. Risk Management

- 8.1 None as a direct result of this report

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 This report meets the requirements of the Terms of Reference of the Panel and therefore supports the work that ensures that the Police and Crime Plan is delivered.

10. Changes in Legislation or other Legal Considerations

- 10.1 None as a direct result of this report

11. Details of outcome of consultation

- 11.1 None as a direct result of this report

12. Appendices

- 12.1 Work Plan and schedule of meetings

JOINT AUDIT AND SCRUTINY PANEL WORK PLAN

<u>ITEM DESCRIPTION</u>		<u>REPORTING REQUENCY</u>	<u>LEAD OFFICER</u>
10th September 2013 – 2pm			
1.	Panel Terms of Reference – including the mapping between the terms of reference and responsibilities	One off	OPCC Chief Finance Officer (CFO)
2.	Statement of Accounts	Annually	OPCC CFO
3.	External Audit Report	Annually	OPCC CFO
4.	(43) Risk report on monitoring and actions for mitigation six monthly update	6 monthly	OPCC & Force CFOs
5.	(47) & (50) Information Management, FOI, DP audits and assurance reports	Annually	OPCC & Force
6.	(48) Information Sharing Protocols monitoring, assurance and improvement outcomes	Annually	OPCC & Force
7.	(35) Force Governance monitoring, assurance and improvement outcomes for decision making	6 monthly	Force
	Standard items:-		
	Update on implementation of previous Scrutiny Recommendations – from current work plan	Quarterly	OPCC & Force
	(12) & (40) Internal Audit Progress Report	Quarterly	OPCC CFO
	(40) Audit & Inspection Report	Quarterly	Force CFO
12th December 2013 – 10am			
1.	(5) IPCC investigations, recommendations and actions (April – September)	6 monthly	Force
2.	(36) Force Improvement Activity Lessons Learned monitoring, IPCC lessons learned report (April – September)	6 monthly	Force
3.	(6) & (7) Whistle Blowing Policy and review of compliance (April – September) and Anti-Fraud and Corruption Policy - review of compliance update (April – September)	6 monthly	Force & OPCC
	Standard items:-		
	Scrutiny Update Report	As required	OPCC & Force
	(12) & (40) Internal Audit Progress Report	Quarterly	OPCC CFO
	(40) Audit & Inspection Report	Quarterly	Force CFO
18th February 2014 – 2pm			
1.	(11) Draft Audit Plan (Annual Internal Audit Strategy and Audit Plan)	Annually	OPCC CFO
2.	(43) Risk report on monitoring and actions for mitigation update	6 monthly	OPCC & Force

<u>ITEM DESCRIPTION</u>		<u>REPORTING REQUENCY</u>	<u>LEAD OFFICER</u>
3.	(45) Business Continuity compliance and assurance of testing and exercising plan lessons learned	Annually	OPCC & Force?
4.	(46) Publication Scheme monitoring, review and assurance	Annually	OPCC & Force?
5.	(51) & (49) Information Management Policy monitoring, assurance and improvement outcomes. Records review, retention and disposal guidance and audit monitoring, review and assurance	Annually	OPCC & Force?
6.	Future Scrutiny Topics – from current work plan	Annually	OPCC
7.	(35) Force Governance monitoring, assurance and improvement outcomes for decision making	6 monthly	Force
8.	Revenue Budget Management report	Annually	Force CFO
9.	Capital Expenditure Outturn and Slippage	Annually	Force CFO
10.	Treasury Management Report	Annually	OPCC CFO
	Standard items:-		
	Scrutiny Update Report	As required	OPCC & Force
	(12) & (40) Internal Audit Progress Report	Quarterly	OPCC CFO
	(40) Audit & Inspection Report	Quarterly	Force CFO
June 2014			
1.	(5) IPCC investigations, recommendations and actions (October – March)	6 monthly	Force
2.	(36) Force Improvement Activity Lessons Learned monitoring, IPCC lessons learned report (October - March)	6 monthly	Force
3.	(6) & (7) Whistle Blowing Policy and review of compliance (October – March) and Anti-Fraud and Corruption Policy - review of compliance update (October – March)	6 monthly	Force
4.	(10) & (42) Force and PCC Draft Annual Governance Statements	Annually	OPCC & Force CFOs
5.	(39) Annual Internal Audit Assurance Report	Annually	OPCC CFO
	Standard items:-		
	Scrutiny Update Report	As required	OPCC & Force
	(12) & (40) Internal Audit Progress Report	Quarterly	OPCC CFO
	(40) Audit & Inspection Report	Quarterly	Force CFO

MEETING DATES AND AGENDA PUBLICATION DATES

<u>Agenda publication</u>	<u>Date of Committee</u>
16 th September 2013	24 th September 2013
4 th December 2013	12 th December 2013
10 th February 2014	18 th February 2014