
The Chief Constable for Wiltshire

Statement of Accounts



2014/2015

Contents of the 2014/15 Chief Constable for Wiltshire Statement of Accounts

	Page
Foreword to 2014/15 Statement of Accounts	2
Statement of Responsibilities for the Statement of Accounts	4
Annual Governance Statement	5
Auditor's Report	10
Comprehensive Income and Expenditure Statement	12
Movement in Reserves Statements	13
Balance Sheet as at 31 March 2015	15
Cash Flow Statement	16
Notes to Accompany the Statements	17
Pensions Fund Account	36
Glossary	37

Explanatory Foreword

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 2014/15, the Service Reporting Code of Practice 2014/15 and the Accounts and Audit Regulations 2011.

The accounts, which follow, show the Chief Constable's (CC) financial results for 2014/15. Comparative figures for 2013/14 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 2012, 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 New Office for the Police and Crime Commissioner for Wiltshire and the Chief Constable for Wiltshire Police.

Following the Police Reform and Social Responsibility Act 2011, the Wiltshire Police Authority was replaced on 22nd November 2012 with 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 first elections for the Police and Crime Commissioner took place in November 2012 and following these elections all staff, property, rights and liabilities transferred to the ownership of the Police and Crime Commissioner and the Wiltshire Police Authority was abolished. A second stage transfer took place on 31 March 2014 to transfer relevant staff and assets to the Chief Constable.

These phased transfers are of a legal consideration and 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. Because substance over form has been applied to the accounts and the stage two transfers are of a legal form there is no change to financial arrangements between the Chief Constable and Police and Crime Commissioner for 2014/15. 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.

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 2015.
- **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 2014/15 was £129.125 million.

Pensions

Liabilities exist for Police Officers who have or are currently contributing funds towards a future pension. The Police Officers Pension scheme is an unfunded scheme. The scheme rules of funding result in Police Forces paying 24.2% 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 Commissioner's Monitoring Board on 8 December 2014. These identified a shortfall of £10.904m between 2015/16 and 2017/18. These shortfalls are due to the Government funding reductions being applied to all Police Forces and will change when the actual funding for 2016/17 is announced in 2015.

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.

M Veale, Chief Constable for Wiltshire Police

Date: September 2015

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 2015 and its income and expenditure for the year ended 31 March 2015. Events that have occurred after the balance sheet date have been considered to the date of approval.

C. Barker
Chief Finance Officer

Date: September 2015

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.

Chief Constable for Wiltshire

Annual Governance Statement

The position as at 31 March 2015.

1. SCOPE OF RESPONSIBILITIES

The Police and Crime Commissioner (PCC) has a duty under the Police Reform and Social Responsibility Act 2011 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. With the Chief Constable (CC) being a separate corporate sole there is a requirement for both parties to produce a governance statement. The CC's statement illustrates the governance in place to ensure his responsibilities are fulfilled to the PCC. The PCC's statement reports on how he fulfils his duties to the public of Wiltshire.

The Financial Management Code of Practice for the Police Service states that the CC is responsible to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force.

The PCC has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government*. 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. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

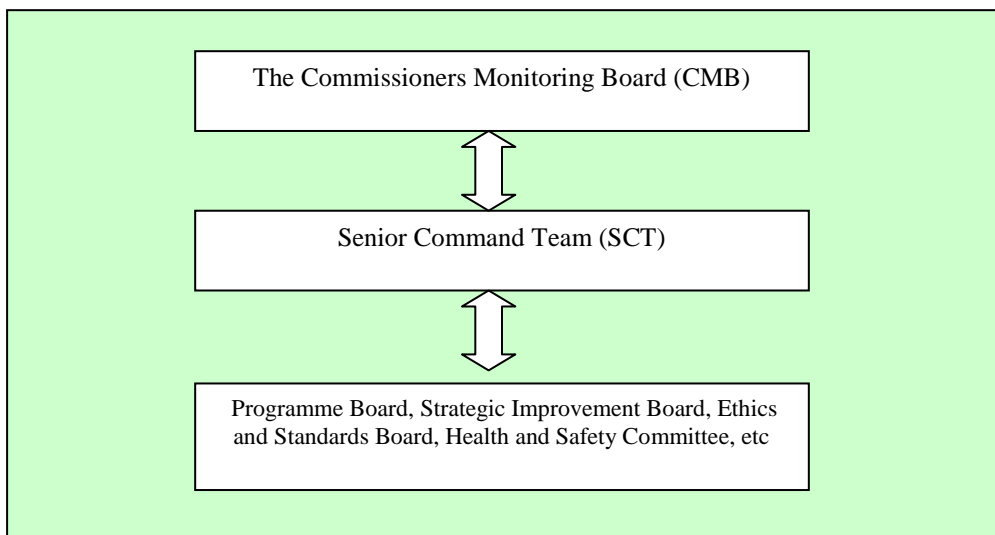
The governance framework comprises the systems, processes, culture and values by which the OPCC and the Chief Constable operate. It enables the OPCC to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the PCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically. The governance framework has been in place for the year ended 2014-15.

3. THE GOVERNANCE FRAMEWORK

Although the Chief Constable is responsible for operational policing matters, the PCC is required to hold him to account for the exercise of those functions and those of the persons under his direction and control. It therefore follows that the PCC must satisfy itself that the Force has appropriate management mechanisms in place, and that these operate in practice.

The overarching structure of governance is shown in the illustration below.



The principal areas that comprise the governance framework are:

- The Commissioners Monitoring Board
- The Independent Audit Committee
- The Scheme of Governance (incorporating Financial and Contract regulations)
- Performance Reporting
- Risk Management
- Professional Standards

The **Commissioners Monitoring Board (CMB)** is key in ensuring strong governance. The Board receives reports on performance, risk, and finance. This ensures the PCC is aware of current risks and issues and reviews areas and calls for reports. These reports do not stray into areas where the Chief Constable is operationally independent. CMB is attended by the PCC, the PCC's Chief Executive and all Force Chief Officers including the joint Chief Finance Officer. In addition to this the PCC meets with the Head of Performance bi-weekly to review progress.

The **Independent Audit Committee's** 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 External Audit, Internal Audit and the Chief Financial Officer.

The Internal Budget Book identifies the authority to spend and the responsibilities of a Budget Holder. 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 within **The Scheme of Governance** (incorporating Financial and Contract regulations) setting the framework for lawful expenditure, delegation and achieving value for money financial thresholds.

The Budget Book is the framework set by the Chief Finance Officer to ensure all purchases are in line with delivering Police and Crime Plan and that Value for Money is achieved. The PCC and Chief Constable share a Chief Finance Officer; this enables clear messages to be given on control procedures and ensures strategic leadership surrounding future financial planning. To date no conflict has incurred as a result of a single officer reporting to two principals. However the possibility of this had been considered and a resolution process provided for in the latest Scheme of Governance. It is important to note that the CC's financial management arrangements conform to the governance requirements of 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

In 2014-15 there has been a move to reporting performance on a qualitative basis rather than quantitative. This change is based on the evidence that targets can lead to perverse behaviours which are not in line with the organisation's objectives. This cultural change in performance monitoring is being promoted by the PCC and the Chief Constable. Force performance is communicated internally via Chief Constable blogs and monthly performance reports available to all staff on the intranet. Where issues are identified, exception reporting occurs using the agreed performance analysis tool. Monthly **performance reporting occurs** at the Strategic Improvement Board. The board is chaired by the Deputy Chief Constable. It receives updates on

priority items and exception reports. Matters are reported to the Senior Command Team meeting and CMB in exceptional circumstances

In July 2015 a new Chief Constable was appointed. It is his intention to review the boards in place and make changes where appropriate. This is to ensure that they are more effective in implementing the Police and Crime Plan and delivering a high quality service to the public. Changes will be discussed and agreed at CMB to ensure proper governance is in place.

Risk Management continues to have a high profile. Each department and major project is expected to have an up to date Risk Register. Significant Risks are managed upwards towards the CC's Risk Register which is reviewed monthly by the Senior Command Team and CMB

A Risk Management Strategy and Policy is in place. This identifies the risks in obtaining our goals and a requirement to manage them well. The published Practitioner's Guide helps managers across the force understand the process and what they are required to follow. The guide recommends a 5 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 (determined by WPA)

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

The **Professional Standards** Department is an essential part of the Governance Framework facilitating whistle blowing via anonymous reporting and investigating complaints. The comprehensive Professional Standards intranet site provides information to our staff on all areas of standards, including standards of professional behaviour, complaints, etc. An Ethics, Standards and Culture Board has also been introduced which provides another control point.

4. REVIEW OF EFFECTIVENESS

The CC conducts annually a review of the effectiveness of the governance framework. Assurance that the control environment is working is obtained in the following manner:

Performance Reporting; With the change to qualitative performance measurement and the move away from numerical targets performance measuring is more about a wide range of areas (often not numerical). To understand whether control has been effective a few high level areas are focused on. The following is included in the PCC's report to the Police and Crime Panel in his review of Wiltshire Police performance;

- Crime has reduced by 2.7%, when compared to both the South West and our most similar forces this is good performance. It should be noted that 29 forces saw an increase in crime.
- Victim Satisfaction is 88.1% This is above the threshold set by the PCC of 87%

The force has been subject to a HMIC review in 2014-15 under the PEEL inspection, the outcome reported on the HMIC website is:

Effectiveness (How well the force tackles crime) Wiltshire Police is **good** at reducing crime and preventing offending. The force is good at investigating offending. It is good at tackling anti-social behaviour. Wiltshire Police is effective at reducing crime and preventing offending. Clear crime prevention and reduction priorities are in place. The force is focused on victims; this has helped maintain the already high satisfaction levels over the past 12 months. Neighbourhood policing is recognised as a strength in engaging communities of all backgrounds in preventing crime and anti-social behaviour. Partnership working is strong in both short and long term initiatives to deal with crime and anti-social behaviour and there is continual development of multi-agency teams.

Efficiency Wiltshire Police will meet the financial challenge of the spending review and the year beyond. However, the plans to collaborate with Wiltshire Council needs further work to turn the ambition into an effective model for providing policing for 2016 and beyond. Wiltshire Police is on track to meet its financial challenge for the spending review period and also for the following financial year of 2015/16. The force is also looking beyond this period and is planning now for further funding reductions and financial pressures in the future. Overall, the force understands the immediate financial issues it faces and has a change programme in

place to achieve the savings required, while minimising as far as possible, the impact on frontline policing. The plans with Wiltshire Council are large-scale and innovative and HMIC recognises the determination of the force to realise the ambition. This developing work will form the basis of how the force will meet future financial challenges beyond 2016. HMIC consider the efficiency in which the force carries out its responsibilities is **good**.

With HMIC assessing force performance as **good** it can be considered that the control measures surrounding performance have been effective.

By using HMIC's Value for Money profiles the PCC and Chief Constable have been able to review the business and identify areas where the organisations costs are higher or lower than other forces. The service leads for all areas have been reviewed and reports produced on their position when compared to other forces. This increases the profile of costs and provides opportunities to learn from peers. This is an effective approach which alongside the guidance in the Budget Book ensures that Value for Money is achieved.

Internal Audit – The CC has a contract with CBSL to provide an internal audit service. In 2014-15, 90 days of audit were planned and delivered covering 13 areas. For each audit a report is produced and provided to the Treasurer and the Force. A summary of the evaluation and recommendations suggested is provided to the Audit Committee. The evaluation system is as follows;

- Substantial Assurance – Robust series of controls which should ensure continuous and effective achievement of the control environment.
- Reasonable Assurance – Reasonable number of controls in place - however may not be operated all the time.
- Limited Assurance – The controls in place are not sufficient to ensure the continuous and effective achievement of the control environment
- No Assurance – Fundamental breakdown or absence of core internal controls.

The review of Commissioning Service Arrangements identified 3 recommendations and a 'limited assurance' rating. These surrounded the reviewing of services procured by the PCC to ensure they had delivered in line with expectations and that Value for Money had been achieved. This remains an issue for review by the PCC to implement changes to strengthen governance.

Asset Management remains a concern. The assurance level has moved from 'no assurance' to 'limited assurance' hence progress has been made. Post October 2015 the change in ICT (desktops to laptops) will be largely complete and result in a more settled environment. Once this has occurred the new systems for ICT, arranged with Wiltshire Council, will be tested to see if the expected improved control environment is in place.

The remaining audits all achieved an assurance level of substantial or reasonable suggesting an effective control environment

External Audit - In January 2013 Grant Thornton were appointed as External Auditors to the CC. This statement relies on the findings reported by Grant Thornton to the Independent Audit Committee and the Notice of Certification of Completion of the Annual Audit, both provided in September 2014. These identified:

- Statement of Accounts – An unqualified opinion.
- Securing value for money – An unqualified conclusion.
- No requirement to publish a public interest report

Risk continues to be managed in a visible, transparent manner. Risk registers are held by all departments and divisions and are regularly reviewed. All major projects are expected to maintain risk registers and manage them actively.

5. SIGNIFICANT GOVERNANCE ISSUES

The CC has identified the following significant governance issues;

No.	Issue	Progress
1.	<p>Partnership Working The strategic alliance with Avon and Somerset Police will require careful management to ensure savings and benefits are obtained with agreement from both areas. How this links with the partnership work in place with Wiltshire Council will require resolution. At times conflict may arise surrounding which partners we should be working with. There is also a risk that the expected financial savings from the alliance are not delivered.</p>	<p>The PCC and the Chief Constable are aware of the risk. Careful management of change with the inclusion of staffing associations is seen as critical. We have set up a governance process with Avon and Somerset Police to ensure decisions are appropriately reviewed and clear decisions taken. A joint Programme Manager has been appointed and in time a team will be created to ensure change occurs in a planned and methodical way.</p> <p>The PCC and Chief Constable acknowledge the risk of possible conflict when merging services. By being open and transparent with all partners, following the strategic objectives, the majority of problems can be avoided.</p>
2.	<p>Financial Context The Medium Term Financial planning update identified savings in excess of £3m per annum are likely to be required in the next three years. Whilst partnership working is expected to deliver 50% of the savings local savings are also required. The savings target may also increase if the impact of the 2013 Pensions Bill is not mitigated by the government in future settlements.</p>	<p>The PCC and the Chief Constable are aware of the risk. Opportunities to make local savings are already being considered. The STOP project surrounding a one team approach is one area which is expected to assist.</p> <p>The Home Secretary has been made aware that Wiltshire will face a £2m increase in costs if the Pensions Bill is implemented without any cover funding. A holding letter has been received, and we do not expect any further information until the spending review in Autumn 2015.</p>

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

Signed

Chief Constable for Wiltshire

Chief Financial Officer of the CC

INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE FOR WILTSHIRE

Opinion on the financial statements

We have audited the financial statements of the Chief Constable for Wiltshire for the year ended 31 March 2014 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes and include the police pension fund financial statements comprising the Fund Account, the Net Assets Statement and the related note. 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 2014/15.

This report is made solely to the Chief Constable for Wiltshire in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Chief Finance Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable for Wiltshire as at 31 March 2014 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and applicable law.

Opinion on other matters

In our opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Chief Constable to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

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

Respective responsibilities of the Chief Constable and the auditor

The **Chief Constable** is responsible for putting in place proper arrangements to secure 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.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the **Chief Constable** has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

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

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

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

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

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the **Chief Constable** put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

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

Conclusion

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

Certificate

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

Simon Garlick
Director for and on behalf of Grant Thornton UK LLP, Appointed Auditor
Hartwell House | 55-61 Victoria Street | Bristol | BS1 6FT

September 2014

Comprehensive Income and Expenditure Statement for the Chief Constable of Wiltshire Police 2014/15

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.

Restated Net Expenditure 2013/14 £'000		Gross Expenditure 2014/15 £'000	Gross Income 2014/15 £'000	Net Expenditure 2014/15 £'000
	See also Note 3 and note 4			
47,741	Local policing	48,531		48,531
10,319	Dealing with the public	11,170		11,170
11,467	Criminal Justice Arrangements	10,264		10,264
6,511	Road policing	4,790		4,790
8,491	Operational Support	8,794		8,794
5,434	Intelligence	5,186		5,186
29,020	Investigations	29,934		29,934
3,817	Investigative Support	4,247		4,247
5,519	National Policing	5,336		5,336
1,007	Corporate & Democratic Core	1,165		1,165
421	NDC - Injury Payments	76		76
	NDC - Pensions Curtailment			Note 11
77	Pension Past Service Cost	-368		-368
129,824	Net Cost of Police Services before intra group funding			129,125
-129,824	Intra Group Funding			-129,125
	Net Cost of Police Services			
41,391	Pension Net Interest			43,916
-41,391	Intra Group Funding (Pension Net Interest)			-43,916
	(Surplus)/Deficit on the Provision of Services			
57,773	Re-measurement of the net defined benefit liability/(asset) Note 11			164,571
-57,773	Intra Group Funding (Pensions re-measurement of the net defined benefit liability/(asset)) Note 11			-164,571
	Other Comprehensive Income and Expenditure			
	Total Comprehensive Income and Expenditure			

Movement in Reserves Statement 2014/15

	General Fund	Earmarked Reserves	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
All reserves are managed by the Police and Crime Commissioner for Wiltshire; the Chief Constable has no transactions or balances to disclose here.						
Balance as at 31 March 2014	0	0	0	0	0	0
Movement in reserves during 2014/15						
Surplus/(Deficit) on provision of services	0	0	0	0	0	0
Other Comprehensive Income and Expenditure	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	0	0	0	0	0	0
Adjustments between accounting basis and funding basis under regulations	0	0	0	0	0	0
Net increase/decrease before transfers to earmarked reserves	0	0	0	0	0	0
Transfers to/from other Earmarked Reserves	0	0	0	0	0	0
Increase/(Decrease) in 2014/15	0	0	0	0	0	0
Balance as at 31 March 2015	0	0	0	0	0	0

Movement in Reserves Statement 2013/14

Restated	General Fund	Earmarked Reserves	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
All reserves are managed by the Police and Crime Commissioner for Wiltshire; the Chief Constable has no transactions or balances to disclose here.						
Balance as at 31 March 2013	0	0	0	0	0	0
Movement in reserves during 2013/14						
Surplus/(Deficit) on provision of services	0	0	0	0	0	0
Other Comprehensive Income and Expenditure	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	0	0	0	0	0	0
Adjustments between accounting basis and funding basis under regulations	0	0	0	0	0	0
Net increase/decrease before transfers to earmarked reserves	0	0	0	0	0	0
Transfers to/from other Earmarked Reserves	0	0	0	0	0	0
Increase/(Decrease) in 2013/14	0	0	0	0	0	0
Balance as at 31 March 2014	0	0	0	0	0	0

Balance Sheet for the Chief Constable of Wiltshire Police as at 31 March 2015

31 March 2014 £000		31 March 2015 £000 £000	
0	Property, Plant & Equipment	0	
0	Investment Property	0	
1,021,381	Long Term Debtor - Pensions	1,229,672	
1,021,381	Total Long Term Assets		1,229,672
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	
-1,021,381	Liability Related to Defined Benefit Pensions Scheme.	-1,229,672	
-1,021,381	Total Long Term Liabilities		-1,229,672
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.

Cash Flow Statement

2013/14 £000		2014/15 £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.

Notes to accompany the Statements

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 2014/15, the Service Reporting Code of Practice 2014/15 and the Accounts and Audit Regulations 2011 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 2012, 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.

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 2014/15 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

The CC for Wiltshire has a policy to create a provision relating to a liability or loss that is likely to be incurred but there is uncertainty as to the size and timing of the liability. Its purpose is specific and will be charged to the revenue account where the expenditure would be incurred. Adjustments are made in the accounts for any bad or doubtful debts. There are no provision transactions in the Chief Constable's accounts.

1.5 Joint Arrangements

Wiltshire Police have entered into numerous collaborative arrangements with other police forces and local authorities. Details of these joint operations 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 2014/15 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 £0.794 million accrual for employee leave entitlements carried over at 31 March 2015.

For 2014/15 there is a £0.470 million increase in the net cost of services where the accrual has increased from £0.325 million in 2013/14, this is reversed out in the 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)

The Police Officers' Pension Scheme is a defined benefit unfunded scheme. Funding rules are in place which results in Police Forces paying 24.2% of Police pay as a pension 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 within Wiltshire Police 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 County 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 15.6% of pay are paid into the fund by the CC for Wiltshire for the year 2014/15; this contribution will increase to 16.9% for 2015/16 and 18.1% for 2016/17.

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.

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.

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 successfully registered for Group VAT during 2014/15 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.

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 made by the Chief Constable for Wiltshire 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 2014/15 the Balance Sheet contains an 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 to the accounts.

During 2014/15 the Employment Appeal Tribunal (EAT) found that overtime which is not guaranteed by the employer, but which the worker is obliged to work, if it is offered should be included in the calculation of holiday pay. The case stems from an apparent conflict between UK law and European Law and it is likely that there will be an Appeal to the decision; however this appeal cannot be taken into consideration for assessing the impact.

No claims have been made at Wiltshire Police to date, the maximum liability is not material and the PCC's Group has a healthy balance of reserves so no provision has been made in the accounts.

3 Service Expenditure Analysis

The Service Expenditure can be analysed in more than one way. The stated SERCOP format is a statutory requirement and requires the majority of costs to be split over service areas. Another way of showing the accounts is with a subjective analysis which categorises costs by type; this is not a statutory requirement but a more traditional way of stating the accounts. The subjective Analysis is shown below.

Restated Net Spending 2013/14 £000		Net Spending 2014/15 £000
46,660	Police Pay and allowances	45,790
31,807	Staff Pay and allowances	30,909
770	Other employee expenses	1,326
24,200	Officer pensions	24,400
4,771	Premises	4,984
3,853	Transport	3,334
9,744	Supplies and Services	10,211
2,548	Third Party Payments	3,629
4,973	Capital Finances	4,834
498	Non-distributed costs	-292
129,824	Total Financial Resources Consumed at request of Chief Constable	129,125
-129,824	Intra Group Adjustment	-129,125
	Net Cost of Services	
41,391	Pension Net Interest	43,916
-41,391	Intra Group Funding (Pension interest cost & expected return on assets)	-43,916
	Total (Surplus)/Deficit on the Provision of Services	

It should be noted that Chief Constable receives charges for use of the Police and Crime Commissioner's assets. This charges are equivalent to the running costs and capital financing incurred by the Police and Crime Commissioner.

4 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.

The 2013/14 Net Cost of Services has been restated to reflect a further £1.04m of costs charged to the Chief Constable for services provided through the PCC in relation to partnerships, mainly the Wiltshire Council alliance (for example provision of the IST service). This results in a £1.04m increase in the resources consumed at the request of the Chief Constable and a £1.04m increase in the intra group adjustment funding. Overall there is no impact to the group accounts.

5 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 2013/14	Number of Employees 2014/15
50,000 - 54,999	40	46
55,000 – 59,999	42	39
60,000 – 64,999	13	7
65,000 – 69,999	5	7
70,000 – 74,999	4	2
75,000 – 79,999	6	1
80,000 – 84,999	1	2
85,000 – 89,999	3	
90,000 – 94,999		1
95,000 – 99,999		3
100,000 – 104,999		1
105,000 – 109,999	1	1
110,000 – 114,999		
115,000 – 119,999		
120,000 – 124,999	1	1
125,000 – 129,999		
145,000 – 149,999		
150,000 – 154,999		
155,000 – 159,999	1	1
Total	117	112

The above disclosure contains details for all staff and all officers whose remunerations, excluding pensions, exceeds £50,000. 11 of the officers included for 2014/15 were seconded out to other Forces or Government organisations as at 31 March 2015 (14 seconded officers included for 2013/14). 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 code of practice requires disclosure of individual remunerations for Senior Officers and Relevant Police Officers, the following tables contain the details for 2014/15 and comparative information from 2013/14. Senior Officers are included in the above banding as well as the following individual disclosures.

Members of ACPO have a vehicle allowance of £6,122 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 2014/15 Clive Barker was in the role of Chief Finance Officer for both the Chief Constable and the Police and Crime Commissioner.

For 2014/15, a total of £1.531m of costs were charged out to external establishments for officers and staff on secondment (£1.353m 2013/14). As at 31st March 2015 there were 18 employees working in external areas on secondment (20 as at 31st March 2014).

Senior Officer Remunerations 2014/15

Post Holder Information	Name	Salary (including fees & Allowances)	Bonuses	Expenses	compensation for loss of office	Benefits in Kind	Total Remuneration excluding pension contributions 2014/15	Pension Contributions	Total Remuneration including pension contributions 2014/15
Chief Constable	P. Geenty	148,042		290		7,369	155,701		155,701
Deputy Chief Constable	M. Veale	117,430		330		6,949	124,709	26,990	151,699
Temp/Assistant Chief Constable	K. Pritchard	99,080		626		4,110	103,816	18,983	122,799
Temp/Assistant Chief Constable	P. Mills	88,833				3,127	91,960	18,983	110,943
Assistant Chief Officer / Chief Finance Officer	C Barker	92,514		258		4,254	97,026	14,115	111,141
Assistant Chief Officer	Z Durrant	94,118		61		1,654	95,833	14,115	109,948

Senior Officer Remunerations 2013/14

Post Holder Information	Name	Salary (including fees & Allowances)	Bonuses	Expenses	compensation for loss of office	Benefits in Kind	Total Remuneration excluding pension contributions 2013/14	Pension Contributions	Total Remuneration including pension contributions 2013/14
Chief Constable	P. Geenty	144,799		335		10,902	156,036	0	156,036
Deputy Chief Constable	M. Veale	116,085		411		7,652	124,148	26,722	150,870
Assistant Chief Constable	A. Tatam	100,187		861		7,709	108,757	22,811	131,568
Chief Finance Officer	C. Barker	82,274		494		4,639	87,407	11,189	98,596

6 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 2014/15, no material transactions were declared by key management personnel.

Wiltshire Police have entered a strategic alliance with Wiltshire Council to look at new ways of working with a joint approach. The changes to date have involved areas of shared services and result in increased payments to Wiltshire Council where the Council have covered initial costs.

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.

7 Joint Arrangements

Wiltshire Police participates in a number of Joint Arrangements. These Joint Arrangements are where the authority will work in collaboration with other organisations to deliver activities which are agreed through a shared control (usually through a shared board).

Joint Arrangements are classified as either Joint Operations or Joint Ventures. Joint Operations are where 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. Wiltshire Police do not participate in any joint ventures.

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

2013/14 £000 Expenditure	2013/14 £000 Income	Joint Operation	2014/15 £000 Expenditure	2014/15 £000 Income
1,423		Black Rock	476	
384		Brunel MCIT	1,463	
		Zephyr	522	
		Tri Services	4,841	
		Forensics	410	
612		SW Special Branch	676	
		Wiltshire Council	4,737	12
1,396	489	Helicopter (prior to NPAS)	982	344
73		MASH	439	

Black Rock

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

The overall cost of the facility for the year was £1.866m; this is split on a percentage basis, with Wiltshire contributing 25%, Avon and Somerset 42% and Gloucester 33%.

There is a PFI building involved in the facility; this PFI contract is owned by Avon & Somerset constabulary but at the end of the contract the asset is to be split equally between the partner forces. Due to this arrangement the PCC for Wiltshire accounts for his share as an asset under construction on his Balance Sheet.

A temporary increase in staff has been agreed by the Board for 2015/16. This is to be funded by a rollover of the 2014/15 Blackrock/Tri-Force underspend.

Brunel MCIT

This collaboration between Avon & Somerset Police and Wiltshire Police forms a shared Major Crime Investigations team (MCIT) for the two Counties.

The overall cost of the facility for the year was £5.889m; this is split on a percentage basis, with Wiltshire contributing 23% and Avon and Somerset 77%. Due to other factors Wiltshire's contribution for 2014/15 was £1.463m which was slightly above the agreed Percentage split.

Zephyr

Zephyr is a collaboration of the police forces in the South West 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 Confidential Unit differs in the apportionment of costs as Devon and Cornwall are not part of the collaboration. The split for this part of the Zephyr collaboration is Avon and Somerset 49%, Gloucestershire 16%, Dorset 18% and Wiltshire 18%.

The overall cost of the collaboration for the year was £4.245m

Zephyr 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 £1.958m.

Avon and Somerset police recently purchased a building for the collaboration; this asset is currently owned and accounted for by Avon and Somerset police.

Tri Services

Tri-Force is a specialist operations (Roads Policing, Dogs and Firearms) collaboration between Wiltshire, Gloucestershire and Avon and Somerset police and is based in 4 response hubs across the 3 Forces. The cost of the collaboration was £20.885m and the cost was split on the following percentage basis; Wiltshire 23%, Gloucestershire 23% and Avon and Somerset 54%.

2014/15 was the first year of the collaboration and reported a surplus of £0.243m. Due to its close links with the Blackrock collaboration it was agreed that the 2014/15 surplus would be rolled over to fund a short term increase in resources for Blackrock. This has benefits for Tri-Force as the temporary increase in resources results in more Officers being Firearms trained and vacancies can be filled faster.

Forensics

SW4 Regional Forensics is a collaboration between Wiltshire, Avon and Somerset, Dorset and Devon and Cornwall police. The collaboration is split into 3 phases the first of which went 'Live' in October/November 2014. Phase 1 operates from 2 hubs, 1 north (Portishead) and 1 south (Exeter) and costs are shared on the following percentage split, Avon and Somerset 35%, Devon and Cornwall 31%, Dorset 19% and Wiltshire 15%.

The cost of the collaboration for 2014/15 was £2.525m. Wiltshire's total cost was £0.410m for the year including initial set up costs.

South West Special Branch

The Special Branch collaboration involves 4 Regional Forces and costs are shared on the following percentage splits, Avon and Somerset 28%, Devon and Cornwall 29%, Dorset 24% and Wiltshire 19%.

The cost of the collaboration totalled £3.555m. Wiltshire's cost being £0.675m.

Wiltshire Council Alliance

Wiltshire Police have entered a strategic alliance with Wiltshire Council to look at new ways of working with a joint approach. The changes have involved areas of shared IST services and result in increased payments to Wiltshire Council where the Council have covered initial costs.

The partnership decides its priorities at a regular joint board and costs of the required services are met as incurred. For 2014/15 Wiltshire Council received total payments amounting to £4.737m from Wiltshire Police for a share of the services; the majority of this relates to capital projects. Total revenue costs (including projects) amounted to £1.5m.

Helicopter

Up until January 2015, the PCC was part of a collaboration with the Air Ambulance Service to provide a shared helicopter resource. This collaboration came to an end in January when Wiltshire Police joined the National Police Air Support contract to provide a shared helicopter resource nationally between police forces. The collaboration with Air Ambulance Service between March 2014 and January 2015 cost £0.982m and was split on a percentage basis with Wiltshire police paying 65% and the Air Ambulance Service paying 35%. The helicopter was supplied on loan as a PFI scheme and was returned to the supplier when the collaboration ended.

Wiltshire MASH:

The Wiltshire Multi Agency Safeguarding Hub (MASH) is a partnership between Wiltshire Police, Wiltshire Council and the Health Authority and is based at County Hall in Trowbridge. The cost of the MASH in 2014/15 was £1.420m. Wiltshire Police costs were £0.439m. Each partner's commitment is reported but there is no formal sharing of costs.

Other Collaborations:

Wiltshire Police is involved in numerous smaller collaborations and partnerships including the Serious Sexual Assault Referral Centre (SSARC), Local Resilience Forum (LRF) and the Youth Offending Team (YOT). More recently Wiltshire Police has entered into a strategic alliance with Avon and Somerset police to look at opportunities to share resources. This alliance is still in its initial stage and no costs have yet been incurred relating to the arrangement.

8 External Audit Fees

Audit fees paid to Grant Thornton in respect of Section 5 of the Audit Commission Act (audit services) were £20k; no other external audit fees were payable.

9 Accounting Standards Issued That Have Not Yet Been Adopted

For 2014/15 the following accounting standard changes have been issued but not yet adopted:

IFRS 13 Fair Value Measurement – this standard seeks to increase consistency and comparability in the measurement of assets and liabilities where a section of the Code requires or permits fair value measurement. New disclosures about fair value measurements will be required under IFRS 13.

IFRIC 21 Levies - this sets out the required accounting treatment for the recognition of liabilities for levies imposed by government.

Annual Improvements to IFRSs (2011-2013 Cycle) - the changes affect the following standards:

- IFRS 1: Meaning of effective IFRSs
- IFRS 3: Scope exceptions for joint ventures
- IFRS 13: Scope of paragraph 52 (portfolio exception)
- IAS 40: Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property.

The impact of these changes to the CC 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 2015/16 Code of Practice in Local Authority Accounting (COPLAA).

10 Termination Benefits

The numbers of exit packages with total cost per band are set out in the table below, they were all compulsory redundancies. The total cost of exit packages includes early pension payments.

Exit package cost band	No. of compulsory redundancies		Total cost of exit packages in each band £'000	
	2013/14	2014/15	2013/14	2014/15
£0-£20,000	17	8	164	74
£20,001-£40,000	6	2	174	48
£40,001-£60,000	4		177	
£60,001-£80,000	1		67	
£80,001-£100,000	1		84	
£100,001-£120,000		1		101

11 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 90% of the staff under the new arrangements with the Police and Crime Commissioner for Wiltshire. Any transactions relating specifically to the Office of the Police and Crime Commissioner would be 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. 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 information that follows is for the pension accounts of the Group.

Pension Schemes

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

Wiltshire Police participates in two schemes:

The Police Pension Scheme for police officers – this is an unfunded scheme, meaning that there are no investment assets held, and actual pensions payments are met from revenue as they are eventually due. Changes were introduced to the pension in April 2006 which result in slight variations between pre and post April employee's schemes. The schemes are administered in accordance with the Police Pensions Regulations 1987 and the New Police Pensions Scheme Regulations 2006.

The Local Government Pension Scheme (LGPS) for civilian employees – this is administered by Wiltshire County Council and is a funded scheme, where the employer 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 Income and Expenditure Account and the Movement in Reserves Statement during the year:

	Local Government Pension Scheme		Police Pension Scheme	
	£000		£000	
	2013/14	2014/15	2013/14	2014/15
Comprehensive Income & Expenditure (CIES)				
<i>Net Cost of Services</i>				
Current Service Costs	5,234	5,061	24,200	24,400
Past Service Costs (Non Distributed Costs)	177	32	-100	-400
Gains and Losses on any Settlements or Curtailments				
<i>Net Operating Expenditure</i>				
Net Interest Expense	1,291	1,316	40,100	42,600
Net Charge to the Surplus/Deficit	6,702	6,409	64,200	66,600
<i>Other Comprehensive Income & Expenditure</i>				
Return on plan assets (excluding the amount included in the net interest expense)	-4,839	-7,145		
Actuarial gains and losses arising on changes in demographic assumptions	3,711		21,700	
Actuarial gains and losses arising on changes in financial assumptions	2,347	25,149	37,600	147,549
Other	-2,446	-782	-300	-200
Total Other Comprehensive Income & Expenditure	-1,227	17,222	59,000	147,349
Total Charge to the CIES	5,475	23,631	123,200	213,949
	Local Government Pension Scheme		Police Pension Scheme	
	£000		£000	
	2013/14	2014/15	2013/14	2014/15
Net Charge to the CIES Surplus/Deficit	6,702	6,409	64,200	66,600
Movement in Reserves Statement				
<i>Adjustments between Accounting & Funding Basis:</i>				
Reversal of net charges made for retirement benefits in accordance with the code	-6,702	-6,409	-64,200	-66,600
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to scheme	3,100	3,540		
Retirement benefits payable to pensioners			22,204	25,749
Actual Costs	3,100	3,540	22,204	25,749

The actual payments made by the Police and Crime Commissioner's Group for employer's contributions 2014/15 are £3.540 million to Wiltshire Council for the Local Government Pension Scheme (£3.110m 2013/14) and £9.574 million to the Police Pension Scheme (£9.724m 2013/14). The main reason this differs from the £25.749 million above is a further £16.175 million contributions funded by Home Office grant (£12.480 million 2013/14).

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	£000
	2013/14	2014/15
<i>Local Government Pension Scheme</i>		
Present value of defined benefit obligation	-125,677	-158,827
Fair value of plan assets	95,796	108,855
Net Liability – Local Government Pension Scheme	-29,881	-49,972
<i>Police Officer Pension Scheme</i>		
Present value of defined benefit obligation	-991,500	-1,179,700
Fair value of plan assets		
Net Liability – Police Officer Pension Scheme	-991,500	-1,179,700
Total Net Liability arising from defined benefit obligation	-1,021,381	-1,229,672

The liabilities show the Group's commitment for future payment of retirement benefits. The total deficit of £1,230m for 2014/15 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.

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 2015 are as follows:

	<u>Police staff</u>		<u>Police officers</u>	
	£000	£000	£000	£000
Reconciliation of Present Value of Scheme Liabilities				
	2013/14	2014/15	2013/14	2014/15
Opening Entry	-112,407	-125,677	-890,400	-991,500
Current Service Costs	-5,234	-5,061	-24,200	-24,400
Interest (cost)	-5,155	-5,470	-40,100	-42,600
Members Contributions	-1,491	-1,468	-5,000	-5,100
Re-measurement gain/(loss):				
• Actuarial gains/losses arising from changes in demographic assumptions	-3,711		-21,700	
• Actuarial gains/losses arising from changes in financial assumptions	-2,347	-25,163	-37,200	-146,900
• Other	2,446	782	300	200
Past Service Costs	-177	-32	100	400
Settlements/Curtailments				
Benefits Paid	2,399	3,262	26,700	30,200
Surplus/Deficit	-125,677	-158,827	-991,500	-1,179,700
Reconciliation of Fair Value of Scheme Assets				
Opening Entry	84,797	95,796		
Interest Income	3,864	4,154		
Re-measurement gain/(loss):				
• Return on plan assets (excluding the amount included in net interest expense)	4,839	7,145		
• Other				
Transfers in/out			-400	-600
Employer Contributions	3,204	3,554	22,100	25,700
Members Contributions	1,491	1,468	5,000	5,100
Benefits Paid	-2,399	-3,262	-26,700	-30,200
Surplus/Deficit	95,796	108,855	0	0

Additional Information about the Defined Benefit Obligation:

Local Government Pension Scheme	Liability Split		Duration
	£000's	Percentage	
Active Members	102,783	64.7%	26.6
Deferred Members	25,778	16.2%	26.8
Pensioner Members	30,266	19.1%	11.8
Total	158,827	100.0%	22.6

Police Officer Pension Scheme	Liability Split		Duration
	£000's	Percentage	
Active Members	608,500	53.6%	25.3
Deferred Members	47,700	4.2%	26.4
Pensioner Members	479,600	42.2%	12.4
Total	1,135,800	100.0%	19.9

Injury Pensions	Liability Split		Duration
	£000's	Percentage	
Contingent Injuries	28,900	65.8%	25.3
Injury Pension Liabilities	15,000	34.2%	17.8
Total	43,900	100.0%	22.7

Assumptions to Estimate Assets and Liabilities

For 2014/15, the Police Pension Scheme and the Local Government Scheme have been assessed on a projected basis, by Hymans Robertson, using the following assumptions to calculate the components of the pensions. The last full actual valuation for the Police Officers Pension Scheme was carried out as at 31 March 2012 and the last full actual valuation for the Local Government Pension Scheme was carried out as at 31 March 2013.

Pension Scheme Basis for Estimating						
	LGPS		Old PPS		New PPS	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Long term expected rate of return on assets in the scheme:						
Equity Investments	4.30%	3.20%				
Bonds	4.30%	3.20%				
Property	4.30%	3.20%				
Cash	4.30%	3.20%				
Mortality assumptions:						
Longevity for current pensioners:						
Men	22.3	22.3	29.3	29.5	29.3	29.5
Women	24.5	24.5	31.5	31.7	31.5	31.7
Longevity for future pensioners:						
Men	24.1	24.1	30.9	31.1	30.9	31.1
Women	26.9	26.9	33	33.2	33	33.2
Market Derived RPI			3.60%	3.30%	3.70%	3.40%
Rate of Increase in salaries	4.60%	4.30%	3.80%	3.40%	3.90%	3.50%
Rate of Increase in pensions	2.80%	2.40%	2.80%	2.40%	2.90%	2.50%
Rate for discounting scheme liabilities	4.30%	3.20%	4.30%	3.20%	4.30%	3.30%

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 Apr – Dec 2014 was 8.1% (9.7% Apr – Dec 2013)

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 2015 is £108.855m (£95.796m March 2014).

Local Government Pension Scheme Assets Comprised:

	31 March 2015			31 March 2014		
	£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	2,594	1	2,595	3,032	0	3,032
Equity Securities:						
Consumer	2,543	0	2,543	2,853	0	2,853
Manufacturing	1,765	0	1,765	1,738	0	1,738
Energy and Utilities	0	0	0	0	0	0
Financial Institutions	467	0	467	1,114	0	1,114
Health and Care	795	8	803	564	41	605
Information Technology	11,222	0	11,222	10,366	0	10,366
Other	709	0	709	407	0	407
<i>Sub-total</i>	17,501	8	17,509	17,042	41	17,083
Debt Securities:						
Corporate Bonds (investment grade)	154	8,672	8,826	137	6,965	7,102
Corporate Bonds (non-investment grade)	0	287	287	0	247	247
UK Government	0	423	423	0	800	800
Other	2	1,575	1,577	283	1,073	1,356
<i>Sub-total</i>	156	10,957	11,113	420	9,085	9,505
Real Estate:						
UK Property	1,400	9,559	10,959	0	8,298	8,298
Overseas Property	0	570	570	0	503	503
<i>Sub-total</i>	1,400	10,129	11,529	0	8,801	8,801
Investment Funds and Unit Trusts:						
Equities	0	48,328	48,328	0	46,889	46,889
Bonds	0	6,775	6,775	0	4,608	4,608
Hedge Funds	0	2,097	2,097	0	4,960	4,960
Commodities	0	0	0	0	0	0
Infrastructure	0	565	565	0	471	471
Other	7,520	852	8,372	0	712	712
<i>Sub-total</i>	7,520	58,617	66,137	0	57,640	57,640
Derivatives:						
Foreign Exchange	-28		-28	0	-273	-273
Other	0	0	0	8	0	8
Total Assets	29,143	79,712	108,855	20,502	75,294	95,796

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 2015	Approx % increase to employer liability	Approx monetary amount (£000)
0.1% decrease in real discount rate	2%	23,700
1 year increase in member life expectancy	3%	35,400
0.5% increase in the salary increase rate	2%	20,700
0.5% increase in the Pensions Increase Rate (CPI)	9%	101,400

Local Government Pension Scheme - Change in assumptions at year ended 31 Mar 2015	Approx % increase to employer liability	Approx monetary amount (£000)
0.5% decrease in real discount rate	13%	19,940
1 year increase in member life expectancy	3%	4,765
0.5% increase in the salary increase rate	5%	8,447
0.5% increase in the Pensions Increase Rate (CPI)	7%	10,932

Contributions Expected

The projected amount to be charged to Income and Expenditure for the year to 31 March 2015 is as follows:

Local Government Pension Scheme	Assets	Obligations	Net (Liability)/Asset	
	£000's	£000's	£000's	% of pay
Current Service Cost		6,166	-6,166	-28.1%
Past Service Cost inc curtailments				
Effect of Settlements				
<i>Total Service Cost</i>		<i>6,166</i>	<i>-6,166</i>	<i>-28.1%</i>
Interest Income on Plan Assets	3,564		3,564	16.3%
Interest cost on Defined Benefit Obligation		5,202	-5,202	-23.7%
<i>Total Net Interest Cost</i>	<i>3,564</i>	<i>5,202</i>	<i>-1,638</i>	<i>-7.4%</i>
Total Included in Surplus/Deficit CIES	3,564	11,368	-7,804	-35.5%

Police Officer Pension Scheme	Assets	Obligations	Net (Liability)/Asset	
	£000's	£000's	£000's	% of pay
Current Service Cost		22,200	-22,200	-60.4%
Past Service Cost inc curtailments				
Effect of Settlements				
<i>Total Service Cost</i>		<i>22,200</i>	<i>-22,200</i>	<i>-60.4%</i>
Interest Income on Plan Assets				
Interest cost on Defined Benefit Obligation		37,800	-37,800	-102.8%
<i>Total Net Interest Cost</i>		<i>37,800</i>	<i>-37,800</i>	<i>-102.8%</i>
Total Included in Surplus/Deficit CIES		60,000	-60,000	-163.2%

Contributions expected to be paid to the schemes during the month of April 2015 are as follows:

Police pension scheme employer's contributions: £0.749m: (£8.988m projected for the year)
Police pension scheme member's contributions: £0.425m:(£5.100m projected for the year)

Local Government pension scheme employer's contributions: £0.324m:(£3.888m projected for the year)
Local Government pension scheme member's contributions: £0.124m: (£1.488m 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 24.2% 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 2014/15 the net amount payable on the pension fund account before top up grant was £16.175m. A total amount of £12.236m in pension grant was received, leaving a net amount of £3.939m due from the Home Office.

The balance of £3.939m is included within the Balance Sheet of the Group as a debtor.

Injury Awards

Wiltshire Police incurs costs relating to Injury Awards for employees forced to leave work through injury. The total cost for 2014/15 was £466,736 (£463,995 2013/14), this was financed through revenue.

Possible Future Liabilities

A recent determination by the Pensions Ombudsman on commutation factors may have implications for police officers who retired from 1 December 2001 to 30 November 2006.

A number of complaints of maladministration against GAD were submitted to the Pensions Ombudsman on the basis that GAD should have reviewed the commutation factors more frequently than it did. The Pensions Ombudsman upheld an initial Firefighter's complaint resulting in compensation of additional lump sum amounts.

It is possible that Wiltshire Police will be required to apply the principles of the Pension Ombudsman's determination to police officers who retired from 1 December 2001 to 30 November 2006 and to make necessary payments. However it is currently not possible to reliably estimate the value of these compensations and any additional police pensions payments that Wiltshire Police is required to make will be met by funding from Home Office pension grant.

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

2013/14 £000	Fund Account (Note 11 provides further information)	2014/15 £000	2014/15 £000
9,054	Contributions Receivable		
198	Employer	8,879	
421	Other Bodies	221	
5,007	Early Retirements (Ill Health)		
14,680	Members	5,132	14,232
185	Transfers In from other schemes	134	134
	Benefits Payable		
22,218	Pensions	23,499	
4,544	Commutations	6,134	
26,762	Lump Sum Death Benefits		29,633
3	Payments to and on account of leavers		
	Refunds of contributions	1	
579	Scheme Pays	166	
582	Transfers out to other schemes	741	908
12,480	Net amount receivable for the year before top up grant		16,175
12,480	Transfer from Police Fund to meet Pension Fund deficit		16,175
0	Net amount receivable for year		0

Net Assets Statement

Due to the Pensions Regulations taking precedence over the Code of Practice, the accounting treatment of the top-up grant results in a zero net amount receivable for the year and no transactions 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 long-term pension obligations can be found in **Note 11**.

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.
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.
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.