
The Chief Constable for Wiltshire

Statement of Accounts



2022/2023

Contents of the 2022/23 Chief Constable for Wiltshire Statement of Accounts

	Page
Narrative Report	3
Statement of Responsibilities for the Statement of Accounts	8
Joint Annual Governance Statement	9
Independent Auditor's Report	19
Comprehensive Income and Expenditure Statement	24
Movement in Reserves Statements	25
Balance Sheet as at 31 March 2023	26
Cash Flow Statement	27
Notes to Accompany the Statements	28
Pensions Fund Account	54
Glossary	55

Narrative Report

The Chief Constable for Wiltshire Police is required to publish an Annual Statement of Accounts. The Statement is presented in a format which complies with International Financial Reporting Standards (IFRS), the Code of Practice on Local Authority Accounting 2022/23 and the Accounts and Audit Regulations 2015.

The accounts, which follow, show the Chief Constable's (CC) financial results for 2022/23. Comparative figures for 2021/22 are also shown. The Chief Constable for Wiltshire is part of the Police and Crime Commissioner for Wiltshire's Group; to get a full understanding of Wiltshire Police as a whole these accounts should be viewed alongside the Group Statement of Accounts (published separately).

The Statement of Accounts also reflect the local arrangements in place for Wiltshire Police and the guidance and regulations provided through the Police Reform and Social Responsibility Act 2011, the Financial Management Code of Practice for the Police Service 2019, Financial Regulations for the Police and Crime Commissioner for Wiltshire's Group and the scheme of delegation between Police and Crime Commissioner and the Chief Constable.

The Office for the Police and Crime Commissioner for Wiltshire and the Chief Constable for Wiltshire Police.

The Police Reform and Social Responsibility Act 2011 sets out requirements for the Office of the Police and Crime Commissioner for Wiltshire (OPCC) and the Chief Constable for Wiltshire (CC) as two separate legal entities (corporations sole).

The Chief Constable is responsible for maintaining the King's peace and holds office under the Crown but is appointed by and accountable to the Police and Crime Commissioner for the delivery of efficient and effective policing through suitable management of available resources.

For accounting purposes the concept 'substance over form' requires that the economic substance of transactions and events must be recorded in the financial statements rather than just their legal form in order to present a true and fair view of the affairs of the entity. These accounts are produced in line with this concept and present the entity's financial position as set out in its financial regulations, scheme of delegations and other local arrangements.

The Chief Constable has full operational control of Officers and staff with the exception of the OPCC staff and the related costs are disclosed in the Chief's Comprehensive Income and Expenditure Statement (CIES). The Police and Crime Commissioner has strategic control of all assets and liabilities and is responsible for establishing reserves and controlling all Cashflow. Due to this there are no balances or transactions recognised in the Chief Constable's Movement in Reserves Statement or Cashflow Statement.

Although the Police and Crime Commissioner is responsible for all assets and liabilities, in order to comply with accounting and audit requirements, the pension liabilities are required to be disclosed in the Chief Constable's Balance Sheet. This is balanced with a long term pension debtor of equivalent value to the pension liability to recognise the fact that the Police and Crime Commissioner has ultimate responsibility for these long term liabilities. The Chief Constable's net assets/liabilities will always balance to zero. To represent the Chief Constable's use of the PCC's assets, the CC receives charges equivalent to the running costs and capital financing incurred by the PCC. This charge is recognised in the Comprehensive Income and Expenditure Statements.

In the CIES, the financial resources consumed at the request of the Chief Constable are offset by an intra-group adjustment to reflect the Commissioner's funding of these resources.

Strategic Objectives & Performance

The Commissioner's Police and Crime Plan 2022-2025 set out the four key policing priorities for the next four years:

Priority 1 – A police service that meets the needs of its communities

- Increasing public confidence, trust and our policing engagement with communities
- Provide a quality of police service to all our communities
- Giving the Police the right tools for the job

Priority 2 – Reduce violence and serious harm

- Violence reduction and domestic abuse
- Violence Against Women and Girls
- Child abuse and Child Exploitation
- County Lines and Serious Organised Crime and exploitation

Priority 3 – Tackle crimes that matter most to local communities

- Anti-social Behaviour
- Road safety
- Rural crime and heritage crime
- Fraud, cyber crime and hate crime

Priority 4 – Improve the experience of victims and deliver justice

- Victim care and support
- Mental Health
- The criminal justice system
- Restorative Wiltshire
- Reduce re-offending

The Chief Constable is allocated a revenue budget and is responsible for operational planning to deliver these priorities.

The revenue budget consists of just over 80% staffing which, alongside reductions in funding and change in demand, leads to new challenges in the way policing needs to be delivered. Wiltshire Police has invested in new technology and remains focused on partnerships and collaborations that will bring costs down and improve effectiveness. Further details of joint operations are available in the notes to the accounts.

In response to the Commissioner's key policing priorities, the Chief Constable has set out a Control Strategy for the force.

2022/23 Control Strategy priorities:

- Exploitative Drug Networks and Drug Markets
- Modern Slavery and Human Trafficking
- Youth Violence and Gang Culture
- Serious and Organised Crime including Organised Crime Groups (with greater emphasis on Cyber, Fraud and Rural Criminality specifically linked to Organised Crime)
- Child Exploitation encompassing Criminal Exploitation and Child Sexual Abuse and Exploitation.

There are clear themes running throughout the priority areas – 'Drugs', 'Cyber Capabilities', 'Vulnerability and Exploitation' and 'Mental Health'. Digital technology is used to carry out offending in all the above areas and at the heart of all of the above are vulnerable victims, witnesses or offenders that are often being exploited.

The Control Strategy is a means of providing additional focus on some of the areas that have the greatest threat, harm and risk to the local communities or present the biggest gaps in terms of intelligence or understanding.

Quarterly and Annual reports are produced for the PCC to report performance for the four key policing priorities and these are also scrutinised by the Police and Crime Panel.

Events that Impact the 2022/23 Accounts

Impacts of Inflation and High Interest rates

The UK has experienced the highest rates of inflation for many years; CPI increased by 10.1% in the 12 months to March 2023. To combat inflation, the Bank of England raised interest rates during the year, reaching 4.25% in March 2023, the highest rates experienced in 15 years. This period of unusually high inflation and interest rates has a number of impacts on the organisation and on the accounts.

The following narrative sets out how the organisation has managed the situation, continued to deliver effective operational policing and the impact it is having on the finances of the Group.

Impact on Service Provision

During 2022/23 demand on policing has largely remained level. The cost of living crisis having an impact on lifestyles and general wellbeing of the public, an increase in burglaries has been experienced during the year and there is particular concern surrounding the vulnerable in the community. Wiltshire Police are putting a focus on safer public spaces, violence and burglaries as key operational priorities in support of local communities and the PCC's Police and Crime Plan.

Geo-political events in Ukraine, alongside the cost-of-living crisis and residual COVID 19 pandemic impacts, have increased pressures in delivery and funding of the policing service. Procurement of essential equipment such as vehicles has seen delays where manufacturers have difficulties in obtaining parts. The general costs of procurement have increased and energy cost increases have been significant.

The organisation has developed its strategies around resourcing and recruitment as the availability of skilled workers has seen a national shortage and the ability to fill gaps in the workforce has become more challenging. Due to these issues an underspend in officer and staff salaries has been experienced for the year.

Impact on the Financials

The increase in interest rates has provided a beneficial return on the investments of £0.694m (compared with only £0.033m in 2021/22). However, the rate increases also lead to an increased cost of borrowing which impacts considerably on the Capital financing plans for the organisation. Borrowing £5m over 30 years in October 2022 would cost £4.2m in interest payments (4.53%) compared with a cost for the same borrowing of £2.1m in October 2020 (2.38%). This level of cost impact requires careful strategic planning of available resources for financing the current and future capital projects.

The increased interest rates and increased inflation have a number of impacts on the organisation's assets in the accounts. Revaluations are impacted where the market becomes more volatile and where items such as cost information are used in determining the value of depreciated replacement cost. Residual values are reviewed annually and take into account price changes and inflation. The Code of Practice sets out that Assets Held for Sale must qualify for recognition as a completed sale within a year from the date of classification. High interest rates and high cost of borrowing can discourage potential buyers and lead to uncertainty over whether the sale is highly probable.

Fair Value of Financial Instruments have decreased considerably in year where discounting factors use the increased interest rates in calculation. The fair value of the organisations outstanding PWLB borrowing at 31 March 2023 was £1.4m compared with a fair value of £1.8m at March 2022 for the same borrowing. The same impact applies to the PFI liabilities. In lay persons terms if we were to take out these loans today it would cost more, this valuation does not affect the Balance Sheet or Comprehensive Income and Expenditure Statement.

Judgements and estimations used in the accounts need to be carefully considered in relation to materiality and uncertainty where they may be affected by the higher inflation and interest rates. For example volatility of markets will have an impact on valuation assumptions such as discount rates linked to bond yields for pensions estimations. An increase in bond yields has resulted in a significant reduction in the present value of the Defined Benefit Obligation.

The main features of the accounts are:

- **The Annual Governance Statement** – gives an assessment of internal control procedures.
- **The Statement of Accounting Policies** – explains the basis of the figures in the accounts.
- **The Comprehensive Income and Expenditure Statement** – summarises the income and expenditure on all services and brings together all the recognised gains and losses of the Chief Constable in the year.
- **The Movement in Reserves Statement** – shows the movement in the year on the different reserves held by the Chief Constable; the Chief Constable does not manage any of these reserves and accordingly there is no movement shown in this statement.
- **The Balance Sheet** – sets out the financial position of the Chief Constable at 31 March 2023.
- **The Cash Flow Statement** – consolidates the total movement of the Chief Constable's funds. All Bank accounts, investments and other funds are held and managed by the Police and Crime Commissioner for Wiltshire; the Chief Constable's Cash Flow Statement has no movement.
- **The Police Pensions Fund Account** – summarises Pensions movements for the year. The Chief Constable is responsible for administering and maintaining the Pension Funds.

Financial Position

All income is receipted into Bank accounts maintained by the Police and Crime Commissioner for Wiltshire. The transactions in the accounts of the Chief Constable are financed with an intra Group adjustment between the Chief's Comprehensive Income and Expenditure Statement (CIES) and the CIES of the Police and Crime Commissioner for Wiltshire.

The total amount of the Chief Constable's net cost of policing funded by an intra Group adjustment for 2022/23 was £172.962 million.

Pensions

Liabilities exist for Police Officers who have or are currently contributing funds towards a future pension. The Police Officers Pension schemes are unfunded schemes. The scheme rules of funding result in Police Forces paying 31% of Police pay as a pension contribution. Any variation, over or under, e.g. variation from pensions actually paid, is financed by an increased or reduced specific pensions grant. Support Staff pensions are financed through a funded scheme.

Future Finances

Medium-term strategic plans were reported to the Commissioners' Monitoring Board in January 2023. These identified a shortfall for the Chief Constable of £3.1m for 2023/24 and a likely £2.1m shortfall for 2024/25.

Statement of Responsibilities for the Statement of Accounts

The Chief Constable is required:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers (Chief Finance Officer) has the responsibility for the administration of those affairs.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

I confirm that these accounts have my approval.

C Roper, Chief Constable for Wiltshire Police

Date: 22nd September 2023

The Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Chief Constable's Statement of Accounts in accordance with proper practice as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (" the Code of Practice ").

In preparing the statement of accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code.

The Chief Finance Officer has also:

- Ensured that proper accounting records were kept up-to-date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that I believe the Statement of Accounts presents a true and fair view of the financial position of the authority as at 31 March 2022 and its income and expenditure for the year ended 31 March 2022. Events that have occurred after the balance sheet date have been considered to the date of approval.

C. Barker

Chief Finance Officer

Date: 19th July 2023

For further information concerning any items contained in this Statement, please write to Chief Finance Officer, Police HQ, London Rd, Devizes, Wiltshire, SN10 2DN, or telephone (01380) 734023.

Joint Annual Governance Statement 2022-23

Police and Crime Commissioner for Wiltshire and Swindon and the Chief Constable of Wiltshire Police

This statement confirms the position as at 31 March 2023 for the two corporations sole, Police and Crime Commissioner (PCC) and Chief Constable of Wiltshire Police, govern both jointly and separately.

CONTEXT

The principal statutory legal framework within which the corporations sole operate is:

- Police Reform and Social Responsibility Act 2011.
- Policing Protocol Order 2011.
- Financial Management Code of Practice for the Police (Home Office, 2018).
- Strategic Policing Requirement.
- Code of Ethics.
- Victims' Legislation.

The position as of 31 March 2023.

1. SCOPE OF RESPONSIBILITIES

The Police and Crime Commissioner (PCC) is responsible for the totality of policing in Wiltshire and Swindon. It is his duty to secure efficient and effective policing for Wiltshire and Swindon. The PCC is responsible for ensuring that a police service is delivered in accordance with the law and proper standards. The PCC is also responsible for ensuring that public money is safeguarded and properly accounted for and used to provide services economically, efficiently and effectively. The PCC is also responsible for ensuring that a sound system of internal control is maintained throughout the year and that arrangements are in place for the management of risk.

The PCC is elected locally and is required to hold the Chief Constable (CC) to account. The CC provides overall direction of police personnel and operational matters. The CC is responsible for delivering policing in line with the Police and Crime Plan. There is also a requirement on the CC to ensure that policing in Wiltshire occurs within the law and proper standards, ensuring appropriate safeguards are in place. The Financial Management Code of Practice for the Police Service states that the CC is responsible to the PCC for delivery of efficient and effective policing, management of resources and expenditure by the police force.

Whilst the CC is a separate corporate sole the corporate governance framework in place covers both organisations, this therefore is a joint statement with both parties responsible for maintaining good systems of control and risk management.

The PCC and CC have approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA 2016 Framework: Delivering Good Governance for Policing Bodies. This statement explains how the PCC has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended.

2. GOVERNANCE FRAMEWORK PRINCIPLES

The seven core principles adopted are those highlighted by the Good Governance Standard for Public Life (supported by the Nolan Principles of Public Life):

- a) Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
- b) Ensuring openness and comprehensive stakeholder engagement
- c) Defining outcomes in terms of sustainable economic, social and environmental benefits
- d) Determining the interventions necessary to optimise the achievement of the intended outcomes
- e) Developing the entity's capacity including the capability of its leadership and the individuals within it
- f) Managing risks and performance through robust internal control and strong public financial management
- g) Implementing good practices in transparency, reporting and audit to deliver effective accountability.

It is stated in the guidance that good governance means *doing what is right and doing it properly*. Effective governance reflects the culture of the organisation and requires a relentless leadership commitment to sustained delivery.

3. THE GOVERNANCE FRAMEWORK

The governance framework comprises the policies, systems, processes, culture and values by which the Office of the PCC (OPCC) and Wiltshire Police operate. It includes the activities through which the PCC engages with and reports to the community. It enables the OPCC to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

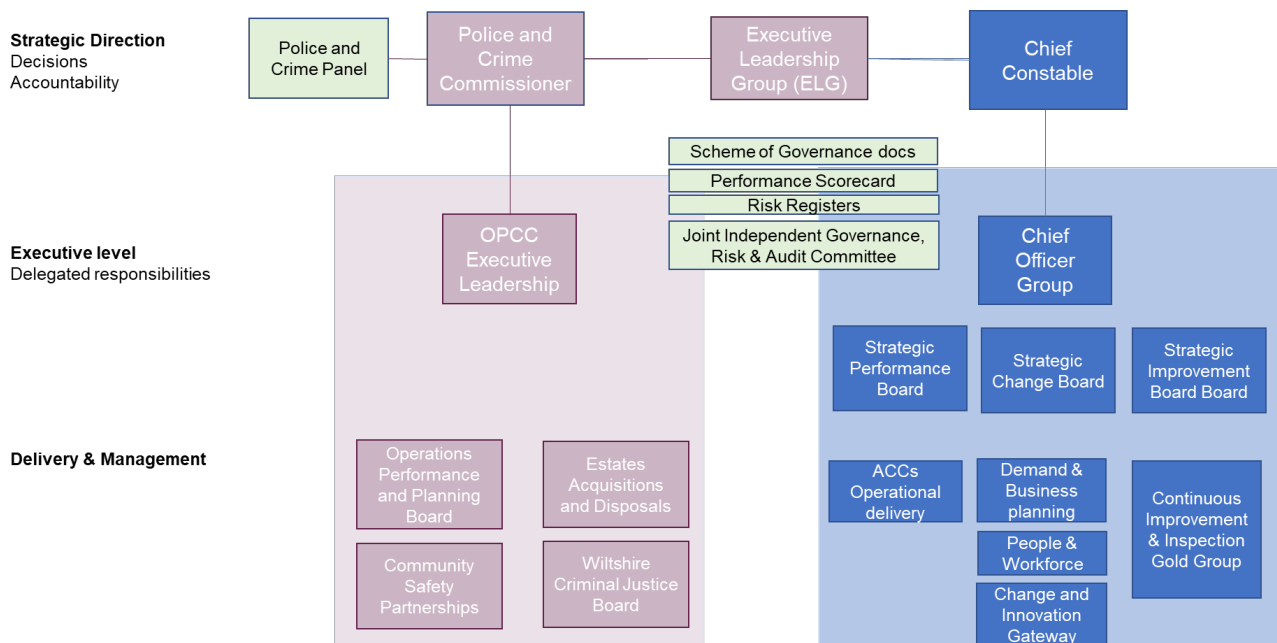
The internal control system is a significant part of the framework and is designed to identify, manage, and mitigate risks. It is both tactical and strategic and focuses on materiality and management of risks to the achievement of the PCC's Police and Crime Plan.

The Chief Constable (CC) is responsible to the PCC for the delivery of efficient and effective operational policing. The PCC holds the CC to account for the delivery of those functions and those of the persons under their direction and control. The PCC must be satisfied that the Force has appropriate robust management mechanisms in place, and that these effectively operate to deliver the required performance.

The Police and Crime Panel (a group of 11 councillors and 2 independent members) is required to review and scrutinise the work of the PCC. Their role includes assessing the performance of the PCC in delivering the Police and Crime Plan. The panel receive an annual report from the PCC reporting progress against the Police and Crime Plan which is published on the PCC's website.

Further independent assurance is provided by HMICFRS, who undertake regular reviews and inspections of the force's effectiveness, efficiency and legitimacy, an External Audit by an independent firm and a commissioned Internal Audit.

A new Chief Constable has been recruited and commenced in February 2023 and the OPCC appointed a new Chief Executive in March 2022. The overarching structure of governance for both on the 31 March 2023 is shown below.



The principal areas that comprise the governance framework are:

- The Police and Crime Commissioner
- The Executive Leadership Group
- The Chief Officer Group
- Transparent Decision Notices
- OPCC Executive Leaderships Team (ELT)

- The Joint Independent Governance, Risk and Audit Committee (JIGRAC)
- The Police and Crime Panel
- The Scheme of Governance (incorporating Financial and Contract regulations)
- Performance Reporting
- Risk Management
- Professional Standards

4. REVIEW OF EFFECTIVENESS

The PCC conducts an annual review of the effectiveness of the governance framework. Assurance that the principles of good governance are in place is obtained by a review of each principle.

- a) Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

The PCC complies with the PCC code of conduct and has agreed to abide by the seven principles of Standards in Public Life, more commonly known as the Nolan Principles.

The CC has agreed to support and implement the National Code of Ethics which are the principles and standards of professional behaviour for policing in England and Wales. These principles are set by the College of Policing.

The OPCC Complaints Resolution Team and Force Professional Standards Department is an essential part of the Governance Framework facilitating whistle blowing via anonymous reporting and investigating complaints. The OPCC is responsible for recording complaints and actioning any immediate solutions that can resolve the complaint. Any complaints that require investigation or relate to officer or police staff conduct are referred to Professional Standards for investigation and appropriate action. If complaints are not satisfied by the action taken, there is a right of appeal to independent adjudicators in the OPCC. This process provides numerous independent control points throughout the police complaints by both the OPCC and Force.

The comprehensive Professional Standards intranet site provides information to our staff on all areas of standards, including standards of professional behaviour, complaints, etc. The Standards Campaign is part of the framework highlighting expectations and the code of ethics. Video messages are in place promoting the values and behaviours framework and that the focus on issues will normally be on learning rather than blame. An Ethics and Culture Board also exists which provides another control point.

The Values and Behaviours of our staff are seen as critical in delivering an ethical and people focused organisation. The four values published under the National Code of Ethics (Impartiality, Integrity, Public Service and Transparency) have been adopted by force leadership and are promoted on a daily basis. In line with this, both a register of interests and a gifts and hospitality register is maintained. An Anti-Corruption Unit (ACU) is also housed within the Professional Standard Department. A large proportion of the ACU's work involves protecting not only Wiltshire Police as an organisation, but also individual members of staff. It is vital that staff do not leave themselves open to corruption and blackmail.

The organisation employs both legal, human resources and financial professionals to ensure the rule of law is complied with and that the organisation meets its legal responsibilities

- b) Ensuring openness and comprehensive stakeholder engagement

Both the OPCC and the Force have active engagement with the communities they serve. As well as engaging through social media channels, the PCC encourages communities to interact with him by email, telephone and at various in person events. The OPCC website also requests people to inform him of their views on open government consultations to ensure he is representing the community. The PCC has established a Youth Commission to hear the views of people aged 14-25 living in Wiltshire. Each year they produce a report to the PCC identifying a number of priorities then suggesting improvements required.

Being open and transparent in engaging with communities and stakeholders is central to the role of PCC, in understanding needs and concerns. In November 2021 the PCC held a consultation exercise ('Your voice') to ensure that the new Police and Crime Plan reflected what the public wanted. An open survey, then consulting on a draft plan, led to the final plan being published in March 2022. Feedback from this survey, Youth Commissioners, stakeholders and wider engagements directly shaped priority 1 and 3 of the Police and Crime Plan 2022-25.

In January 2023 the PCC held a public consultation surrounding the precept decision. This involved a social media awareness campaign, community messaging and engagement with local communities at area boards and parish councils. This consultation received 2,715 responses. 65% of the respondents supported an increase of £10 per household per year, this good engagement helped inform the 2022-24 Precept decision. The survey also asked where people would like to see more investment. Tackling Drugs and Drug Related Violence followed by Local Neighbourhood Policing received the highest scores.

Independent Advisory Groups (IAGs) provide Wiltshire Police with an important and independent perspective on local and national issues surrounding policing activities. They constructively advise, scrutinise and challenge Wiltshire Police on its policies, procedures and practises. Six local IAGs are aligned to Community Policing Team geographical boundaries and work closely with the local CPT Inspectors and Neighbourhood Teams. In addition to the six geographic IAGs, there is the Wiltshire Diverse Communities (WDC) IAG, which has brought together diverse community voices across the county. The WDC IAG membership holds meetings with the force which are attended by the Deputy Chief Constable, tactical and communication leads and members of the force's Equality, Diversity and Inclusion department. It is independently chaired by members of the community not employed by the Police. During these sessions, rich conversations have been held with the WDC acting as a critical friend on any disparity of powers towards ethnic minorities and offering lived experiences and community concerns.

The quarterly Public Service Board (PSB) chaired by the Deputy Chief Constable, brings together all IAG Chairs to provide an overview of the delivery of policing services, recent activities and key topics. During the Covid-19 pandemic, the PSB and IAGs moved to online forums where technology has enabled us to share and discuss content, however more recently this has returned to the physical space with a hybrid option available for members to also join the session online and contribute to discussions.

Key policing service delivery areas are discussed at the PSB on a rotating basis with force leads in these areas being present to address and respond to views, concerns or queries from IAG members. Each IAG chair then takes these away for discussion with the local members, independent of the force's leadership, allowing them the freedom to provide further unfettered views and feedback.

Alongside this, key topics from themes and departments across the force are delivered to IAG members which may be of heightened interest or concern to members of the public at a local or national level at that time. These topics are presented in the form of departmental senior leadership presentations, tours of key operational areas of the force, and standalone themed sessions at Headquarters. Feedback on these are actively sought from IAGs, and shared back to the force, which in turn helps to advise and form policing practises. For example, in November 2022 the force presented to approximately 30 IAG members a 'Critical Incident Paper Feed' Exercise which presented a hypothetical major crime incident which affected community confidence, with input from both the Deputy Chief Constable and our Major Crime Senior Investigating Officer.

The PCC is clear that protecting our communities is not just about the policing and criminal justice response after a crime is committed but addressing the underlying causes to prevent it from happening. As PCC he brings partners together to both improve policing and also to target the wider issues that increase demand on policing. The PCC and other employed officers and staff play a leading role in a wide range of public bodies and partnerships that address issues such as safeguarding, vulnerability, mental health, substance misuse and housing and includes Wiltshire Criminal Justice Board, Community Safety Partnerships and Health and Wellbeing Boards. Further work is undertaken with other police forces and emergency service partners.

The Force and OPCC continue to listen to feedback from officers, staff and volunteers via the annual Employee Engagement Survey. The last survey was carried out in June 2022 and obtained a 47% response rate (1,057 responses). This is broadly in line with previous iterations of the survey. The overall engagement index for the 2022 survey remains strong at 63% but saw an 8 percentage point decrease from the 2021 survey. The survey saw strong improvements in staff feeling there is a strong vision for the organisation and understanding the objectives of the organisation. Workloads were highlighted as a concern with only 45% of respondents feeling they have an acceptable workload. The next iteration of the Employee Engagement Survey is scheduled to take place in September 2023 and will be supported further in February 2024 by a follow up 'pulse' survey to re-examine key themes from the survey and assess progress.

During the year the outgoing Chief Constable hosted monthly on-line chat opportunities for his staff and took questions from officers and staff and provided responses. The previous Chief Constable held on line Forums which all staff had to attend. These engagements helped identify issues and possible solutions. The new Chief Constable has started to meet with supervisors and leaders to agree plans and ensure there is clear focus on the new objectives. Her intention is to undertake monthly on line sessions for staff which supplement weekly

VLOGS on progress and expectations. The new Chief Constable has also started to produce fortnightly open letters to the PCC which shows openness to all stakeholders including the public.

c) Defining outcomes in terms of sustainable economic, social and environmental benefits

In 2022 the PCCs objectives were set out in a new Police and Crime Plan. The plan and progress against it are assessed through the Executive Leadership Group (ELG) meeting (two per month) at which a 'key lines of enquiry' question document, key performance indicator dashboard and results of independent assurance visits are used. A new Strategy, Performance and Oversight function within the OPCC has been developed. This function provides strengthened capabilities to enable the OPCC to more effectively support the PCC to scrutinise, challenge and support.

The PCC has ensured that his plan is aligned to the community concerns heard during his consultation exercise with a clear mission to make Wiltshire a safer place to live, work and visit. Four principles (engagement, trust, excel at the basics and serving the public) are the building blocks for delivery and set the OPCC's values. Following election of the PCC, it was identified that delivering the Police and Crime Plan will be a challenge for the CC and there is a risk of non-delivery. The local requirements also need to be considered in line with new national standards being assessed and reviewed by HMICFRS.

In July 2022, HMICFRS published their PEEL report on Wiltshire Police. This reported very significant concerns with regard to the performance of the Force. In response to this, the PCC and CC have made changes to how they oversee performance in 2022-23 with the enhanced ELGs mentioned earlier and the Chief Constable taking personal leadership of monthly executive oversight meetings.

The 2022-2025 Performance Strategy sets our approach to performance assessment. It ensures our ability to respond and adapt to the changing nature of crime and policing, whilst ensuring we remain outcome focused to deliver the best possible service to the communities of Wiltshire. It sets out the expectation at every level of the organisation and the tools, techniques, governance and assurance that underpin performance management across the OPCC and Wiltshire Police. The new Chief Constable has directed an increased performance focus on three objectives: safer public spaces, violence and burglary. This aligns with the PCC's Police and Crime Plan. The Performance framework has been evolved to ensure that these drivers and performance against the Police and Crime Plan continued to be closely scrutinised, challenged and supported.

Our business intelligence tool (Qlik Sense) provides self-service analysis data for the organisation and has significantly expanded the number of functions and content which is readily available to all staff. This access has supported the ability to have more tactical conversations about performance outcomes. Further work is on-going to ensure the data is used effectively by line managers.

The OPCC have now produced a summary Force Performance Report which shows progress against 66 performance measures related to the Police and Crime Plan. The report states the direction of travel on performance, showing positive changes and identifying persistent issues, as well as progress assessments against HMICFRS recommendations.

In October 2020 the Home Office introduced the National Crime and Policing measures. Success against these measures will be judged at a national level with the aim to significantly reduce crime, demonstrate value for money and restore the public's confidence in the criminal justice system. Since then, there have been further national scorecard publications regarding the CJS, VAWG and 999. Each of which are being monitored and reported through our governance structure.

The Force Management Statement is produced each year. This looks at current and future demand and, with the risk register, helps the PCC and the CC decide on future investment areas. This information is a key consideration to the Medium-Term Financial Strategy (MTFS). The MTFS assesses the budget requirement and compares it against the estimated funding. The difference is the initial savings target. This is updated as more information is received. The MTFS includes the reserves and capital financing strategy and assists in ensuring that the organisation is sustainable in the long term.

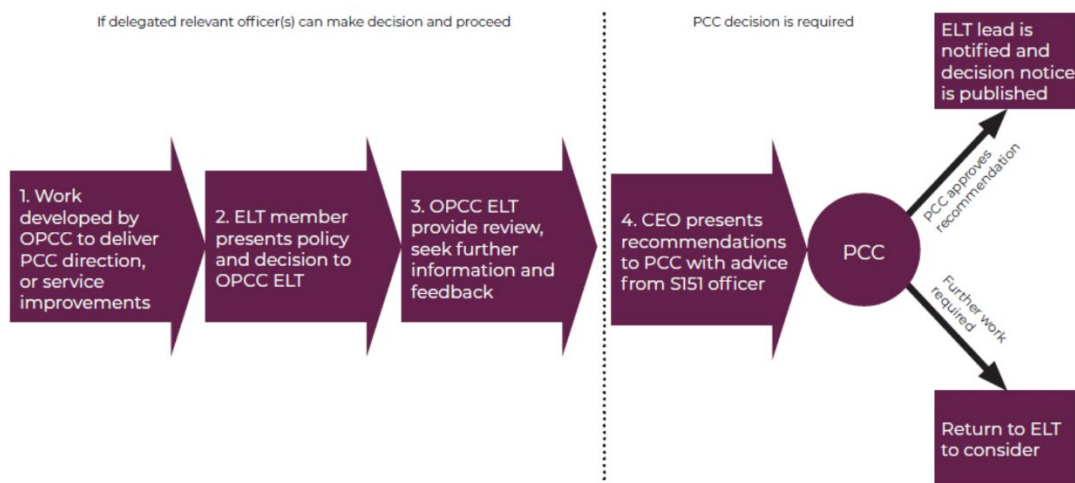
The PCC acknowledges that there is a requirement to commission various service providers other than the police, to deliver the Police and Crime Plan. A Commissioning Strategy has been produced by the OPCC; this is due for refresh in 2023-24. The strategy sets out a commissioning framework and the principles the PCC will use to purchase these services and develop service provision. A new OPCC performance framework is being developed to increase oversight and performance of this investment.

The environmental impact of the OPCC and force has been considered and an Environmental Strategy with actions showing what steps will be required to deliver a 78% reduction in emissions by 2035, pathing the way to net zero emissions by 2050, has been produced. The strategy looks at waste, water, biodiversity as well as emissions. We are now engaging with academics as a Southwest region to produce metrics to ensure we have a good baseline and can show progress. Working together allows for comparisons to be made and lessons to be learnt together. To assist the PCC has also invested in electric and hybrid vehicles. Telematics is now being implemented which is expected to assist in identifying poor driving, inefficient vehicles, etc.

d) Determining the interventions necessary to optimise the achievement of the intended outcomes

With the PCC a new oversight process was introduced in 2022. This has seen the Commissioner's Monitoring Board (CMB) being replaced by the Executive Leadership Group (ELG). This board focuses on Force performance, assessing service areas and overall corporate performance and management of risk. ELG is attended by the PCC, the Deputy PCC, the PCC's Chief Executive, the CC, the Deputy Chief Constable, Assistant Chief Constables and the Chief Finance Officer of both organisations. Other officers are invited to attend as necessary. The PCC also receives a weekly operational update from the CC and CEO teams from their respective organisations.

Capital and unplanned revenue spending is now approved by the PCC in various meetings, these must involve input by the Chief Executive and the OPCC CFO. To provide transparency all decisions are logged with decision notices published for significant decisions on the OPCC website.



Risk registers are produced by the OPCC and Force to assist in prioritising and managing the business. These registers are reported to the JIGRAC for discussion at each of their meetings. The OPCC risk register, and its content is managed at OPCC ELT to ensure mitigation is sufficient and effective.

In 2022 Wiltshire Police introduced the Strategic Planning and Change Oversight meeting. This is chaired by the Chief Constable and the OPCC attends. Exception reports are provided surrounding performance, project delivery and risk management of the Force. This enabled Force Executives and the OPCC to monitor risks, issues and required actions. The new Chief Constable has decided to replace this with the Strategic Change Board in 2023, which is also attended by the OPCC.

This governance ensures that the Police and Crime plan delivery is closely monitored. Where necessary, additional focus is requested or intervention proposed if outcomes are not being achieved. The Force cascades the requirements of the Police and Crime Plan through its 'Plan on a Page'. This allocates responsibility to Chief Officers and allows them further to break down the high-level objectives into smaller deliverables.

The OPCC produces and publishes an annual delivery plan. This details its delivery intentions to support the Police and Crime Plan and planned organisational improvements.

The PCC is required to produce an Annual Report. This reflects progress against the Police and Crime Plan, including Force, OPCC, partnership and community contributions

When investments are required to assist the delivery of outcomes, they are considered against the MTFS. The options available are reviewed and risk and benefits considered before decisions are made by the PCC, this will ensure best value is delivered.

- e) Developing the entity's capacity including the capability of its leadership and the individuals within it

A joint People Culture and Inclusion Strategy covers both the OPCC and Force. This strategy defines how we will create a working environment where we attract, recruit and develop our people. The strategy also considers the diverse mix of our communities and seeks to reflect this diversity within our own organisation.

This strategy outlines how we will respond to challenges. It sets out six key strands of work which will enable us to continually develop our approach:

- Embedding a wellness culture
- Strong and consistent leadership at all levels
- Creating a diverse workforce that aims to represent our communities
- Meaningful and effective engagement
- Upholding ethical and professional standards
- Workforce and succession planning

A Joint Leadership strategy is also in place. Adopting the College of Policing's national Professional Profiles and adapting it to Wiltshire Police's structure, a 'Leadership Roadmap' has been produced. This will ensure that leadership opportunities are accessible to all employees, irrespective of rank.

In 2022 the First Step Training Program was introduced. This is targeted at officers and staff who are getting ready to manage people and those currently acting or temporary in leadership roles.

Oversight and governance of the People Strategy is through the Strategic People Board. This meets bi-monthly and is chaired by a Chief Officer. The board is attended by officers from the OPCC and key strand leads.

- f) Managing risks and performance through robust internal control and strong public financial management

The Risk Management Strategy and Policy defines the framework requirements, appetite and procedures. A published Practitioner's Guide confirms for managers the five step approach to reduce vulnerability to risk. This is summarised as:

- Identify – the most significant risks that could affect the service
- Assess – agree ownership and response to the risk
- Respond – taking action (if assessment deems that appropriate)
- Monitor and Review – observe and update risk score post action
- Report – using risk registers and reporting structures

As part of the Governance framework, a section on risk is included in each paper presented to the PCC for a decision.

The Scheme of Governance (incorporating Financial and Contract regulations) setting the framework for lawful expenditure, delegation and achieving value for money financial thresholds. A review of this has taken place in 2023. This has resulted in a disaggregation and updating of the 'Scheme of Governance' into four documents.

1. A Corporate Code of Practice
2. Scheme of Delegation (from the PCC and Chief Constable)
3. Financial Regulations
4. Contractual Regulations

This new suite of documents constitutes the 'Scheme of Governance' and are in line with national guidance and financial regulations. These documents are published on the OPCC website.

The PCC and Chief Constable have the same individual filling their two respective Chief Finance Officer positions; The respective role of each Chief Financial Officer is set out clearly in the Scheme of Delegation and this also sets out the mechanisms to prevent any potential conflict of interest arising from the same

individual holding both roles. This is primarily resolved by the required involvement of the PCC's Chief Executive in decisions and financial governance oversight.

The PCC's financial management arrangements conform to all good governance requirements, including the CIPFA Statement on the role of the Chief Finance Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government: Framework.

The practical implementation of the financial regulations is provided in the Internal Budget Book. This identifies the authority to spend and the responsibilities of a Budget Holder, as set by the Scheme of Governance documents. As well as setting out the framework of Budgetary Control, the Budget Book also advises staff on procurement, identifying the process to be followed for different types of goods and services. The Budget Book also helps to ensure all purchases are in line with the Police and Crime Plan and that Value for Money is achieved.

The biggest Corporate Risks are reviewed monthly at the Strategic Improvement Board. Understanding the risk and possible mitigation is discussed. The Force hold risks on a corporate system with updates requested monthly from owners, this ensures regular focus. The OPCC risk review occurs at their ELT.

The Internal Auditors (SWAP) publish their view on Internal Control. The overall opinion from SWAP is that of 'Reasonable Assurance'. In 2022-23, the Internal Auditors have not identified any significant corporate risks.

In 2022 an Annual Fraud report was produced and has been tabled at the Joint Independent Governance, Risk and Audit Committee (JIGRAC). The report looked to introduce best practice of assessing the possibility of risk based on certain factors. The assessment utilises information from the National Fraud Initiative, our local Counter Corruption Team and control work by Internal Audit. The conclusion was positive: *'Members can be assured that prevention and detection of fraud, along with promoting high standards of conduct, are given high priority within the OPCC's and the Force's operations. Both areas of work have not identified any concerns and gives a high level of assurance that fraud is low and reduced by the control environment'*.

g) Implementing good practices in transparency, reporting and audit to deliver effective accountability.

In line with the promoted values the PCC and the CC are committed to being transparent. Both organisations websites provide information on performance, pay and scrutiny.

The Joint Independent Governance, Risk and Audit Committee (JIGRAC) sits as a standalone committee. Its statement of purpose is to provide independent assurance on the adequacy of the corporate governance and risk management arrangements in place and the associated control environment, advising according to good governance principles and proper practices. This committee has 5 independent members and is attended by the PCC, Chief Constable, the Chief Executive, External Audit, Internal Audit and the Chief Financial Officer.

The Committee receives reports from both External Audit and Internal Audit. One of its key purposes is to ensure that management implement recommendations agreed with auditors holding management accountable. The committee also reviews both the PCC and the Chief Constables risk register, regularly calling for additional reports and presentations as the emerging governance and risk issues dictate.

The External Auditors are Grant Thornton. They were appointed after a national run procurement process. This process provides segregation between the auditors and the organisation they are auditing which is good practice. In recent years they have provided an unqualified audit opinion and assurance that the organisations had proper arrangements in place to secure economy, effectiveness and efficiency in the use of the resources.

The PCC had a contract with the Southwest Audit Partnership (SWAP) to provide an internal audit service in 2022-23 100 days of audit were planned with 9 audits. 3 of these are in progress. Out of the 6 completed Audits 4 have received 'Reasonable Assurance' ratings whilst 2 received 'Limited Assurance' opinions. These two audits surround Recruitment and Training. The evaluation system is as follows.

- Substantial Assurance – A sound system of governance, risk management and control exist with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audit.
- Reasonable Assurance – There is generally sound systems of governance, risk management and control in place. Some issues, non-compliance or scope for improvements were identified which may put at risk the achievement of objectives in the area audit.

- Limited Assurance – Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audit
- No Assurance – Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audit

As mentioned previously a summary report is provided annually for JIGRAC by the Internal Auditors. The report suggests an effective control environment with 'Reasonable Assurance' the outcome for 2022-23.

All five forces in the South West now contract with SWAP for internal audit. This has been used to provide further assurance by aligning audits and agreeing for comparisons between forces to be reported on.

Both PCC and force websites refer to the annual inspection undertaken of the force by HMICFRS. The PEEL (police effectiveness, efficiency and legitimacy) inspection is designed to give the public information about how local police forces are performing in several important areas, in a way that is comparable both across England and Wales, and year on year. The PEEL inspection occurred in early 2022, the report identified several areas of weakness that require improvement. This has led to the force being placed in 'Engage'. Those forces with this classification report to the Policing Performance Oversight Group (PPOG) on a quarterly basis. At the April 2023 meeting of this group they considered Wiltshire's Improvement Plan. A plan has been created to move out of 'Engage' and, the Chief Constable is clear that the Force's focus is on the delivery of good services to our communities in line with the Police and Crime Plan objectives.

The PCC publishes an annual report which provides the PCCs assessment of how the Chief Constable has performed, progress against the priorities set out in the Police and Crime Plan and how policing and criminal justice services have performed.

5. SELF ASSESSMENT

In considering the evidence included in section 4 against the seven principles of good governance, the controls in the majority of the areas are considered appropriate, however, noting the HMICFRS PEEL report and concerns from the PCC regarding delivery, the overall opinion is of **requires improvement** (Some Internal controls are in place and operating effectively however improvement in an area is required)

6. SIGNIFICANT GOVERNANCE ISSUES

The 'requires improvement' opinion was reported last year. Whilst improvements have been made there is still some significant progress required. The new Chief Constable has briefed leaders at all levels on the requirement and how there will be a relentless focus on delivery with people held accountable for delivering the new 'Plan on a Page' in 2023-24. An improved focus on Performance Management at ELG is expected to result in more focus on the Police and Crime Plan deliverables which should see in time the removing of the significant governance issue.

No.	Issue	Mitigation Planned
1	<p>Delivering the Police and Crime Plan. In setting the plan the PCC has received concerns from communities on local delivery, this has led to him setting new objectives. The challenge which faces the CC is showing significant progress on these objectives to improve the trust and confidence of our communities. This improvement will also need to tackle the concerns raised in the HMICFRS PEEL assessment.</p>	<p>A detailed assurance framework has been finalised which will show what the PCC and HMICFRS are expecting from the Force. The Progress will be monitored by deep dives at ELG with progress reported to the Police and Crime Panel. The summary Force Performance Report which shows progress against 66 performance measures related to the Police and Crime Plan will ensure delivery is constantly focused on.</p>

Signed

P Wilkinson
 Police and Crime Commissioner

C Roper
 Chief Constable

N Darwish
 Chief Executive of the OPCC

C Barker
 Chief Financial Officer

Independent auditor's report to the Chief Constable for Wiltshire

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of the Chief Constable for the Chief Constable for Wiltshire (the 'Chief Constable') for the year ended 31 March 2021 which comprise the Comprehensive Income and Expenditure Statement for the Chief Constable of Wiltshire Police, the Movement in Reserves Statement, the Balance Sheet for the Chief Constable of Wiltshire Police, the Cash Flow Statement and notes to accompany the financial statements, including a summary of significant accounting policies, and include the police pension fund financial statements comprising the Fund Account and the Net Assets Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2022/23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2021 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

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

Conclusions relating to going concern

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

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2022/23 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

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

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

The responsibilities of the Chief Finance Officer with respect to going concern are described in the 'Responsibilities of the Chief Constable and the Chief Finance Officer for the financial statements' section of this report.

Other information

The Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on

the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Joint Annual Governance Statement does not comply with the 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Joint Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Chief Constable and the Chief Finance Officer for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Chief Constable will no longer be provided.

The Chief Constable is Those Charged with Governance. Those charged with governance are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (international accounting standards as interpreted and adapted by the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2022/23, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003 and the Police Reform and Social Responsibility Act 2011. We also identified the following additional regulatory frameworks in respect of the police pension fund; Public Service Pensions Act 2013, the Police Pension Fund Regulations 2007, the Police Pensions Regulations 2015 and the [Police Pensions Regulations 2006](#).
- We enquired of senior officers and the Chief Constable, concerning the Chief Constable's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of senior officers, internal audit and the Chief Constable, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Chief Constable for Wiltshire's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and revenue and expenditure recognition. We determined that the principal risks were in relation to:
 - journal entries posted by senior officers; and
 - the significant accounting estimates in the financial statements, including those related to the valuation of the net pensions liability and significant year and accruals.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that the Chief Finance Officer has in place to prevent and detect fraud;
 - journal entry testing, with a focus on large and unusual journals;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of the net pension liability;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- The significant accounting estimates in the financial statements, including those related to the valuation of the net pension liability. These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to the net pension liability.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the police sector
- understanding of the legal and regulatory requirements specific to the Chief Constable including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA, LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Chief Constable's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Chief Constable's control environment, including the policies and procedures implemented by the Chief Constable to ensure compliance with the requirements of the financial reporting framework.

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

Our work on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Chief Constable's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Chief Constable

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

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

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

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for the Chief Constable for Wiltshire for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our work on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources and have completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Chief Constable for the year ended 31 March 2021. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2021.

Use of our report

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

Alex Walling, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

23 September 2021

Comprehensive Income and Expenditure Statement for the Chief Constable of Wiltshire Police 2022/23

It should be noted that to represent the Chief Constable's use of the PCC's assets, the CC receives charges which are equivalent to the running costs and capital financing incurred by the PCC. All income is recognised in the PCC's net cost of services.

Net Expenditure 2021/22 £'000	See also Note 3 and note 4	Gross Expenditure 2022/23 £'000	Gross Income 2022/23 £'000	Net Expenditure 2022/23 £'000
176,206	Police Services	172,962		172,962
176,206	Net Cost of Police Services before intra group funding			172,962
-176,206	Intra Group Funding			-172,962
	Net Cost of Police Services			
31,748	Pension Net Interest Note 13			40,183
-31,748	Intra Group Funding (Pension Net Interest) Note 13			-40,183
139,174	Intra Group Funding (Pensions re-measurement of the net defined benefit liability/(asset)) Note 13			552,235
139,174	(Surplus)/Deficit on the Provision of Services			552,235
-139,174	Re-measurement of the net defined benefit liability/(asset) Note 13			-552,235
-139,174	Other Comprehensive Income and Expenditure			-552,235
	Total Comprehensive Income and Expenditure			

Movement in Reserves Statement

Disclosure of pensions transactions under accounting and audit requirements results in movements in and out of the reserves statement for the Chief Constable. The transactions net to zero during the year which reflects that the Police and Crime Commissioner has ultimate responsibility for all reserves.

General Fund	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves
£'000	£'000	£' 000	£'000	£'000	£'000
0	0	0	0	0	0
Balance as at 31 March 2021					
Movement in reserves during 2021/22					
139,174	0		139,174	-139,174	0
Total Comprehensive Income and Expenditure					
-139,174	0	0	-139,174	139,174	0
Adjustments between accounting basis and funding basis under regulations – Note 5					
0	0	0	0	0	0
Increase/(Decrease) in 2021/22					
0	0	0	0	0	0
Balance as at 31 March 2022 Carried Forward					
Balance as at 31 March 2022 Brought Forward					
0	0	0	0	0	0
Movement in reserves during 2022/23					
552,235	0		552,235	-552,235	0
Total Comprehensive Income and Expenditure					
-552,235	0	0	-552,235	552,235	0
Adjustments between accounting basis and funding basis under regulations - Note 5					
0	0	0	0	0	0
Increase/(Decrease) in 2022/23					
0	0	0	0	0	0
Balance as at 31 March 2023 Carried Forward					

Balance Sheet for the Chief Constable of Wiltshire Police as at 31 March 2023

31 March 2022 £000		31 March 2023	
		£000	£000
0	Property, Plant & Equipment	0	
0	Investment Property	0	
1,484,087	Long Term Debtor - Pensions	976,449	
1,484,087	Total Long Term Assets		976,449
0	Inventories	0	
0	Short Term Debtors	0	
0	Cash & Cash Equivalents	0	
0	Assets Held For Sale (under 1 yr)	0	
0	Total Current Assets		0
0	Short Term Creditors	0	
0	Provisions (under 1 yr)	0	
0	Total Current Liabilities		0
0	Finance Lease Liability	0	
-1,484,087	Liability Related to Defined Benefit Pensions Scheme.	-976,449	
-1,484,087	Total Long Term Liabilities		-976,449
0	Total Net Assets		0
0	Usable Reserves		0
0	Unusable Reserves		0
0	Total Reserves		0

Although the Police and Crime Commissioner is responsible for all assets and liabilities, in order to comply with accounting and audit requirements, the pension liabilities are required to be disclosed in the Chief Constable's Balance Sheet. This is balanced with a long term pension debtor of equivalent value to the pension liability to recognise the fact that the Police and Crime Commissioner has ultimate responsibility for these long term liabilities. The Chief Constable's net assets/liabilities will always balance to zero.

C.Barker, Chief Finance Officer. 31st May 2023

Cash Flow Statement

2021/22 £000		2022/23 £000
	<u>Operating Activities</u>	
0	Taxation	0
0	Non Domestic Rates	0
0	Revenue Support Grant	0
0	Police Main Grant	0
0	Cash Received for Goods and Services	0
0	Interest Received	0
0	Cash Inflows Generated from Operating Activities	0
0	Cash Paid to and on behalf of Employees	0
0	Cash Paid for Goods and Services	0
0	Interest Paid	0
0	Cash Outflows from Operating Activities	0
0	Net Cash Flows from Operating Activities	0
	<u>Investing Activities</u>	
0	Purchase of Non-Current Assets	0
0	Proceeds from Sale of Non-Current Assets	0
0	Other Receipts from Investing Activities	0
0	Net Cash Flows from Investing Activities	0
	<u>Financing Activities</u>	
0	Payments for the Reduction of Outstanding PFI Finance Liability	0
0	Net Cash Flows from Financing Activities	0
0	Net increase or decrease in cash & cash equivalents	0
0	Cash & cash equivalents at the beginning of the reporting period	0
0	Cash & cash equivalents at the end of the reporting period	0

All Bank accounts, assets, liabilities, investments and reserves are managed by the Police and Crime Commissioner for Wiltshire; the Chief Constable for Wiltshire has no cash flows to report.

1 Statement of Accounting Policies

1.1 General Principles

The general principles adopted in compiling the accounts of the Chief Constable for Wiltshire Police are in accordance with the recommendations of The Chartered Institute of Public Finance and Accountancy (CIPFA). They accord with CIPFA's Code of Practice on Local Authority Accounting 2022/23, the Service Reporting Code of Practice 2022/23 and the Accounts and Audit Regulations 2015 and are based on the following hierarchy of standards:

- International Financial Reporting Standards (IFRSs) as adopted by the EU
- International Public Sector Accounting Standards (IPSASs)
- UK Generally Accepted Accounting Practice (GAAP) (Financial Reporting standards (FRSs), Statements of Standard Accounting Practice (SSAPs) and Urgent Issues Task Force (UITF) abstracts) as far as they are applicable. All are maintained on an historic cost basis. Any significant non-compliance is disclosed in the notes that follow.

These Accounting Policies also reflect the local arrangements in place for Wiltshire Police and the guidance and regulations provided through the Police Reform and Social Responsibility Act 2011, the Financial Management Code of Practice for the Police Service 2019, Financial Regulations for the Police and Crime Commissioner for Wiltshire Group and the scheme of delegation between the Police and Crime Commissioner and the Chief Constable. In applying the accounting policies set out in this note, the PCC has had to make certain judgements about complex transactions or those involving uncertainty about future events. These critical judgements are set out in note 24.

1.2 Accruals of Income and Expenditure

The Chief Constable's financial accounts are prepared on an accruals basis. Income and expenditure is inclusive of future obligations to pay cash for benefits already received by the CC for Wiltshire and cash to be received in the future for benefits already provided by the CC for Wiltshire.

Where actual amounts due are not known at the end of April, estimated amounts have been included in the accounts.

1.3 Accounting Principles

The accounts for 2022/23 comply with normal accounting principles surrounding relevance, reliability, comparability and understandability. The accounts are also prepared on the basis that the organisation is a going concern.

1.4 Provisions

Provisions are made where an event has taken place that gives the authority an 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. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the authority has an obligation and are measured at the best estimate at the Balance Sheet date. Provisions are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

1.5 Joint Arrangements

Joint Arrangements are classified as either Joint Operations or Joint Ventures. Joint Operations are where activities are agreed through a shared control (usually through a shared board) and the parties have rights to the assets and obligations for the liabilities relating to the arrangement. Joint Ventures are where the parties have rights to the net assets of the arrangement. The Group does not participate in any joint ventures.

Wiltshire Police have entered into numerous collaborative arrangements with other police forces and local authorities. A materiality limit of £500k has been set by the Group and details of the joint operations where Wiltshire contributions exceed this level are disclosed in the notes to the accounts.

1.6 Employee Benefits

Benefits payable during employment

Authorities are required to account for employee benefits in the period that they are earned by employees. Wiltshire Police operates a flexi leave system and has a policy that allows employees to carry over a maximum of 5 days annual leave and 11 hours flexi leave. The flexi leave is run as a manual records system and is not cost effective to collect the data; therefore no flexi leave accrual has been posted for 2022/23 due to the immaterial value. Time off in Lieu (TOIL) and annual leave are recorded on an electronic system and the result is that the Group has a £2.614 million accrual for employee leave entitlements carried over at 31 March 2022. For 2022/23 there is a £0.029 million increase in the net cost of services where the accrual has increased from £2.585 million in 2021/22, this is reversed out in the PCC's Movement in Reserves Statement so as to avoid any impact on Council Tax.

Termination benefits

Redundancy payments allowed by Wiltshire Police are based upon actual weekly salary, calculated in the manner prescribed by legislation. The legislation also dictates that a maximum of 20 years service may be counted. Only completed years of service at the time of the redundancy will count. Within those parameters, the payments are calculated on the following basis:

For each year of service aged 18 to 21 - half a week's pay

For each year of service aged 22 to 40 - one week's pay

For each year of service aged 41 to 65 - one and a half week's pay

Post employment benefits

Pensions (Police Officers)

There are three police officer schemes: the Police Pension Scheme (PPS), the New Police Pension Scheme (NPPS) and the Police Pension Scheme 2015 (2015 Scheme). These are defined benefit unfunded schemes, meaning that there are no investment assets held, and actual pensions payments are met from revenue as they are eventually due.

For the purpose of the note to the accounts the officer schemes are reported as a single disclosure. The scheme changes have been taken into account in the Balance Sheet and Comprehensive Income and Expenditure Statement and in the note to the accounts.

Funding rules are in place which results in Police Forces paying 31% of Police pay as a pension fund contribution. Any variation, e.g. variation from pensions actually paid, over or under, is financed by an increased or reduced specific pensions grant. To this purpose a Pensions Fund Account has been created.

Pensions (Support Staff)

The pension scheme available for police staff is administered by Wiltshire Council on behalf of Local Authority employees in Wiltshire. The assets of the fund are held separately from those of the Council. The accounts of the Pension Fund are detailed in the Wiltshire Council Statement of Accounts.

The pension costs that are charged to the Chief Constable for Wiltshire's accounts in respect of its employees are the service cost identified by the actuarial valuation for the period. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis. Employer's pension contributions of 16.4% of pay were paid into the fund by the CC for Wiltshire for the year 2022/23.

Changes to the Local Government Pension Scheme allow for members to take larger lump sum payments in return for a reduced annual pension. It is expected that this will reduce the liability of the Authority. However the actuary currently considers it impossible to estimate the number of members who may take this option and its effect on the finances of the Authority. Based on the prudence accounting concept zero take up has been assumed, therefore, no reduction in liability has been included in the balance sheet of the Authority.

In accordance with CIPFA guidelines the liability under IAS 19 for both Police Officer and Support Staff pensions must be included within the Comprehensive Income and Expenditure Statement (CIES) and the Balance Sheet. The cost of service is shown within the CIES of the Chief Constable and is balanced with an intra Group adjustment to the Police and Crime Commissioner for Wiltshire's accounts.

1.7 Leases

Where a lease transfers substantially all the risks and rewards of ownership of an asset to the lessee it is classified as a finance lease. Leases that do not meet this definition are operating leases.

Operating lease rentals are charged direct to the Comprehensive Income and Expenditure Statement as a cost to the services benefitting from their use.

1.8 VAT

Value-Added Tax is separately accounted for in accordance with the Statement of Standard Accounting Practice (SSAP) 5 and is not included as income or expenditure of the Authority except where it is not recoverable. The Police and Crime Commissioner is registered for Group VAT and oversees all VAT matters on behalf of the Police and Crime Commissioner and the Chief Constable.

1.9 Post Balance Sheet Events

Where a material post balance sheet event occurs the Chief Constable has a policy to identify that in the statement of accounts. 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 is not adjusted to reflect such events, but where such 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.

1.10 Prior Period Adjustment – Changes in Accounting Policies 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 period and do not give rise to a prior period adjustment.

Changes in accounting policies are made when required by proper accounting practices and the changes provide more reliable or relevant information about the CC's financial position or performance. Where a change is made it is applied retrospectively by adjusting balances for the prior period as if the new policy had always been applied.

1.11 Revenue from Contracts with Customers

For 2022/23, the Code of Practice adopts IFRS 15 which requires local authorities to recognise revenue in such a way that it represents the transfer of promised goods or services to the service recipient in an amount that reflects the consideration to which the authority expects to be entitled in exchange for those goods or services. It is more likely to impact authorities when income is recognised over time. The Chief Constable for Wiltshire has no material items that would require additional disclosures under IFRS 15.

2 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions about the future or that are otherwise uncertain. Estimates are made based on historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

For 2022/23 the Balance Sheet contains one item for which there is a significant risk of material adjustment in the forthcoming financial year; the Pensions Liability.

Estimation of the net liability to pay pensions is reliant on a number of complex judgements relating to the discount rate used, the rate of increase in salary, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the organisation with expert advice about the assumptions to be applied. Further information can be found in the pensions note.

3 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows the Chief Constable's net expenditure analysed between amounts that the PCC will fund from government grants and council tax in comparison with the net expenditure reported in the Comprehensive Income and Expenditure Statement for resources consumed or earned in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the note 'Expenditure and Income Analysed by Nature'.

2022/23	Net Expenditure Chargeable to the General Fund Balances	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000
Police Services	143,426	2,358	27,305	-127	29,536	172,962
Office of the Police and Crime Commissioner						
Net Cost of Services before intra group funding	143,426	2,357	27,305	-127	29,536	172,962
Intra Group Funding	-143,426	-2,357	-27,305	127	-29,536	-172,962
Net Cost of Police Services						
Other Income and Expenditure			40,183		40,183	40,183
Intra Group Funding			512,052		512,052	512,052
Surplus or Deficit			552,235		552,235	552,235

The Surplus/Deficit for the Chief Constable relates to pensions IAS19 accounting requirements and nets to zero with the re-measurement of pension liabilities transaction in the Other Comprehensive Income and Expenditure.

2021/22	Net Expenditure Chargeable to the General Fund Balances	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000
Police Services	140,319	2,903	32,955	29	35,887	176,206
Office of the Police and Crime Commissioner						
Net Cost of Services before intra group funding	140,319	2,903	32,955	29	35,887	176,206
Intra Group Funding	-140,319	-2,903	-32,955	-29	-35,887	-176,206
Net Cost of Police Services						
Other Income and Expenditure			31,748		31,748	31,748
Intra Group Funding			107,426		107,426	107,426
Surplus or Deficit			139,174		139,174	139,174

Adjustments for Capital Purposes

This column adds in asset accounting transactions including charges relating to depreciation, impairment and revaluation.

Net Change for the Pensions Adjustments

This column shows the net change for removal of employer pension contributions and addition of the IAS 19 Employee Benefits pension related income and expenditure:

For the net cost of services this represents the removal of the employer pension contributions made and replacement with current service costs and past service costs.

The net interest on the defined benefit liability is charged to the Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement.

Other Differences

This column shows the amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements. The difference reflects the employee leave entitlements outstanding as at the 31st March.

Adjustments to the Net Cost of Services

The adjustments between funding and accounting that relate to Pensions and Capital are shown as charges to the Chief Constable and are then part of the intra group transfer to the Police and Crime Commissioner's accounts. The reason for this is the local arrangement in place for the relationship between the Chief Constable and Police and Crime Commissioner which, for accounting purposes, follows the concept 'substance over form'. These arrangements are laid out in the opening Narrative to the accounts.

4 Expenditure and Income Analysed by Nature

CIES 2021/22	Adjustments between the Funding and Accounting Basis	General Fund 2021/22		CIES 2022/23	Adjustments between the Funding and Accounting Basis	General Fund 2022/23
£'000	£'000	£'000		£'000	£'000	£'000
51,785		51,785	Police Pay and allowances	54,356		54,356
32,700	-20,770	11,930	Police Officer Pensions	28,700	-16,160	12,540
56,628	-12,636	43,991	Staff Pay and allowances	56,309	-11,358	44,951
1,595	-29	1,566	Other employee expenses	1,749	127	1,876
5,120	650	5,770	Premises	5,709	705	6,414
3,110	0	3,110	Transport	3,450	0	3,450
13,542	0	13,542	Supplies and Services	13,706	0	13,706
4,206	106	4,312	Third Party Payments	1,997	126	2,123
7,005	-3,660	3,345	Capital Finances	5,894	-3,189	2,705
161	-161		Net Pensions Interest & Past Service costs	500	-500	
354	613	967	Injury Payments	592	713	1,305
176,206	-35,888	140,318	Total Financial Resources Consumed at request of Chief Constable	172,962	-29,536	143,426
-176,206	35,888	-140,318	Intra Group Adjustment	-172,962	29,536	-143,426
			Net Cost of Services			
31,748	-31,748		Pension Net Interest	40,183	-40,183	
-31,748	31,748		Intra Group Funding (Pension interest cost & expected return on assets)	-40,183	40,183	
-139,174	139,174		Intra Group Funding (Pensions re- measurement of the net defined benefit liability/(asset))	-552,235	552,235	
-139,174	139,174		Total (Surplus)/Deficit on the Provision of Services	-552,235	552,235	

It should be noted that Chief Constable receives charges for use of the Police and Crime Commissioner's assets. These charges are equivalent to the running costs and capital financing incurred by the Police and Crime Commissioner and include the associated adjustments between Accounting and Funding basis in line with the accounting concept 'substance over form'.

5 Adjustments Between Accounting Basis and Funding Basis Under Statute

2022/23	Usable Reserves			Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	
Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	552,235			-552,235
Total Adjustments	552,235			-552,235

2021/22	Usable Reserves			Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	
Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	-139,174			139,174
Total Adjustments	-139,174			139,174

6 Post Balance Sheet Events

The Chief Constable is required to disclose any post Balance Sheet events that have a significant impact on the accounts for the year. For 2022/23 the Chief Constable updated the accounts for the LGPS Pension Fund Triennial valuation.

7 Remuneration of Staff

The Chief Constable for Wiltshire is required to disclose the number of employees whose annual remuneration, excluding pension payments, exceeds £50,000. Remuneration for these purposes includes all sums paid to or received by an employee, expense allowances and the money value of any other benefits received other than cash. The number of employees within £5,000 bands is as follows:

Payment Band £	Number of Employees 2021/22	Number of Employees 2022/23
50,000 - 54,999	137	158
55,000 – 59,999	98	150
60,000 – 64,999	44	41
65,000 – 69,999	7	13
70,000 – 74,999	4	5
75,000 – 79,999	3	6
80,000 – 84,999	3	2
85,000 – 89,999	6	5
90,000 – 94,999		2
95,000 – 99,999		
100,000 – 104,999		
105,000 – 109,999		
110,000 – 114,999		1
115,000 – 119,999		
120,000 – 124,999	2	1
125,000 – 129,999		1
130,000 – 134,999	2	
135,000 – 139,999		1
140,000 – 144,999		
145,000 – 149,999		
150,000 – 154,999		
155,000 – 159,999		
160,000 – 164,999		
165,000 – 169,999		
170,000 – 174,999		
175,000 – 179,999		
180,000 – 184,999	1	1
Total	307	352

The above disclosure contains details for all staff and all officers whose remunerations, excluding pensions, exceeds £50,000. This disclosure is required on a legal basis rather than using the concept ‘substance over form’ as applied to the other Statement of Accounts disclosures.

The overall number of officers in the table has increased this year. This increase relates to operational requirements for overtime due to the impact of COVID.

For 2022/23, a total of £1.375m was recharged to external establishments for officers and staff on secondment (£1.572m 2021/22). As at 31st March 2023 there were 19 employees working in external areas on secondment (20 as at 31st March 2022).

14 of the employees included in the bandings over £50,000 were seconded out to other Forces or Government organisations as at 31 March 2023 (11 seconded officers included for 2021/22).

Senior Officer Remunerations

The code of practice requires disclosure of individual remunerations for Senior Officers and Relevant Police Officers, the following tables contain the details for 2022/23 and comparative information from 2021/22. Senior Officers are included in the above banding as well as the following individual disclosures.

Members of NPCC have a vehicle allowance of £6,122 per year, the Deputy Chief Constable has £7,652 per year and the Chief Constable has £9,183 per year. This can be paid in the form of a lease car or within their salary. Those that have opted for the salary option have this payment included in the salary column of the remunerations.

During 2022/23 Clive Barker was in the role of Chief Finance Officer for both the Chief Constable and the Police and Crime Commissioner. For the purposes of remunerations classifications, he is included within the PCC employee disclosures.

The following changes occurred to senior roles during 2022/23:

C Roper became the Chief Constable from 27th February 2023.

K Pritchard was the Chief Constable until 26th February 2023.

C Dibdin became Assistant Chief Constable from 19th September 2022.

D Minty became Temporary Assistant Chief Constable from 2nd February 2022.

M Cooper was the Assistant Chief Constable until 1st July 2022.

C McMullin was the Head of People and Change until 31st December 2022.

Senior Officer Remunerations 2022/23	Name	Salary (including fees & Allowances)	Bonuses	Expenses	compensation for loss of office	Benefits in Kind	Total Remuneration excluding pension contributions 2022/23	Pension Contributions	Total Remuneration including pension contributions 2022/23
Chief Constable (from 27/02/23)	C. Roper	16,718				1,011	17,729	5,183	22,911
Chief Constable (to 26/02/23)	K. Pritchard	170,960				11,832	182,792	51,464	234,256
Deputy Chief Constable	P. Mills	125,331		149		9,660	135,140	38,675	173,815
Assistant Chief Constable (from 19/09/22)	C. Dibdin	64,904				3,265	68,170		68,170
Assistant Chief Constable	D. Smith	120,924		110		7,289	128,323	37,302	165,625
Assistant Chief Constable (to 01/07/22)	M Cooper	33,508				2,052	35,560		35,560
T/Assistant Chief Constable (from 02/02/22)	D. Minty	105,913				6,738	112,650	32,474	145,124
Assistant Chief Officer / Chief Finance Officer	C. Barker	114,887				6,215	121,102	18,747	139,849
Head of People & Change (to 31/12/22)	C. McMullin	66,240				929	67,170	10,357	77,526
Head of Communications	C. Mills	68,775				1,239	70,014	11,279	81,293

Senior Officer Remunerations 2021/22	Name	Salary (including fees & Allowances)	Bonuses	Expenses	compensation for loss of office	Benefits in Kind	Total Remuneration excluding pension contributions 2021/22	Pension Contributions	Total Remuneration including pension contributions 2021/22
Chief Constable	K. Pritchard	169,851				12,256	182,107	51,120	233,227
Deputy Chief Constable	P. Mills	124,222				9,975	134,197	38,331	172,528
Assistant Chief Constable	M. Cooper	123,563				8,122	131,685	18,479	150,165
Assistant Chief Constable	D. Smith	114,920		399		8,122	123,441	35,447	158,888
Assistant Chief Officer / Chief Finance Officer	C. Barker	113,833		198		7,077	121,108	19,707	140,815
Head of People & Change	C. McMullin	82,215				1,239	83,454	14,305	97,759
Head of Communications	C. Mills	67,107					67,107	11,677	78,784

8 Termination Benefits

The numbers of exit packages with total cost per band are set out in the table below.

Exit package cost band	No. of compulsory redundancies		No. of Other Departures		Total cost of exit packages in each band £'000	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
£0-£20,000			1	1	11	13
£20,001-£40,000						
£40,001-£60,000						
£60,001-£80,000						
£80,001-£100,000			1		91	
£100,001-£120,000						

The total cost of exit packages includes early pension payments.

9 Related Parties

In accordance with the Code of Practice and IAS 24 the Chief Constable for Wiltshire is required to state any material transactions with related parties. For 2022/23, no material transactions were declared by key management personnel.

Wiltshire Police have a number of partnership projects involving joint boards or committees; in particular there are arrangements in place with regional Police Forces, Wiltshire Council and Swindon Borough Council. Details of the partnerships are disclosed under the Joint Arrangements note.

The Police Constable for Wiltshire Police is part of the Police and Crime Commissioner for Wiltshire's Group and as such the Police and Crime Commissioner has significant influence over the Chief Constable. To get a full understanding of Wiltshire Police as a whole these accounts should be viewed alongside the Group Statement of Accounts (published separately).

Central Government has significant influence over the general operations of the Police and Crime Commissioner for Wiltshire's Group. Grants received from Central Government are disclosed in the PCC for Wiltshire Group Statement of Accounts.

10 Joint Arrangements

The Police and Crime Commissioner's Group is involved in a number of operational collaborations with regional police forces and works closely with other Local Government bodies in delivering its services to the local communities. These joint operations are key to providing efficient sustainable policing services, particularly in times where the policing service is experiencing unprecedented cuts in its funding. Shared resources can also result in opportunities to modernise and embrace innovation and technology to maintain and improve the services available to the community even with reduced funding availability.

The Group recognises in its Statement of Accounts its share of the assets, liabilities and expenditure relating to its involvement in the joint operations. The Group's contributions to the Joint Operations are disclosed below.

2021/22 £000 Expenditure	2021/22 £000 Income	Joint Operation	2022/23 £000 Expenditure	2022/23 £000 Income
802		Black Rock	929	
1,654	36	Brunel MCIT	1,682	
1,378	101	SWROCU	1,651	100
2,991		Forensics	3,197	
726	2	SW Special Branch		
471		MASH	792	

Black Rock

Black Rock is a firearms training facility located in Avon & Somerset which is run in partnership with Avon and Somerset police and Gloucestershire police. Each organisation has a staff commitment to provide trainers for the facility.

The overall training cost of the facility for the year was £3.680m; this is split on a percentage basis. The original percentage split for revenue expenditure was originally in line with the asset split below but on review during 2021/22 this was updated to reflect the fair usage of the facility with Wiltshire now contributing 22%, Avon and Somerset 56% and Gloucester 22%.

There is a PFI building involved in the facility; this PFI contract is owned by Avon & Somerset police but at the end of the contract the asset is to be split between the partner forces according to an agreed percentage basis (Wiltshire 25%, Avon and Somerset 42% and Gloucester 33%). Due to this arrangement the PCC for Wiltshire accounts for his share as an asset on his Balance Sheet. The current value of the PFI asset as at 31 March 2023 was £22.3m; Wiltshire's share included in the Balance Sheet for 2021/22 was £5.7m.

Brunel MCIT

This collaboration between Avon & Somerset Police, Gloucester Police and Wiltshire Police forms a shared Major Crime Investigations team (MCIT) for the three areas.

The overall cost of the facility for the year was £8.852m; this is split on a percentage basis, with Wiltshire contributing 19%, Gloucester 17% and Avon and Somerset 64%.

SWROCU

SWROCU is a collaboration of the police forces in the Southwest region working together to disrupt, destroy and dismantle serious and organised crime.

The collaboration is led by Avon & Somerset police and costs are split on a percentage basis as follows: Avon and Somerset 32%, Gloucester 11%, Devon and Cornwall 33%, Dorset 12% and Wiltshire 12%. The overall cost of the collaboration for the year was £13.359m.

Avon and Somerset police have a building that is used for the collaboration; this asset is currently owned and accounted for by Avon and Somerset police. Devon & Cornwall police also have a building that is used for the collaboration which is owned and accounted for by Devon & Cornwall police.

SWROCU also holds a reserve which any surplus/deficit year on year is added to/taken from. The reserve is also used to assist future year's budget which in turn potentially reduces the contributions required by each Force. The reserve currently stands at £0.430m.

Forensics

SW Regional Forensics is a collaboration between Wiltshire, Avon and Somerset, Dorset and Devon and Cornwall police. The collaboration operates from 2 hubs: north (Portishead) and south (Exeter) and also from each of the four police forces.

Costs are apportioned on one overall basis: Avon and Somerset 35%, Devon and Cornwall 34%, Dorset 17% and Wiltshire 14%.

The cost of the collaboration for 2022/23 was £22.902m. Wiltshire's total cost was £3.197m for the year.

Southwest Special Branch

The Special Branch collaboration ended on 31st March 2022 with all resources now part of Counter Terrorism Policing Southwest (CTPSW).

MASH

The Wiltshire Multi Agency Safeguarding Hub (MASH) is a partnership between Wiltshire Police, Wiltshire Council and Swindon Council based in County Hall Trowbridge and Watt Tyler West building in Swindon. The Cost of MASH in 22/23 was £0.792m for Wiltshire Police.

Other Collaborations:

The PCC for Wiltshire is involved in numerous smaller collaborations and partnerships including the Counter Terrorism Specialist Firearms Officers (CTSFO's), Serious Sexual Assault Referral Centre (SSARC), Local Resilience Forum (LRF) and the Youth Offending Team (YOT).

11 External Audit Fees

Fees in respect of external Audit services (Local Audit & Accountability Act 2014) and other fees payable in respect of services provided by the Auditors were as follows:

	2021/22 £000's	2022/23 £000
PCC External Audit Fees	25	29
Chief Constable External Audit Fees	14	15
Total Audit Fees (excluding VAT)	39	44

Additional fees are expected to be billed for the PCC and the Chief Constable in relation to the 2021/22 and 2022/23 statutory audits. These are yet to be determined.

12 Accounting Standards Issued That Have Not Yet Been Adopted

For 2022/23 the following accounting standard changes have been issued but not yet adopted. The impact of these changes to the Chief Constable's accounts is not likely to be material though they may increase the disclosure requirements for future years. Details of the disclosures required will be provided in the 2023/24 Code of Practice in Local Authority Accounting (COPLAA).

- IFRS16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS16 in the 2023/24 year).
- Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.
- Definition of Accounting Estimates (Amendments to IAS8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS3) issued in May 2020.

13 Pensions

Pensions Accounting

The Financial Code of Practice states that 'The Chief Constable is responsible for ensuring the administration of the pension schemes and the appropriate maintenance and provision of the relevant accounts.' The Chief Constable is also responsible for all police officers and the majority of staff under the arrangements with the Police and Crime Commissioner for Wiltshire. Any transactions relating specifically to the Office of the Police and Crime Commissioner are immaterial.

Although the Police and Crime Commissioner is responsible for all assets and liabilities, in order to comply with accounting and audit requirements, the pension liabilities are required to be disclosed in the Chief Constable's Balance Sheet. To recognise the fact that the Police and Crime Commissioner has ultimate responsibility for these long term liabilities there is a long term pension creditor in his Balance Sheet of equivalent value to the pension liability.

The information that follows is for the pension accounts of the Group.

Pension Schemes

Although pension benefits are not actually payable until employees retire, the Group has a commitment to disclose the payments at the time that employees earn their future entitlement.

The Police and Crime Commissioner's Group participates in three police officer schemes and one police staff scheme:

Police officers: Police Pension Scheme (PPS), New Police Pension Scheme (NPPS) and Police Pension Scheme 2015 (2015 Scheme). These are unfunded schemes, meaning that there are no investment assets held, and actual pensions payments are met from revenue as they are eventually due.

Changes introduced to pensions have resulted in three schemes with slight variations between them. Under recent regulations all current active members were moved into the 2015 Scheme from 1st April 2015 unless they qualified for protections that allowed them to remain in their current schemes. Officer pension schemes were contracted out of the State Second Pension but this ceased on the 5th April 2016.

The scheme changes, in particular the transitional provisions are subject to claims of unlawful discrimination, this is explained further in the 'Contingent Liabilities' note.

The schemes are administered in accordance with the Police Pensions Regulations 1987, the New Police Pensions Scheme Regulations 2006 and the Police Pension Regulations 2015.

Police staff: The Local Government Pension Scheme (LGPS). This is administered by Wiltshire Council and is a funded scheme, where the Group and employees pay contributions into a fund intended to balance the pensions liabilities with investment assets. The scheme is administered in accordance with the Local Government Pension Scheme Regulations.

Estimation of the net liability to pay pensions is reliant on a number of complex judgements relating to the discount rate used, the rate of increase in salary, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the organisation with expert advice about the assumptions to be applied.

Pensions Transactions

The cost of retirement benefits is recognised in the Net Cost of Services when it is earned by employees, rather than when the benefits are actually paid out as pensions. The cost of retirement benefits earned is reversed out in the Movement in Reserves as the charge against council tax is based only on actual payments due in the year. The following transactions were made in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement during the year:

	Local Government Pension Scheme		Police Pension Scheme	
	£000		£000	
	2021/22	2022/23	2021/22	2022/23
Comprehensive Income & Expenditure (CIES)				
Net Cost of Services				
Current Service Costs	18,621	17,153	32,700	28,700
Past Service Costs (Non Distributed Costs)	61		100	500
Gains and Losses on any Settlements or Curtailments				
<i>Net Operating Expenditure</i>				
Net Interest on plan assets & defined benefit obligation	2,048	2,183	29,700	38,000
Net Charge to the Surplus/Deficit	20,730	19,336	62,500	67,200
Other Comprehensive Income & Expenditure				
Return on plan assets (excluding the amount included in the net interest expense)	-11,693	18,403		
Actuarial gains and losses arising on changes in demographic assumptions	-2,357	-1,554	-14,300	-15,900
Actuarial gains and losses arising on changes in financial assumptions	-23,286	-126,659	-93,900	-489,700
Expected 2023 Pension Increase Order				46,300
Re-measurement of Other Experience	2,862	16,875	3,500	
Total Other Comprehensive Income & Expenditure (Pension Re-measurement of the net defined benefit liability/asset)	-34,474	-92,935	-104,700	-459,300
Total Charge to the CIES	-13,744	-73,599	-42,200	-392,100
	Local Government Pension Scheme		Police Pension Scheme	
	£000		£000	
	2021/22	2022/23	2021/22	2022/23
Net Charge to the CIES Surplus/Deficit	20,730	19,336	62,500	67,200
Movement in Reserves Statement				
<i>Adjustments between Accounting & Funding Basis:</i>				
Reversal of net charges made for retirement benefits in accordance with the code	-20,730	-19,336	-62,500	-67,200
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to scheme and retirement benefits payable to pensioners	5,984	5,795	34,930	36,144
Actual Costs	5,984	5,795	34,930	36,144

Current Service Cost reflects the increase in liabilities as a result of years of service earned this year.

Past Service Costs reflects the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years.

Net Interest on plan assets & defined benefit obligation is the change during the period in the net defined benefit liability (asset) that arises from the passage of time - this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

The re-measurement of ‘other experience’ reflects any experience not expressed in the other re-measurement items; movements in membership data that were different to those assumed in the prior year. This can include, for example:

- Actual level of salary increases being higher than expected over the previous accounting period. This will lead to a negative liability ‘experience’ item (i.e. higher past service liabilities);
- Actual pension increases being higher than anticipated (for deferred pensions and pensions in payment), again leading to a negative experience item;
- Any membership movements (i.e. new entrant levels, withdrawals, ill health retirements, injury retirements etc.) different to those assumed within the previous valuation will contribute positively or negatively to the asset and liability ‘experience’ items.

The actual payments made by the Police and Crime Commissioner’s Group for employer’s contributions 2022/23 are £5.795 million to Wiltshire Council for the Local Government Pension Scheme (£5.984m 2021/22) and £13.253 million to the Police Pension Scheme (£12.543m 2021/22). The main reason this differs from the £36.144 million above is a further £22.891 million contributions funded by Home Office grant (£22.387 million 2021/22).

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the defined benefit obligation is as follows:

	£000 2021/22	£000 2022/23
<i>Local Government Pension Scheme</i>		
Present value of defined benefit obligation	-282,325	-193,758
Fair value of plan assets	208,308	199,135
Net Liability – Local Government Pension Scheme	-74,017	5,377
<i>Police Officer Pension Scheme</i>		
Present value of defined benefit obligation	-1,410,070	-981,826
Fair value of plan assets		
Net Liability – Police Officer Pension Scheme	-1,410,070	-981,826
Total Net Liability arising from defined benefit obligation	-1,484,087	-976,449

The liabilities show the Group’s commitment for future payment of retirement benefits. The total deficit of £976m for 2022/23 has a substantial impact on the net worth of the authority shown on the balance sheet. However, the financial position of the Group remains healthy due to the following:

- The deficit on the local government scheme will be funded by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.
- Funding to cover police pensions is only required when the pensions payments are actually made.

Although the Police and Crime Commissioner is responsible for all assets and liabilities, in order to comply with accounting and audit requirements, the pension liabilities are required to be disclosed in the Chief

Constable's Balance Sheet. To recognise the fact that the Police and Crime Commissioner has ultimate responsibility for these long term liabilities there is a long term pension creditor in his Balance Sheet of equivalent value to the pension liability.

Reconciliation of the Movements in the Fair Value of Scheme Assets and Liabilities

The underlying assets and liabilities for retirement benefits attributable to the Police and Crime Commissioner's Group at 31st March 2023 are as follows:

	<u>Police staff</u>		<u>Police officers</u>	
	£000	£000	£000	£000
Reconciliation of Present Value of Scheme Liabilities				
	2021/22	2022/23	2021/22	2022/23
Opening Entry	-282,359	-282,325	-1,487,200	-1,410,070
Current Service Costs	-18,621	-17,153	-32,700	-28,700
Interest cost on defined benefit obligation	-5,955	-7,955	-29,700	-38,000
Members Contributions	-2,262	-2,118	-5,100	-5,400
Re-measurement gain/(loss):				
• Actuarial gains/losses arising from changes in demographic assumptions	2,357	1,554	14,300	15,900
• Actuarial gains/losses arising from changes in financial assumptions	23,286	126,659	93,900	489,700
• Expected Pension Increase Order				-46,300
• Other	-2,751	-16,875	-3,500	
Past Service Costs	-61		-100	-500
Transfers in/out	-201	20	-200	-300
Settlements/Curtailments				
Benefits Paid	4,242	4,475	40,230	41,844
Surplus/Deficit	-282,325	-193,758	-1,410,070	-981,826
Reconciliation of Fair Value of Scheme Assets				
Opening Entry	188,614	208,308		
Interest income on plan assets	3,907	5,772		
Re-measurement gain/(loss):				
• Return on plan assets (excluding the amount included in net interest expense)	11,693	-18,403		
• Other	-111			
Transfers in/out	201	-20	200	300
Employer Contributions	5,984	5,795	34,930	36,144
Members Contributions	2,262	2,118	5,100	5,400
Benefits Paid	-4,242	-4,475	-40,230	-41,844
Surplus/Deficit	208,308	199,135	0	0

Additional Information about the Defined Benefit Obligation:

Local Government Pension Scheme	Liability Split	
	£000's	Percentage
Active Members	93,538	48.3%
Deferred Members	43,069	22.2%
Pensioner Members	57,151	29.5%
Total	193,758	100.0%

Police Officer Pension Scheme	Liability Split	
	£000's	Percentage
Active Members	309,652	32.6%
Deferred Members	51,000	5.4%
Pensioner Members	590,600	62.1%
Total	951,252	100.0%

Injury Pensions	Liability Split	
	£000's	Percentage
Contingent Injuries	15,374	50.3%
Injury Pension Liabilities	15,200	49.7%
Total	30,574	100.0%

Assumptions to Estimate Assets and Liabilities

For 2022/23, the Police Pension Scheme and the Local Government Scheme has been assessed on a projected basis, using the full actual valuations as at 31 March 2020 (Police) and 31 March 2019 (LGPS). Valuations were carried out by Hymans Robertson. The following assumptions were used to calculate the components of the pensions.

Pension Scheme Basis for Estimating				
	LGPS		All Police Schemes	
	2021/22	2022/23	2021/22	2022/23
Long term expected rate of return on assets in the scheme:				
Equity Investments	2.75%	4.75%		
Bonds	2.75%	4.75%		
Property	2.75%	4.75%		
Cash	2.75%	4.75%		
Mortality assumptions:				
Longevity for current pensioners:				
Men	21.9	21.2	27.1	26.7
Women	24.6	24.4	29.4	29.2
Longevity for future pensioners:				
Men	22.7	22.3	28.4	28.1
Women	26.1	26.0	30.8	30.6
CARE Scheme Revaluation rate			4.45%	4.20%
Rate of Increase in salaries	3.55%	3.45%	3.65%	3.20%
Rate of Increase in pensions	3.15%	2.95%	3.20%	2.95%
Rate for discounting scheme liabilities	2.75%	4.75%	2.70%	4.75%

Longevity is the average future life expectancy at age 65 for staff and at age 60 for officers.

The Police Officers Pension Scheme does not hold investment assets. The actual return on the LGP Scheme Assets for April – March 2023 was 6.1% (8.2% April – March 2022)

The Police and Crime Commissioner's Group accounts for Retirement Benefits in line with IAS 19 and IPSAS 25 and as a result, quoted securities held as assets in the Local Government Pension Scheme are valued at bid value rather than mid-market value.

The total value of assets as at 31 March 2023 is £199.135m (£208.288m March 2022).

Local Government Pension Scheme Assets Comprised:

	31 March 2022			31 March 2023		
	£000			£000		
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total
Cash and Cash Equivalents		939	939		898	898
Equity Securities:						
Consumer						
Manufacturing						
Energy and Utilities						
Financial Institutions						
Health and Care						
Information Technology						
Other						
<i>Sub-total</i>						
Debt Securities:						
Corporate Bonds (investment grade)						
Corporate Bonds (non-investment grade)						
UK Government						
Other						
<i>Sub-total</i>						
Real Estate:						
UK Property		14,519	14,519		13,880	13,880
Overseas Property		8,743	8,743		8,358	8,358
<i>Sub-total</i>		23,262	23,262		22,238	22,238
Investment Funds and Unit Trusts:						
Equities		83,474	83,474		79,798	79,798
Bonds		57,055	57,055		54,542	54,542
Hedge Funds						
Commodities						
Infrastructure		15,856	15,856		15,158	15,158
Other		27,722	27,722		26,501	26,501
<i>Sub-total</i>		184,107	184,107		175,999	175,999
Derivatives:						
Foreign Exchange						
Other						
Total Assets		208,308	208,308		199,135	199,135

Sensitivity Analysis

The sensitivity of the principal assumptions used to measure the scheme liabilities are as follows:

Police Officer Pension Schemes - Change in assumptions at year ended 31 Mar 2023	Approx % increase to employer liability	Approx monetary amount (£000)
0.5% decrease in rate for discounting scheme liabilities	9%	92,407
1 year increase in member life expectancy	3%	29,426
0.5% increase in the rate of increase in salaries	<1%	4,590
0.5% increase in the rate of increase in pensions CPI	8%	77,479

Local Government Pension Scheme - Change in assumptions at year ended 31 Mar 2023	Approx % increase to employer liability	Approx monetary amount (£000)
0.1% decrease in rate for discounting scheme liabilities	2%	4,284
0.1% increase in the rate of increase in salaries	0%	453
0.1% increase in the rate of increase in pensions CPI	2%	3,895

For the LGPS, the actuaries have reviewed the member life expectancy as a principle demographic assumption and estimate that a one year increase in life expectancy would approximately increase the employer liability by around 4%. They have stated that in practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption; whether changes to survival rates predominantly apply at younger or older ages.

Contributions Expected

The projected amount to be charged to Income and Expenditure for the year to 31 March 2024 is as follows:

Local Government Pension Scheme	Assets	Obligations	Net (Liability)/Asset	
	£000's	£000's	£000's	% of pay
Current Service Cost		7,487	-7,487	-20.6%
Past Service Cost inc curtailments				
Effect of Settlements				
Total Service Cost		7,487	-7,487	-20.6%
Interest Income on Plan Assets	9,540		9,540	26.2%
Interest cost on Defined Benefit Obligation		9,306	-9,306	-25.6%
Total Net Interest Cost	9,540	9,306	234	0.6%
Total Included in Surplus/Deficit CIES	9,540	16,793	-7,253	-20.0%

Police Officer Pension Scheme	Assets	Obligations	Net (Liability)/Asset	
	£000's	£000's	£000's	% of pay
Current Service Cost		10,500	-10,500	-24.1%
Past Service Cost inc curtailments				
Effect of Settlements				
Total Service Cost		10,500	-10,500	-24.1%
Interest Income on Plan Assets				
Interest cost on Defined Benefit Obligation		46,000	-46,000	-105.7%
Total Net Interest Cost		46,000	-46,000	-105.7%
Total Included in Surplus/Deficit CIES		56,500	-56,500	-129.8%

Contributions expected to be paid to the schemes during the month of April 2023 are as follows:

Police pension scheme employer's contributions: £1.122m: (£13.464m projected for the year)
Police pension scheme member's contributions: £0.482m: (£5.784m projected for the year)

Local Government pension scheme employer's contributions: £0.485m:(£5.820m projected for the year)
Local Government pension scheme member's contributions: £0.191m: (£2.292m projected for the year)

The Police Pension Fund Account

(Police Officer's Pensions only). Under the Police Pension Fund Regulations 2006 it is not a requirement to meet the pension costs directly but to pay an employer's pension contribution of 31% of pay into a pension fund account.

If the officers and employers contributions are insufficient to meet the cost of pension payments, a top up grant is paid by the Home Office to help meet this obligation. Any surplus on the pension fund account is repaid to the Home Office and the account is balanced to Nil at year end.

Should the pension fund account not be balanced to Nil by pension top up grant then the Police and Crime Commissioner's Group is liable for any additional contribution required.

For 2022/23 the net amount payable on the pension fund account before top up grant was £22.891m. A total amount of £17.810m in pension grant was received, leaving a net amount of £5.081m due from the Home Office.

The balance of £5.081m is included within the Balance Sheet of the Group as a debtor.

Injury Awards

The Police and Crime Commissioner's Group incurs costs relating to Injury Awards for employees forced to leave work through injury. The total cost for 2022/23 was £712,756 (£613,176 2021/22), this was financed through revenue and reserve.

14 Contingent Assets & Contingent Liabilities

Police Officer Pensions Legal Cases

The Chief Constable for Wiltshire, along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015. The claims against the Police pension scheme (the Aarons case) had previously been stayed behind the McCloud/Sargeant judgement, but a case management was held in Oct 2019, with the resulting Order including an interim declaration that the claimants are entitled to be treated as if they had been given full transitional protection and had remained in their existing scheme after 1 April 2015. Whilst the interim declaration applied only to claimants, the Government made clear through a Written Ministerial Statement on 25 March 2020 that non-claimants would be treated in the same way.

On 16 July 2020, HM Treasury issued a consultation regarding transitional arrangements for public sector pensions to eliminate discrimination as identified through the McCloud/Sargeant cases. This consultation introduced a requirement for members to have been members of the scheme on or before 31 March 2012 and on or after 1 April to be eligible for remedy.

On 4 February 2021, HM Treasury issued their response to the consultation which confirmed the remedy arrangements set out in the consultation, and states that members would be given a choice as to whether to retain benefits from their legacy pension scheme, or their new scheme, during the remedy period (2015-2022). This choice will be deferred for members until retirement. As the findings of the original Employment Tribunal did not identify that the introduction of the new public sector pension schemes were discriminatory (rather it was the transitional provisions), the legacy schemes were removed from April 2022 to be replaced by the new pension schemes originally introduced in 2015.

Remedy

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) legislates for how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members.

The main elements of the Act are:

- Changes implemented across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases:
- Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022.
- From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.
- Ensures there are no reductions to member benefits as a result of the 2016 cost control valuations.

Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. For each member with service on or before 31 March 2012 and on or after 1 April 2015 (all eligible members), their liability has been valued for all service accrued after 1 April 2015 according to the scheme benefit structure which provides the member with the higher assumed benefit amount, based on the actuarially assessed cost of these benefits. Any difference in this estimated McCloud allowance is included as ‘other experience’ within the Other Comprehensive Income. The current service cost allows for the current schemes’ benefit design, with the estimated allowance for resolution of the McCloud case being included fully within the Other Comprehensive Income.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2023/24, although this timetable is subject to change.

The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant.

Compensation Claims

Claimants have lodged claims for compensation. Claims for financial losses have been stayed until the remedy is brought into force from 1 October 2023. As at 31 March 2023, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

This is the result of national Governmental changes which have been found to be illegal in the Courts. The financial consequences from these are expected to be reimbursed by central Government.

15 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements in the Statement of Accounts are as follows:

The Police and Crime Commissioner’s Group has had to make judgements about the allocation of income and expenditure between the Police and Crime Commissioner and the Chief Constable. The basis adopted was arrived at after considering the Code of Practice in Local Authority Accounting and the Police Reform and Social Responsibility Act 2011. These arrangements are set out in the Narrative to the Accounts.

The pensions liability relating to PCC staff has been judged to be immaterial and therefore is not disclosed separately in the Single Entity Statement of Accounts. This judgement was made on the basis that the PCC has around 35 staff and no police officers when compared to the Chief Constable who has around 1,040 staff and 1,190 police officers. The local arrangements result in the pensions liability for the Group being disclosed on the Chief Constable's Balance Sheet with a Debtor for the funding to be provided by the PCC. The PCC's Balance Sheet discloses a Long Term Pensions Creditor of equivalent value to the Group's pension liability as he has ultimate responsibility for all Assets and Liabilities.

Wiltshire Police Pensions Fund Account (Police Officer's Pensions only)

2021/22 £000	Fund Account (Note 13 provides further information)	2022/23 £000	2022/23 £000
11,677	Contributions Receivable		
253	Employer contributions 31%	12,337	
354	Other Bodies	204	
5,146	Early Retirements (Ill Health)	593	
17,430	Members	5,395	18,528
233	Transfers In from other schemes	263	263
	Benefits Payable		
31,921	Pensions	33,398	
7,766	Commutations	7,742	
39,687	Lump Sum Death Benefits	223	41,363
	Payments to and on account of leavers		
22	Refunds of contributions	62	
308	Scheme Pays	257	
33	Transfers out to other schemes		
363			319
22,387	Net amount payable for the year		22,891
22,387	Transfer from Police Fund to meet Pension Fund deficit		22,891
0	Net amount receivable for year		0

Net Assets Statement

The accounting treatment of the top-up grant results in a zero net amount receivable from Central Government with no amounts owing to pensioners at 31 March 2023, therefore there is no requirement for a Net Assets Statement.

The Pension Fund Account statement does not take account of liabilities to pay pensions and other benefits after the period end. Details of the Group's long-term pension obligations can be found in the Pensions note.

Glossary

Accounting Period	The period of time covered by the accounts, for Wiltshire PCC this is 1 st April to 31 st March.
Accounting Policies	The principles, rules and practices that guide how events and transactions are recognised, measured and presented in the financial statements.
Actuarial Valuation (Pensions)	An independent report on the financial status of the Pension Fund, which reports the current estimated cost of fulfilling the PCC's future pensions liabilities
Amortisation	The measurement of the use of an intangible asset over its economic life.
CC	Chief Constable for Wiltshire
Capital Expenditure	Expenditure on the acquisition or construction of significant assets such as land and buildings which have a long term value to the PCC.
Capital Grants	Grant income received by the PCC in support of the planned Capital Expenditure.
Capital Receipts	Income from the sale of capital assets.
Carrying Amount	The value for which an asset or liability is represented in the Balance Sheet.
CIPFA	Chartered Institute of Public Finance and Accountancy. A public body that provides guidance for accounting in the public sector.
Collection Fund	The fund maintained by councils for the collection and distribution of local Council Tax receipts. Police precepts are met from these funds.
Contingency	A sum of money set aside to meet unexpected costs.
Contingent Liability	A possible obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured reliably.
COPLAA	CIPFA's Code of Practice on Local Authority Accounting in the UK.
Corporate and Democratic Core	Central activities which the police force engages in specifically because it is an elected authority. There is no basis for apportioning these costs over the individual services.
Creditors	Amounts owed by the PCC for goods or services received but where payment has not yet been made.
Current Assets	Assets that can be readily converted into cash within a short timescale (12 months)
Current Liabilities	Amounts owed by the PCC which are due to be settled in a short timescale (12 months).
Debtors	Amounts due to be paid to the PCC but not yet paid.
Depreciation	The measurement of the use of a tangible asset over its economic life.
Fair Value	The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measured date.
FRC	Financial Reporting Council
GAAP	Generally Accepted Accounting Practices.
GAD	The Government Actuaries Department (GAD) provides actuarial analysis and advice to the public sector.
IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards.
Inventory	The amount of unused or unconsumed stock held for future use.
IPSAS	International Public Sector Accounting Standards.
Impairment	A reduction in the value of an asset due to physical damage or a significant reduction in the market value.
LAAP	Local Authority Accounting Panel that provides guidance on specific issues and accounting developments.
Market Value	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

MRP (VRP)	Minimum Revenue Provision/Voluntary Revenue Provision. An amount set aside each year to finance repayment of debt, In the case of Wiltshire PCC, this refers to the payment of the Finance Cost relating to the Swindon PFI over the course of the contract.
NPCC	National Police Chief's Council (replaces ACPO)
Non Current Assets	Assets that provide benefits to the PCC for a period of more than one year.
Non Distributed Costs (NDC)	Central overheads which cannot be apportioned over services.
OPCC	Office of the Police and Crime Commissioner.
PCC	Police and Crime Commissioner
PCC Group	This refers to the Police and Crime Commissioner and the Chief Constable as a group.
PFI	A private finance initiative (PFI) is a public sector infrastructure project funded with private sector capital.
Precept	A levy collected by the Councils from council taxpayers on behalf of the PCC.
Provisions	Amounts set aside to meet liabilities or losses which are likely to be incurred, but where the actual sum and timing are uncertain.
RCCO	Revenue Contribution to Capital Outturn
Reserves	Funds set aside by the PCC to meet the cost of future expenditure.
Running Costs	General expenditure incurred in the use of premises, transport and equipment such as costs of electricity.
Specific Grant	Grant funding provided to the PCC for use on specific projects.
SSAP	Statements of Standard Accounting Practices.
Third Party Payments	Payments made by the PCC for specialist or support services provided by outside contractors and other bodies.