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**JOINT INDEPENDENT AUDIT COMMITTEE
23 November 2023.**

SUBJECT	PCC / Group Statement of Accounts 2022-23
REPORT BY	PCC CFO
CONTACT OFFICER	Gillian Holder Gillian.Holder@notts.police.uk
SUMMARY AND PURPOSE OF REPORT To present the 2022-23 draft PCC and Group statement of accounts	
RECOMMENDATION	<i>That the Committee note the draft statement of accounts.</i>

A. SUPPORTING INFORMATION

Members are invited to review the statement of accounts as presented.

B. FINANCIAL CONSIDERATIONS

There are no additional financial implications to those contained in the report.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

None.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES

(including any impact or issues relating to Children and Young People)

None.

E. REVIEW ARRANGEMENTS

None.

F. RISK MANAGEMENT

The management of risk is an integral part of the code of governance and the annual governance statement. The statement of accounts are a key review document in the governance framework.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.



Statement of Accounts 2022-23

The Chief Constable of Nottinghamshire

(Draft V2 as at 13th November 2023)



NOTTINGHAMSHIRE
POLICE
PROUD TO SERVE

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CHIEF FINANCE OFFICER'S NARRATIVE REPORT



NOTTINGHAMSHIRE

Nottinghamshire is a diverse County. It has a mixture of affluent communities and those developing from being former mining areas.

The population of the county is primarily based around the city of Nottingham and the towns of Mansfield, Worksop, and Newark-on-Trent. Nottingham is a major sporting centre and is home to several global companies and two universities.

Our population of approximately 1.2 million is ethnically diverse with 12% identifying as coming from Black, Asian, and other minority ethnic communities which, coupled with our student groups, creates a vibrant to live, work and visit.

We work closely with established and emerging communities to robustly tackle issues such as hate crime, to form relationships and build reassurance, and ensure our organisation better represents the population we serve.

Nottinghamshire is one of five regional forces in the East Midlands and works closely with the others to provide a seamless and efficient service.

The Police and Crime Commissioner determines the level of funding allocated to the Chief Constable for the provision of police services within Nottinghamshire.

The amount of funding available for distribution by the Commissioner is reliant on both Central Government funding and the amount received from local Council Tax payers.

The amount received from Central Government is reducing in real terms year on year, which creates the need for the Commissioner to raise Council Tax by the maximum amount available to ensure real term spending power is not reduced.

During 2020/21 the Government announced investment in policing to recruit 20,000 additional police officers over the next three financial years. Nottinghamshire's element of this increase was 359 additional police officers.

This increase was fully funded by Government via the grant mechanism, as well as additional performance grant for those achieving their uplift allocation. Nottinghamshire achieved its uplift targets one year ahead of uplift timetable, maximizing its performance grants.

GOVERNANCE

The Commissioner is responsible for the totality of policing within the policing area; with operational policing being the responsibility of the Chief Constable.

This responsibility is discharged in accordance with statutory requirements, the Oath of Police Officers, the Police Discipline Code, Police Regulations and the Scheme of Delegation.

There is joint responsibility with the Commissioner for ensuring that public money is safeguarded. To discharge this accountability the Commissioner and senior officers must put in place proper procedures for the governance and stewardship of the resources at their disposal.

Our Priorities

Engage our
Communities

Create a Service that
Works for Local People

Become an
Employer of Choice

Our Mission Statement

'Working with partners and the communities we serve to make Nottinghamshire a safe, secure place to live, work and visit'

PERFORMANCE

The Force has a dedicated workforce of around 4,200 officers and staff, who are supported by an army of hundreds of special constables, cadets and volunteers.

Local policing is complemented by a range of support units and departments that operate across the Force. These include the control room, where staff answer 999 and non-emergency telephone calls, our roads policing section, criminal justice, crime investigation, force intelligence, our dogs' section, the forensics officers who work in our scientific support unit and the team that plans for major events and emergencies.

The graphic on page 9 demonstrates the level of demand on policing in 2022.

Finance 2022-23

The latest Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection report (April 2022) identified that Nottinghamshire Police makes the best use of the finance we have available, and our plans are both ambitious and sustainable.

The report placed particular focus on the coordination between our corporate policies, referring to how well-aligned our financial plan was with other key business areas including our workforce strategy.

Since the PEEL report we have continued to build on these foundations within finance and further developed the intrinsic links to the operational activities of the force to ensure value for money is achieved and financial sustainability is maintained.

In April 2022 we transitioned away from the arrangement with the Multi-Force Shared Services (MFSS) to bring back the transactional elements of finance, learning and development, payroll, and human resource management. This change allowed far greater autonomy over our systems and processes, facilitating enhanced working practices, and realising financial benefits and efficiencies.

The Finance Department now manages all processes in-house through a dedicated set of suitably qualified and experienced professionals, with a clear developmental focus on ensuring we are equipped with the right skills to be able to discharge our duties in the most effective way.

While we have embedded our new in-house model, we constantly strive to find further improvements, thereby ensuring the function develops to provide optimal support to the organisation. Key progression areas include financial training for budget-holders with limited previous experience of managing public money and further streamlining of our internal processes which could lead to cashable and non-cashable efficiencies.

Achievements 2022-23

Levels of recorded crime remaining significantly lower than the 2019-20 Police and Crime Plan baseline, with burglary down 35%, vehicle crimes down 28%, robbery down 21% and violence with injury down 9%.

Nottinghamshire has led the regional roll out of sobriety tagging following a successful local pilot that saw 90% of users with alcohol-related needs abstaining from alcohol consumption over the 2,500 hours of activity monitored. Nottinghamshire was also the first police force in Europe to make use of facial recognition enabled breathalyser technology.

PERFORMANCE (continued)

We achieved our March 2023 officer recruitment target a year ahead of schedule, with Nottinghamshire now having the highest number of officers in force in over a decade. This has helped to ensure that Nottinghamshire maintains a visible, accessible and responsive police service.

Nottinghamshire Police was successful in appointing 418 new officers in the three years to March 2023, significantly exceeding the force's Police Uplift target of 357. This brought the force's officer headcount figure to 2,439.

The force was granted temporary national funding for a further 50 officers in 2022/23 which allowed for the expansion of teams, including Response, Neighbourhood Policing, Operation Reacher and roads policing. This is enabling greater visibility of officers across all areas of the county and supporting ongoing improvements in local services.

We have continued to invest in the Operation Reacher model, strengthening our proactive policing capability. This highly successful model continued to operate across all 12 policing neighbourhood districts throughout 2022-23.

This targeted local activity helped to achieve around 1,900 arrests, 380 warrants, 638 PACE searches, the seizure of 632 vehicles 463 weapons, £998,000 in cash and 762 individual seizures of drugs in the year to March 2023.

We increased the number of cyber investigators within the force's specialist Cyber Pursue team in 2022-23, strengthening Nottinghamshire's capability to pursue crypto currency and digital proceeds of crime.

We have also worked to improve knowledge and understanding of cyber crime among frontline officers and staff via additional training and support

Nottinghamshire maintains one of the strongest levels of call answering performance in the country, with 93% of all 999 calls being answered within 10 seconds.

We have seen a 16% increase in full time equivalent police officers and a 10% increase in full time equivalent police staff roles, as part of the national uplift programme.

There has been a 13% point reduction in the proportion of residents citing drug use and dealing as a problem in their area – having fallen from 42.8% to 30.2%.

A 19% reduction in the number of people killed or seriously injured on Nottinghamshire's roads has been achieved during the year.

The Force remains committed to ensuring crime does not pay and we have seen a 42% increase in levels of criminal assets recovered in terms of confiscations and cash forfeitures.

PERFORMANCE (continued)

We have invested in two unmarked mobile digital forensic units (DigiVans) equipped with technology to enable forensic recovery and 'at scene' with a 24- hour turn-around time for extracting data from victim's mobile devices.

The turnaround for securing digital material from the mobile phones of victims has reduced from 413 hours in 2022 to around 21 hours in 2023, hours significantly reducing the impact that this process has on victims. Evidence of this nature is now used in around 35% of all adult rape cases and is helping to secure improvements in criminal justice outcomes.

The Nottinghamshire Police Cadet programme continues to grow, with 38 cadet leaders 93 cadets and 97 on the waiting list to join as at 31 March 2023. As well as engaging with the police, the police cadets are engaging extensively with local communities through events such as Pride, the Remembrance Day parade, selling poppies and undertaking test purchasing operations for fireworks and knives. A new programme has also been developed this year for the cadets to work towards earning badges in recognition of their work.

Also During the year we have seen:

- A 6.4% point improvement in police compliance with the Victims' Code of Practice, with compliance rising from 90.4% to 96.8%. This follows sustained work to ensure that all victims of crime are receiving the rights and entitlements that they deserve.
 - 9.1% increase in the proportion of crimes resolved via community resolution.
 - Ongoing increases in the number of evidence-led prosecutions being taken forward in the case of domestic abuse. This increased by 10.6% in 2022-23 when compared to the previous year.
 - The proportion of victims accessing PCC commissioned services that reported feeling better able to cope and recover from harm continued to increase from 81.8% to 89.9%.
 - The proportion of domestic abuse victims reporting that they felt better able to cope and recover from harm remained stable at 94%.
 - The proportion of domestic abuse survivors withdrawing support for further action fell by a further 5.4% points.
- Moved to an in-house finance and procurement function including a new finance system which went live on 1 April 2022. New systems were also implemented for HR/payroll.

STATEMENTS ABOUT DEMAND ON POLICING 2022

On an average day during the last year, Nottinghamshire Police:

Received calls



1,436

Created incidents



826

Attended Incidents



533

Average daily recorded cases

Burglaries



13

Violent Crimes



97

Sexual Offences



9

Cases of Fraud



10

Arrests



47

Positive Outcomes



37

Community Resolution



7

Charges



24

Public Protection Notices



91

Supported Domestic Abuse Victims



6

Supported Child Protection Plans



2

Detained and supported vulnerable person



1

Stop and search with a 40% positive outcomes rate



12



Overall Crimes



275

FINANCIAL PERFORMANCE

The outturn for the Force is £233.9m which is an underspend of £2.5m against the original budget.

The PCC agreed that £310k is transferred into reserves in respect of revenue carry forwards, and contributions to the insurance reserve of £1,649k be made. This results in a net contribution to the general fund reserve from the Chief Constable's underspend of £569k

Improvements to monitoring processes continue to develop and the outturn is reviewed monthly.

Any changes are reported to the Force Executive board with requests for the approval of virements. The rolling five year planning model is updated if future years are impacted.

The actual outturn was in line with monthly monitoring during the year, with the main area of underspend being Staff vacancies, investment interest, as well as receiving significantly more income via Home Office grants for uplift performance and pay award contributions.

Performance over previous years has been:

- 2017-18 an underspend of £2.5m
- 2018-19 an overspend of £0.8m
- 2019-20 an overspend of £0.3m
- 2020-21 an overspend of £0.1m
- 2021-22 an underspend of £1.6m

2022-23 Expenditure v Budget Analysis

Nottinghamshire Police Group Outturn Position 2022-23.

Net Expenditure Budget	Budget £m	Efficiencies Allocation £m	Working Budget £m	Outturn £m	Variance £m
Employee	199.3	(0.5)	198.8	202.9	4.1
Premises	8.9	(0.4)	8.5	8.7	0.2
Transport	5.0	(0.7)	4.3	4.3	-
Communications & Computing	10.6	(0.2)	10.4	8.7	(1.7)
Supplies & Services	11.7	-	11.7	12.9	1.2
Partnership & Collaborations	18.4	(1.4)	17.0	16.2	(0.8)
Capital Financing	5.5	-	5.5	7.6	2.1
Income	(19.6)	(0.2)	(19.8)	(27.4)	(7.6)
Total Net Expenditure	239.8	(3.4)	236.4	233.9	(2.5)

The medium term financial plan assumptions have been adjusted accordingly to reflect past and this year's performance.

Individual efficiency savings are not tracked however reductions are made direct to departmental budgets to ensure that these are delivered, it is estimated that efficiency savings were exceeded in the year.

FINANCIAL PERFORMANCE (continued)

Employee Costs

This was £202.9m for the year which was an over-spend of £4.1m against the budget.

The pay award for both Officers and Staff was 5.1% against an estimated 2.0%, creating an extra cost of £4.3m, much of this was off-set by additional grant income.

Overtime was £1.9m above budget, this was due to additional demand and more activity been undertaken via overtime, generally this was funded by grants or other income.

Staffing vacancies were over 7% as the Force struggled to recruit in a difficult marketplace especially for specialist roles, the budgeted rate was 3%. This created an underspend of £(1.8)m with other minor savings a net £(0.3)m.

Premises

This was £8.75m for the year which was a minor over-spend of £0.2m against the budget.

Transport

This was £4.3m for the year which was on budget.

Communications & Computing

Costs were £8.7m for the year which was an under-spend of £(1.7)m against the budget. Following a review of operating practices, the value of stock holding became material, and this value was recognised in the management accounts for the first time. This resulted in a positive benefit of £(1.2)m, other minor savings across may items resulted in a net underspend of £(0.5)m.

Supplies & Services

Costs were £12.9m which was an over-spend of £1.2m against the budget.

This was as a result of the impact of a £0.7m increase in insurance premiums as well as the net impact of higher inflation £0.5m.

Partnership & Collaboration

This was £17.0m for the year which was an under-spend of (£0.8m) against the budget.

Mainly as a result of system transfer cost reductions with the move of services provided by the Multi Force Shared Service (Finance, HR, Payroll etc.) transferring back in-house £(0.5)m and net underspends from policing collaboration activities £(0.3)m.

Capital Financing

This was £7.6m for the year, which was an over-spend of £2.1m against the budget.

The additional spend was due to allocations to reserves, mainly because of additional income earned. These contributions were Uplift Reserve £1.0m, Camera safety Partnership £0.4m, Safer Roads £0.3m, Bad Debts provision £0.3m and ARIS £0.1m.

Income

This was £(27.4)m for the year, which was an increase in income of (£7.6m) compared to budget.

FINANCIAL PERFORMANCE (continued)

Income (Continued)

The Force received additional Government Grants in respect of Uplift of £(2.4)m and support for the pay award of £(1.3)m. Changing interest rates and more proactive treasury management generated £(0.9)m additional investment income.

Home Office payments for the provision of cells for the prison service was a new source of income £(0.3)m, as well as mutual aid income for Op London Bridge was £(0.5)m. income from seconded officers was an additional £(1.1)m.. Fee earning activities generated £(0.7) over the amount budgeted with other minor income changes of £(0.4)m.

2023-24 Budget Breakdown

The proposed revenue budget for 2023-24 is £261.9m as detailed below:-

Net Expenditure Budget	£m
Employee	213.2
Premises	10.9
Transport	4.4
Communications & Computing	13.6
Supplies & Services	12.7
Partnership & Collaborations	27.1
Capital Financing	4.8
Income	(24.8)
Efficiencies (not allocated in above)	-
Net use of reserves	-
Total Net Expenditure	261.9

Locally the Police & Crime Commissioner has fully supported maintaining policing resources and has used their council tax setting freedoms to the full. The Chief Constable has played their part in maximising the use of resources and has delivered both efficiencies and performance improvements.

The Prime Minister announced in November 2019 that by 2023-24 there will be 20,000 additional police officers across the country, of which 357 posts would be in Nottinghamshire. These officers were recruited in full for the 2022-23 Financial year, over one year ahead of the Government's target. Indeed, additional funding for a temporary additional 50 new recruits was received and delivered during 2022-23.

The settlement announcement for 2022-23 provided additional resources to maintain the uplift target and allowed for a £15 increase in precept to cover the cash impact of inflationary pressures, which the Commissioner supported.

This increase is needed to maintain resources in real terms but in themselves are still insufficient to meet the increasing demands and investment required to maintain Police Services, even after allowing for the uplift numbers, therefore on-going efficiency targets will be required.

A balanced and robust budget has been set and approved for 2023/24 with a net revenue expenditure of £261.3m. This includes £24.8m in specific income and £4.7m in efficiencies and savings found from exiting the MFSS, contract provisions and license usage within information technology (IT), reductions in premises and transport, and savings in uniform, recruitment, and overtime costs.

It is worth noting, 'pay and allowances' has seen a £12.6m growth in cost generated from the assumed pay award, increments to officers and staff, and pension contribution rate changes. These pressures continue in the medium-term plan as we look to sustain our employee levels across officers, staff, and police community support officers (PCSOs).

The below table shows our projected financial expenditure over the next four years alongside the full time equivalent (FTE) resources planned for that period:

	2023/24	2024/25	2025/26	2026/27
Net Revenue Expenditure £m	261	272	280	283
Officers	2337	2337	2337	2337
Staff	1485	1485	1485	1485
PCSOs	150	150	150	150

Key Points of Note:

- Officer numbers are maintained at the level recruited through the Police Uplift Programme;
- Projections regarding officer leavers are based on existing knowledge and previous data to aid effective planning of recruitment via the identified routes. This is aligned to our Strategic Workforce Plan;
- Staff and PCSO numbers are projected to remain static in medium-term planning based on current assumptions;
- The net revenue expenditure is based on detailed planning and calculated in conjunction with all departments, as detailed later in this chapter;
- Through a mixture of demand and inflationary pressures, other non-pay budgets, such as overtime, training, and estates, are projected to increase.

OUTLOOK (continued)

To maintain a balanced budget efficiency savings will be required each year of the 5-year medium term plan but the level of savings required at £19m over this period are well within the normal level of business efficiency that we would expect as part of our business as usual plans. The Force has outline plans for the achievement of these efficiencies.

Sufficient on-going review and risk management is in place such that if funding levels anticipated are not forthcoming then delivery of the minimum policing model is achievable in a time frame that does not jeopardise a sustainable policing level.

The Annual Budget, Operational Models, and this Medium-Term plan are sufficiently robust to ascertain that policing in Nottinghamshire is above the levels required to provide an adequate police service and that the Force is sufficiently resourced to ensure this on an on-going and sustainable basis.

War in Ukraine:

As Russia's invasion of Ukraine which began in February 2022 continues, the stability of Europe and indeed the World are under pressure as economies navigate their way through significant disruption to global food supplies, as well as gas and oil. This has caused substantial inflation to which the force is not immune, particularly with regards utility costs for the estates and vehicle fuel.

Cost of Living Crisis:

The culmination of the effects of Brexit, Covid-19, and the ongoing war in Ukraine have caused a high level of volatility in markets as the government attempts to control rampant inflation whilst mitigating against a prolonged recession. Although schemes are in place to support the public with the rising costs, particularly energy, the vast majority of the public can expect to be in worse financial position.

Pay awards are therefore expected to be at higher levels than seen previously as the force looks to support its employees, as well as retain staff in the face of continued low unemployment rates across the country.

We recognise that there remains uncertainty over how long these significant difficulties will remain and therefore the total costs which will be incurred as a result. However, we are confident that the impact can be managed going forward without the use of the Major Incident Reserve and that there will be minimal impact on the general reserve balance.

The assumptions contained within the current Medium Term Financial Plan will be reviewed and revised as necessary during the next budget setting round.

WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (together with the Office of the Police and Crime Commissioner) employs approximately 2,439 police officers, 146 PCSOs, 109 specials and 1,435 staff in full-time and part-time positions.

Active recruitment plans for 2023-24 include positive action to continue to improve the diversity and reflect more closely that of the County.

Nottinghamshire pay an apprenticeship levy equating to 0.5% of the total pay bill. This can be utilised to pay for apprenticeship training and to accredit specific specialist roles to a professional standard, including degree level.

Overall Equality Characteristics

Gender	Headcount	%
Male	2,247	54.42
Female	1,882	45.58
Total	4,129	100.00

Age Band	Headcount	%
25 and under	588	14.24
26-40	1,655	40.08
41-55	1,518	36.77
56 or over	368	8.91
Total	4,129	100.00

Self-Declared Disability	Headcount	%
No/not specified	3,806	92.18
Yes	323	7.82
Total	4,129	100.00

Ethnicity	Headcount	%
Asian/Asian British	131	3.17
Black/Black British	49	1.19
Mixed	87	2.11
White/White British	3,831	92.78
Other	4	0.10
Not Stated	27	0.65
Not known/provided	0	0.00
Total	4,129	100.00

PRINCIPAL RISKS

A risk management strategy is in place to identify and evaluate risk. There are clearly defined steps to support better decision making through the understanding of risk, whether a positive opportunity or threat and the likely impact. The risk management processes are subject to regular review and updates. The key strategic notes relevant to the statement of financial accounts are:

	RISK	IMPACT	MITIGATION
1	Environmental Efficiency	Government directive to improve environmental efficiency to net zero. The speed of change as well as demand and cost increases make the target difficult to achieve.	Force has engaged specialists to review current activity and assist in development of a sustainability strategy.
2	Accounts Completion	Statutory deadlines for review, audit and completion not being met. Force is unable to demonstrate accountability to stakeholders in line with statutory requirements.	Increased number of resources in the Finance Department associated with the production of the final accounts. Ongoing oversight by the Chief Officer Team. Monthly reporting into Force Executive Board. Quarterly reporting into joint independent audit committee (JIAC).
3	Governance and Information Risk Return (GIRR)	Lack of GIRR accreditation increasing the risk of corporate information becoming compromised, leading to monetary penalties and reputational damage.	6 month secondments into Information Management Lead and Data Protection Officer posts. Assistance from neighbouring forces Derbyshire and Northants. Plans in place to renew accreditation.

PRINCIPAL RISKS (continued)

RISK		IMPACT	MITIGATION
4	IS Infrastructure	<p>The IS infrastructure across the organisation is being carefully observed as a result of a number of system failures.</p> <p>Potential deficiencies must be resolved in order for incoming demand to be serviced effectively.</p>	<p>Corporate Services have placed additional resource in to fully understand the issues and support a long-term strategic remedy.</p> <p>A review of system infrastructure undertaken by specialists which has identified an action plan for improvement.</p>
5	Loss of public confidence	<p>Breaches of trust and professional standards by serving officers nationally have resulted in a loss of confidence in the police service.</p> <p>Grading of “requires improvement” in the PEEL Inspection 2020/21 report could further lead to loss of trust and confidence.</p>	<p>Training packages rolled out encouraging officers and staff to take action and identify concerning behaviour.</p> <p>Implementation of governments Violence against Women and Girls Strategy and Action Plan and improvements in community engagement.</p> <p>Regular audits to ensure effective governance and outcomes fed into the Data Quality Board.</p>
6	Recruitment	<p>High number of new inexperienced officers as a result of Op Uplift which could add extra pressure to existing officers as new officers are trained.</p> <p>Lack of detectives nationally leading to an inadequate level of service as well as loss of staff and recruitment challenges due to the cost of living crisis.</p>	<p>Release of response officers through tactical workforce planning and university candidates sought for graduate investigator scheme with fast track to DC.</p> <p>Proactive staff wellbeing monitoring through career conversations and mental health initiatives.</p> <p>Tracking new officer numbers for Op Uplift.</p>

Explanation of Accounting Statements

The Statement of Accounts sets out the Chief Constable's income and expenditure for the year and its financial position at 31 March 2023. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accountancy in the United Kingdom 2022-23; which in turn is underpinned by International Financial Reporting Standards.

A glossary of terms can be found at the end of this publication.

Figures in these accounts are rounded appropriately, generally to the nearest £1,000. Due to this there may appear to be minor inconsistencies or apparent arithmetic errors.

The Core Statements

- **The Comprehensive Income and Expenditure Statement**
This records all income and expenditure for the year.
- **The Movement in Reserves Statement**
This is a summary of the changes to reserves during the course of the year.
- **The Balance Sheet**
This is a “snapshot” of the assets, liabilities, cash balances and reserves at the year end.
- **The Cash Flow Statement**
This shows the reasons for changes in cash balances.

The Supplementary Financial Statements

- **The Notes to the Accounts**
These provide more detail about the accounting policies and individual transactions.













STATEMENT OF RESPONSIBILITIES

The Responsibilities of the Chief Constable

The Chief Constable is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. The Chief Constable has designated this undertaking to the Chief Finance Officer (CFO).
- Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.
- Ensure that there is an adequate Annual Governance Statement.
- Approve the Statement of Accounts.

The Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Statement of Accounts in accordance with proper accounting practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. The statement is required to present fairly, the financial position of the Chief Constable as at the accounting date and its Income and Expenditure for the year ended 31 March 2023.

In preparing the accounts the CFO has:

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

Certification

I certify that in my opinion this Statement of Accounts present a true and fair view of the financial position of the Chief Constable as at 31 March 2023 and its income and expenditure for the year ended 31 March 2023.

M. Kimberley, CPFA
Chief Finance Officer Nottinghamshire Police

Approval

The Statement of Accounts are approved by the Chief Constable.

K. Meynell
Nottinghamshire Police Chief Constable

Nottinghamshire Police

Annual Governance Statement 2022-23



NOTTINGHAMSHIRE
POLICE
PROUD TO SERVE

1.0 Introduction

1.1 Scope of responsibility

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

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

The Chief Constable of Nottinghamshire Police and the Police and Crime Commissioner (PCC) for Nottinghamshire have adopted a Joint Code of Corporate Governance, which is consistent with the principles of the CIPFA 2016 Edition Framework 'Delivering Good Governance in Local Government'. A copy of the Code of Governance can be obtained from the Nottinghamshire Office of Police and Crime Commissioner (NOPCC) website at <http://www.nottinghamshire.pcc.police.uk>.

This Statement has been prepared following an assessment of the key elements of the governance framework, including the role of those responsible for the development and maintenance of the governance environment. The statement explains how the Force has complied with the Code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

1.2 The purpose of the governance framework

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

2.0 The Governance Framework

The principles which form the basis of the Governance Framework and how they are applied within the Force are described in the following sections. The Chief Constable and Chief Finance Officer have put in place management and reporting arrangements to enable them to be satisfied that the approach to the corporate governance arrangements has been effective and supports the aims of the OPCC (Office of the Police and Crime Commissioner), these include.

- The Governance Framework and the principals included within this
- A Risk Management Strategy and arrangements to embed this within the organisation
- The Scheme of Delegation
- The Financial Regulations
- Contract Standing Orders
- The PROUD values
- The Annual Budget setting process

This list is not exhaustive but covers the main documents that set the culture of the method of operation of governance within the organisation.

2.1 Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, respecting the rule of the law

- All officers, staff and volunteers are committed to the Code of Ethics, which find expression in the Force PROUD values.
- The Force continually reinforces the Code of Ethics and expected standards of professional behaviour; guidance and advice is sent to officers and staff using a combination of intranet articles and the Chief's fortnightly video blog.
- The Code of Ethics sits at the centre of the National Decision Model, so is explicitly referenced, and considered in any decision-making situation.
- The Force have embedded the College of Policing's Competency Values Framework (CVF) which sets out nationally recognised behaviours and values into the Leadership Programme.
- The Force have developed a matrix to assess the risk posed by reported notifiable association, this assists the Force in identifying those of greatest risk to the integrity of the Force.
- A Statement of Personal and Pecuniary Interests is completed as part of the Annual Governance Statement process by Chief Officers.
- The Ethics Panel is held quarterly. It raises issues over learning, standards and provides 'safety of voice' to Staff and Officers to raise ethical dilemmas. Attendees include representatives from all staff associations, Police Federation, BPA, LGBT+ and NEWS.
- A PSD led initiative promoting and encouraging interaction with Ethical Dilemmas for staff and officers, which also provides guidance, is linked across to the Ethics Intranet page.
- The Force refer to the Home Office Guidance in relation to Police Officer Misconduct for procedures relating to misconduct, unsatisfactory performance and attendance of police officers and special constables.

- There are clear processes in place around confidential reporting ‘Whistleblowing’ outlined in the Professional Standards Reporting Procedure which was published in 2021. Staff can report corruption or misconduct confidentially to PSD using a number of methods including via the confidential reporting line/online portal; Integrity Messenger.
- There is a new Integrity Messenger system being built in force which will feature increased functionality for sharing screen shots, photographs, etc and better user interface. It will also include the most up to date security and encryption. The launch will be supported with an internal communications plan to try and improve reporting via this method.
- There are robust mechanisms in place with respect to the governance of complaints in Force. Complaints are managed in accordance with statutory guidance provided by the Independent Office for Police Conduct (IOPC).
- The outcome of misconduct proceedings are published on the Force Intranet to reinforce standards and learning. The Meetings and Hearings (M&H) Officer provides a quarterly update on the position of the Force regarding Misconduct and this is disseminated to the Chief Officer Team, Police Federation and Staff Associations.
- Student officers also receive a copy of the Code of Ethics on day one of their training and receive an input from PSD regarding the Standards of Professional Behaviour (SoPB) ethics and values. Throughout training many of the subjects are linked back to the Code of Ethics and the SoPB.
- The Police Staff Misconduct Policy provides a clear framework for all police staff in terms of expected standards of conduct.
- A procedure is in place for the monitoring of business interests and additional employment for police officers and police staff. The Business Interest Policy was rewritten and published in June 2021.
- Business Interests, Additional Employment and Notifiable Associations are reviewed annually within the Integrity Health check, this forms part of the Career Conversations process.
- There are documented processes and controls in place around the Prevention of Fraud and Corruption in the Procurement Process to mitigate risks in relation to procurement fraud.
- Assurance reporting is submitted to the Joint Independent Audit Committee (JIAC) bi-annually relating to complaint recording and the nature of complaints.
- Bi-annually, a report on IOPC investigations is presented at the Joint Independent Audit Committee (JIAC) to inform the OPCC of the Force’s application of the IOPC Statutory Guidance.
- Standards are governed by the quarterly Organisational Risk, Learning and Ethics boards, chaired by the Deputy Chief Constable (DCC). Its remit is to provide a forum to discuss key areas of learning and mandatory compliance with Force values.
- An Ethics Board is held to consider and discuss ethical issues in an advisory and consultative capacity. It considers issues raised at the Organisation Risk, Learning, Standards, and Integrity Board and any matters which are referred from officers, staff, or external groups. A PSD representative attends this meeting chaired by the Deputy Chief Constable.

- The Ethics Panel is held quarterly. It raises issues over learning, standards and provides ‘Safety of Voice’ to Staff and Officers at all levels, to raise ethical dilemmas. Attendees include representatives from all staff associations, Police Federation, BPA, LGBT+ and NEWS (Nottinghamshire Empowering Women to Succeed).
- Dilemmas can be referred in various established accessible routes for employees, and all panel meetings are held on Microsoft Teams improving ease of access. Issues raised are then escalated to the Organisational Risk, Learning and Standards and Integrity board which is chaired by the Deputy Chief Constable who is also the portfolio holder for the Midlands Ethics board. Outcomes, including minutes, agendas and updates, are promoted on the Force’s Intranet, providing feedback into the organisation. Trainees and first line supervisors receive an input from the Ethics lead on decision making in policing and the purpose of the ethics panel in supporting the organisation and its employees.
- The Chief Constable ensures that financial affairs for their force are properly administered having regard to value for money, probity, legality, and appropriate standards, with reference to the Financial Regulations and contract standing orders agreed by the PCC as set out in Part B of the Joint Code of Corporate Governance and Working Together document, which is published on the OPCC’s website.
- The Force is compliant with the CIPFA statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2012), as per the CFO job description and delegations.

2.2 Principle B: Ensuring openness and comprehensive stakeholder engagement

- The Office of the Police and Crime Commissioner (OPCC) is accountable to local people and draws on this mandate to set and shape the strategic objectives for the Force area in consultation with the Chief Constable, taking into account the Strategic Policing Requirement.
- The OPCC has implemented an Independent Community Scrutiny Panel (ICSP). Panel members have been recruited by the OPCC and vetted. The panel has had its first meeting and it will continue to meet quarterly. The purpose of the panel will be to scrutinise and provide challenge to the force from a community perspective and with a particular focus on powers and processes which might threaten community confidence and cohesion.
- The Independent Community Scrutiny Panel (ICSP) meets quarterly and is responsible for selecting for itself those stop searches it wishes to review and will have available to it the accompanying Body Worn Video used by the searching officer to record the encounter.
- The Nottinghamshire Youth Commission enables young people to support, challenge and inform the work of the elected Police and Crime Commissioner for Nottinghamshire and Nottinghamshire Police. It allows young people to get involved and have their say about policing and crime where they live.
- The Youth Commission convene a monthly Youth Independent Advisory Group (YIAG) which provides the Force with advice and recommendations relevant to key priorities set by the force and OPCC on an annual basis. The priority thematic for 2023/24 is trust and confidence in the Police.
- The Force’s Neighbourhood Policing Priority Survey in 2019/20 was Nottinghamshire Police’s biggest public consultation exercise in a decade, giving the public an opportunity to help shape local policing priorities in their area and was branded locally as #NottsMatters. Each Neighbourhood Team has a process whereby they review the Community Survey Data and Priorities through their Local Policing Priority Setting (LPPS) meeting and update these on the Force Website on a quarterly basis.
- Nottinghamshire Police record and store problem-solving plans on the Empowering Communities Inclusion and Neighbourhood Management System (ECINS), on purpose-built Scanning Analysis Response and Assessment (SARA) templates, for all involved parties to contribute individually and record the work they do on a specific problem.

- Sharing good examples of ‘what works’ enables us to focus on tried and tested interventions and approaches to crime prevention and problem solving. Our Inspectors and Sergeants populate a ‘what works’ review document with examples of good practice reviewed by a quarterly What Works Board.
- The HMICFRS PEEL 2020/21 report was received in April 2022. The areas for improvement that have been identified in the report are being managed by the Deputy Chief Constable with actions being implemented through existing force structures. Areas of strength will also continue to be shared and developed further.
- Single Online Home (SOH) is designed to offer the public an easy to use, digital platform where they can communicate effectively with their local police force, including the reporting of crimes. Communities are empowered by convenient access to the information, advice, and services they need. This allows us offer a range of nationally consistent online services to the public, but with our own local identity. Essentially, SOH is a ‘digital front counter’ or digital 101 service.
- The Force has a Strategic Independent Advisory Group, which represents different community groups across Nottinghamshire. They provide a service to the Force in three core areas: critical incidents, building trust and confidence, and advising on strategies, policies, and procedures. The Force has many systems in place for the collection of local survey information that is used to shape the direction of service delivery.
- In accordance with the Freedom of Information (Fol) Act, the force is working towards full compliance in respect of the publication scheme. This will include pro-actively publishing Fol information. This ensures transparency and encourages increased confidence from and accountability to the public and stakeholders.
- Publication scheme monitoring, review and assurance is reported to the Joint Independent Audit Committee (JIAC) on an annual basis to provide a current Force position on the Publication Scheme Requirements. This report, along with all other JIAC progress update reports, is available to view on the OPCC website.
- The force provides regular updates to the OPCC at their public Accountability meetings on the progress made against the force activities. Accountability Board reports are available on the OPCC website.
- The Force contributes to the OPCC’s Annual Report to provide assurance on what has been delivered against the Make Notts Safe Plan. Performance data is presented at the Strategic Performance and Insight meeting and comprehensive updates are presented at the Police and Crime Panel, both on a quarterly basis.
- Consultation and engagement are undertaken with residents and business communities and forms part of key decision-making processes. Formal engagement mechanisms delivered in the community include Victim Satisfaction Surveys, the OPCC’s quarterly crime survey, Neighbourhood Watch Meetings, Neighbourhood priority surveys, Locality Boards, Neighbourhood engagement activity/meetings, Key Individual Networks (KINs) and Independent Advisory Groups (IAG). The OPCC has commissioned bespoke engagement workshops with Black and Minority Ethnic communities to engage with forces and also utilises its Independent Community Scrutiny Panel (ICSP) to relay current issues affecting Black and Minority Ethnic communities. The Business Crime Officer and wider Hub are engaging with retail communities including surveys and engagement with Business Improvement Districts (BIDs) and Business Crime Reduction Partnerships (BCRPs).

City

- There are strong governance processes in place for the City partnerships. Each of the partnerships under the One Nottingham umbrella, including the Crime Drugs Partnership (CDP), have clear terms of reference including a defined purpose, arrangements for information sharing, community engagement and governance and finance.

- The CDP Plan 2022-25 sets out the overall aims, delivery, and performance framework of the partnership to deliver the ‘Safer Nottingham’ agenda of the ‘Nottingham City Strategic Council Plan 2021-23’. The Partnership Plan has been developed with regards to the priorities of the Police and Crime Commissioner.
- There is a robust governance framework in place to oversee the delivery of the Plan. This is directed by the Partnership Board, which provides strategic governance of the partnership.

County

- The three statutory OPCC Community Safety Partnerships (CSPs) are responsible for the delivery of local community safety strategies and action plans. The Safer Nottinghamshire Board (SNB) Delivery Groups support the SNB and CSPs to implement the community safety strategies.
- Each of the three CSPs in the County produce performance information monthly. The OPCC oversees reporting on current performance against targets, comparison against most similar force peers and performance of Partnership Plus areas. For consistency, the CSP performance information mirrors that of the Force Operational Performance Review. The SNB Performance Group brings together key CSP stakeholders to discuss performance risks and highlights.
- Section 22A of the Police Act 1996 provides for a collaboration agreement to be made between Police and Crime Commissioners or between commissioners and chief officers from more than one force area. There are a range of established collaborations in place for a number of specialist front line policing operations that provide services across the Midlands region, including Nottinghamshire. These arrangements are reviewed on a regular basis by respective Chief Constables and Police and Crime Commissioners.

2.3 Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

- The ‘Make Notts Safe’ Plan sets out the vision, values, strategic priorities, and outcomes together with a performance framework in line with requirements under the Police Reform and Social Responsibility Act 2011.
- This Plan is informed by the Police and Crime Needs Assessment (PCNA) which is used as a planning and priority setting tool. The document highlights key trends, issues, risks and threats in the crime community safety and criminal justice environment.
- The ‘Make Notts Safe’ Plan, March 2025, includes priority commitments to achieve value for money and keep collaboration opportunities for policing under review, support changes in policy and practice that help to reduce our carbon footprint and enable our buildings, fleet, and workforce to become more energy efficient.
- At a national level, the Force works to the Strategic Policing Requirement (SPR) which is issued by the Home Office to articulate current national threats and the appropriate national policing capabilities required to counter those threats.
- The Force plays an active part in working with the OPCC to refresh the ‘Make Notts Safe’ Plan each year to set out what activities will be undertaken to deliver the PCC’s key strategic priority themes.
- The strategic priorities set out in the ‘Make Notts Safe’ Plan are aligned to the Force’s Annual Departmental Assessment (ADA), business planning process.

- The force has a robust governance framework in relation to performance. The monthly Corporate Performance Review (CPR) meeting (chaired by the Chief Superintendent for Corporate Services) and the Operational Performance Review (OPR) meeting (chaired by the ACC Crime) are forums for thematic leads to discuss key areas of organisational performance, identify any emerging opportunities and risks, and make decisions about future planning. The Force Performance Board, chaired by the DCC, oversees key areas of performance, both organisational and operational, and is a forum in which to identify any emerging strategic opportunities and risks.
- From a national perspective, the Force is cognisant of the CJ National Scorecard, which brings together data from partners across the justice system (police, CPS and the Courts) and the Digital Crime Performance Pack, which provides data on police performance against the National Crime and Policing Measures referenced in the Beating Crime Plan. The ACC Crime chairs a CJ Strategic Board, which in turn reports into a Multi-Agency CJ Group, chaired by the PCC.
- A Performance and Insight Report is provided to the Strategic Resources and Performance meeting every quarter to ensure that the Police and Crime Commissioner is aware of current performance in line with the strategic priority themes, as set out in the 'Make Notts Safe' Plan.
- Collaboration agreements are in place to outline how business will be undertaken jointly to reduce cost, increase capability, and/or increase resilience to protect local people.
- All activity in response to audit and inspectorate recommendations is monitored via 4Action, an action management system. Progress against activity is reported to the Joint Independent Audit Committee (JIAC) on a quarterly basis.
- A Medium-Term Financial Strategy builds on the proposed budget for 2023-24 and incorporates plans to meet changes in available financing with the need to meet current and future commitments.
- Regular Capital and Revenue reports are provided to the Force Executive Board (FEB) and OPCC to provide an update on the Force's budgetary position and to comply with good financial management and Financial Regulations. This is reviewed and updated regularly to remain flexible for future requirements.

2.4 Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

- There is a robust planning cycle in place which incorporates partnership, Force and OPCC strategic assessments, public consultation, refresh of the 'Make Notts Safe' Plan, departmental planning via Annual Departmental Assessments (ADAs) and the annual budget process.
- The Medium-Term Financial Strategy is a live document to facilitate the demands and changes that can occur within the police so that we can remain operationally on the front foot. The budgeting and long-term planning process is intrinsically linked to the business planning cycle to create a joined-up approach identifying opportunities and risks that are present, and, on the horizon.
- Nottinghamshire Police have a Digital Strategy, aligned with the National Digital, Data and Technology Strategy 2020-2030 for Policing and built on the foundation of the national blueprint. The Nottinghamshire Police Digital Strategy sets out our ambitions for how technology will support the Force to deliver on the Nottinghamshire Police vision. A number of nationally led programmes and capabilities that support UK Policing, by developing nationally consistent services and capabilities enabled by technology.
- Each Head of Department completes an Annual Departmental Assessment (ADA) as part of the annual planning cycle. The ADA is a planning tool used to assess current structure, processes, and cost, considering the current operating context. Options for change are proposed which are aligned to the Strategic Priority Themes.
- Budget meetings with departmental heads take place to ensure future budgets account for any project savings or spend within the department.

- The business remains responsive to threats and opportunities which present themselves throughout the year as part of the risk management process.
- Where a change proposal is approved, a comprehensive analysis of approved change proposals is progressed in the form of an options appraisal (business case) which is presented to the Tactical Futures Board for decision. The business case will indicate how intended outcomes would be achieved and any risks associated with those options.
- The business change governance framework provides a robust reporting structure, which includes project boards, Tactical Futures Board, Strategic Futures Board and the FEB. The framework ensures that oversight and scrutiny is carried out by the relevant authority in a proportionate manner providing assurance that decisions are open and accountable, and that public money is spent wisely.
- Decision making is recorded as part of minutes, action plans and decision logs. Key decisions from FEB are communicated to the organisation through VLOGs by the DCC. This ensures the Force's decision-making processes are transparent.
- A forward plan for FEB is maintained to outline what information is required for each strategic meeting, the Senior Responsible Officer (SRO) and expected timescales.

2.5 Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

- The Head of People Services chairs a Strategic Workforce Planning and Training Priorities meeting. The purpose is to provide strategic overview and direction regarding workforce planning, including establishment levels, workforce mix, skills and capabilities.
- Our talent management programme, 'Career Conversation' has been embedded, which replaces the PDR process. Conversations clearly capture talent across the force via a career matrix grading system. This is reviewed at a governance meeting chaired by the ACC to ensure consistency across the organisation. Leadership and development training initiatives will become targeted around talent matching.
- Career Conversations form part of the application process for police promotion boards effective on all processes in 2022 and 2023.
- The Force has embedded the Competency Value Framework (CVF) which aims to support all policing professionals, setting out nationally recognised behaviours and values. The six competencies and four values of the CVF are embedded into the Force's leadership development programme, recruitment processes and internal assessment procedures.
- The Force recognise and promotes the benefits of collaborative working and continues to work in a number of regional collaborations as well as collaborations with Nottinghamshire Fire and Rescue Service.
- There are 3 staff posts in place to improve continual professional development programs for Sergeants, Inspectors, Senior Investigating Officers (SIOs) and Detectives. This role has introduced more professional and efficient systems to accredit Detectives (PIP2 and investigations managers/supervisors) as well as providing CPD events for Sergeants, Inspectors, SIOs and Detectives.

Area for improvement: The Force should improve its understanding of resource and workforce capability.

2.6 Principle F: Managing risks and performance through robust internal control and strong public financial management

- A Performance and Insight Report is regularly presented to the Strategic Resources and Performance Meeting to ensure that the Police and Crime Commissioner is aware of current performance in line with the Police and Crime priorities. This report is made available on the OPCC website.
- The Annual Statement of Accounts is published on the OPCC website and includes accounting policies and the report of the auditors. The force is currently experiencing delays in the production of its draft accounts for 2021-2022 and for the audit of its 2020-2021 and 2021-2022 accounts.
- A forward plan of 'Decisions of Significant Public Interest' is provided to the Accountability Board on a monthly basis in the interests of accountability and transparency, this is made available on the OPCC website.
- The Force and OPCC have a joint policy for the management of risk, in line with the Cabinet Office approved Management of Risk (MoR) approach.
- An update on risk management has been provided to FEB monthly to inform them of the level of Strategic Risks and to provide assurance as to the effectiveness of risk management arrangement as well as providing an oversight of key themes emerging at departmental level.
- The quarterly Organisational Risk, Learning, Standards, and Integrity Board provides an organisation wide forum for thematic leads and heads of department to discuss key areas of learning and identify any emerging strategic opportunities and risks. Business Continuity is also managed within this forum.
- In compliance with CIPFA guidance, the NOPCC and the Force have appointed a Head of Internal Audit. This role is contracted out to Mazars, who are responsible for the organisation's internal audit service, on behalf of the CFO, including drawing up the internal audit strategy and annual plan and giving the internal annual audit opinion.
- The Force's Operational Performance Review Meeting (OPR) provides an organisation-wide forum for thematic leads to discuss key areas of operational performance, identify any emerging opportunities and risks, and make decisions about future planning and activity.
- A dedicated Business Change department sits under the Corporate Services structure to manage Force Projects. The formal governance process is now fully embedded in Force which comprises of Enablers meeting chaired at Chief Insp level, Tactical Futures Board is chaired at Chief Supt level, and Strategic Futures Board chaired by the DCC. All projects have a full and complete auditable trail consisting of Activity requests, Business Cases, Project End Reports and where required Post Implementation Reviews. This ensures that Nottinghamshire Police has a full understanding of time, cost, resource implications and priority of work linked to strategic objectives.
- An internal review of the Force's approach to strategic risk management was undertaken in 2022 and a new governance process was introduced outlining a defined method for escalating risks to a strategic level. Risks are now discussed at all Senior Management Team meetings and escalated to the Risk Working Group (RWG) if they are unable to be managed. In the RWG, these emerging risks are discussed and agreed if they need to be escalated to the Strategic Risk Board, chaired by the DCC. Once a risk is added to the Strategic Risk Register it is then reviewed by FEB on a quarterly basis. This Risk Register also receives independent scrutiny at the Joint Independent Audit Committee (JIAC).
- Following the Force's exit from the Multi Force Shared Service (MFSS) arrangement, contracts were awarded in March 2021 to ABSS for the finance solution and Midland HR for payroll, human resources, and learning & development. A stage 2 plan from April 2022 to September 2022 for the Regain project took place, overseen by the DCC. Mazars conducted an internal audit of Project Regain for Q1 and Q2 in 2021. The findings of the audit were that there were well established governance arrangements in place along with good controls for the sign-off of key milestones within the programme.

- The Financial Performance and Insight Report, including revenue and capital budget monitoring are reported to the FEB monthly. This is also presented at the Strategic Resources and Performance quarterly meeting. An internal audit on Core Financial System Assurance found the Force to have limited assurance in relation to Income and Debtors, recommendations by the auditors were accepted and an improvement plan agreed.
- In accordance with the Financial Management Code of Practice for the police service, issued by the Home Office, the PCC and the Chief Constable established a Joint Audit and Scrutiny Panel (the Panel) in 2013. The role of the Panel is to advise the PCC and Chief Constable on the adequacy of the corporate governance and risk management arrangements in place and the associated control environment, advising according to good governance principles and proper practices. In 2022 this panel was renamed, the Joint Independent Audit Committee (JIAC).
- The Panel complies with best practice as outlined in Audit Committees: Practical Guidance for Local Authorities and the Police (CIPFA, 2013).
- The Panel also assists the OPCC and the Chief Constable in fulfilling their responsibility for ensuring value for money and they oversee an annual programme of scrutiny of key areas of policing activity on behalf of the OPCC.
- A Strategic Risk Report is provided to the Joint Independent Audit Committee (JIAC) bi-annually to keep the Board informed as to the level of strategic risk within the Force and OPCC and provide assurance as to the effectiveness of risk management arrangements.
- Joint Independent Audit Committee (JIAC) receives an annual report on business continuity, which includes progress made against the business continuity testing timetable and a proposed schedule of forthcoming testing.
- Internal Audit, Review and Inspection Monitoring and assurance and improvement outcomes are presented to the Joint Independent Audit Committee quarterly.
- The Annual Audit letter where available is reported to the Joint Independent Audit Committee (JIAC) on an annual basis.
- The Force's Financial Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable, and their statutory officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
- The Treasury Management Strategy and annual report are reported annually to the Joint Independent Audit Committee (JIAC).
- Regular reporting is made to Joint Independent Audit Committee (JIAC) on legislative compliance with the Freedom of Information Act and Data Protection Act legislation.

Area for Improvement: Implementation of the Internal Audit Recommendations in respect of the Core Financial Systems.

2.7 Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- Both the PCC and the Chief Constable have appointed Chief Financial Officers. The responsibilities of the CFOs for both the PCC and the Chief Constable are clearly set out in line with the Financial Management Code of Practice (Home Office, 2013).
- The Joint Independent Audit Committee (JIAC) operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice.
- Progress reports against the Internal Audit Plan are submitted on a timely basis to the Joint Independent Audit Committee (JIAC) along with the findings from audits completed to date.
- The Force has a robust process to capture HMICFRS recommendations and track through their lifecycle to formulate the Audit and Inspection Report. This is prepared and presented to the Joint Independent Audit Committee (JIAC) on a quarterly basis. This process includes reporting on Super Complaints, which is determined by HMICFRS and the National Police Chiefs Council (NPCC).
- Existing collaborations have an established supporting governance structure and formal Collaboration Agreements as per Section 22A of the Police Act 1996.
- The OPCC has introduced Accountability meetings, with the purpose of providing the public, and other external stakeholders, with confidence that the PCC is effectively supporting, challenging and holding the Chief Constable to account for delivering efficient and effective and policing services. It also monitors progress in delivering the objective of the Commissioners Make Notts Safe Plan and setting the strategic direction of local policing services.
- A programme of internal audit is commissioned and undertaken which reflects published guidance and standards. This is presented to JIAC at the start of the financial year and progress is monitored throughout the year. Papers are available to view on the OPCC website.
- The Police and Crime Panel scrutinise the actions and decisions of the Police and Crime Commissioner and makes sure information is available for the public.
- Police officers, police staff operate within force policies and procedures; the corporate governance framework; disciplinary regulations; codes of conduct and the Code of Ethics. Assurance is provided via the Force and OPCC governance framework.
- The Annual Governance Statement assesses the extent to which the organisation is applying the principles contained within the CIPFA framework. This is published for public scrutiny alongside the Statement of Accounts.
- A policy and procedure framework are required to ensure that corporate documentation is reviewed on a timely basis.
- The Force provides reports in accordance with the Make Notts Safe Plan work programme including specific focus on the Commissioner's priority's documented.

2.8 Update on the recommendations from the Inspection Visit to Police Custody Suites

- HMICFRS conducted an unannounced custody inspection re-visit in September 2019 and found that the Force had made significant progress in relation to the above recommendations. They have confirmed they will undertake a further inspection when the new custody suite is embedded.
- A further internal audit was conducted by Mazars in July 2022 and the force received Limited Assurance. Recommendations were given in relation to the Annual Fire Drill, Adherence to Policies and Guidance, Detainee Complaints, Forensic Testing Surface, Detainees' Privacy and Individual Detainee Needs.
- The Custody Board was established in 2022, led by the Local Policing ACC. This board discusses and addresses KPI's, Health and Safety and any outstanding recommendations from HMICFRS and internal audits.

2.9 Update on the recommendations from the Crime Data Integrity Inspection 2018

- The Force continues to address the recommendations outlined in the 2018 HMICFRS inspection. It was re-inspected in 2021 under the new Integrated PEEL approach, which incorporated Crime Data Integrity together with Crime Investigations. Further areas for improvement, regarding crime data integrity, were included in the 2021/22 PEEL Inspection report. Progression of the work for each of the AFIs is being overseen by the DCC.

3.0 Chief Finance Officer

- As a key member of the leadership team, the Chief Financial Officer (CFO) helps to develop and implement strategy, resource, and deliver the PCC's strategic objectives sustainably and in the public interest.
- On 22nd December 2021 the Force's Chief Finance Officer also undertook the role of Interim Chief Finance Officer. There is a joint protocol in place to manage any conflicts relating to this joint role and the link to the Force and OPCC. On 31st July 2022 the joint Interim Chief Finance Officer role ceased.
- The CFO is actively involved and able to bring influence to bear, on all business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered and aligned with the financial strategy.
- The CFO leads and encourages the promotion and delivery of good financial management so that public money is always safeguarded and is used appropriately, economically, efficiently, and effectively.

- The CFO and Chief Constable agree the Force's risk based Internal Annual Audit Plan for delivery each year and this is presented to the Joint Independent Audit Committee for comment. Delivery of the plan is via external engagement of an appropriately trained and experienced organisation, currently this is provided by Mazar's. Award of the work was via a competitive tendering exercise.
- In respect of external audit, progress reports are provided to the Panel by Ernst Young to provide a summary of the work they plan to undertake for the audit year, together with a high-level assessment of the risks that have been considered as part of the initial planning process.
- The CFO is required to maintain continuous professional development to ensure they maintain knowledge, skills, and experience to enable them to fulfil the duties and statutory obligations of the post.

4.0 Review of Effectiveness/Internal Audit Opinion

- Nottinghamshire Police has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework. The review of effectiveness is informed by the work of the Chief Officer Team, the Heads of Departments and other senior managers within the Force who have responsibility for the development and maintenance of the systems of internal control. It is also informed by the reports of the Force's internal auditors and external inspectorates, such as HMICFRS.
- Where weaknesses in internal controls have been identified, improvement actions have been established, which will be addressed during the forthcoming financial year. Outcomes will be monitored by the FEB and the JIAC, on a quarterly basis.
- From the Internal Audit work undertaken in compliance with the Public Sector Internal Audit Standards (PSIAS) for the year ending 31st March 2023, the opinion on the framework of governance, risk management, and control is Limited in its overall adequacy and effectiveness. This opinion is provided on the basis that there are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective. Certain weaknesses and exceptions were highlighted through internal audit, in particular limited assurance opinions were provided during the period in respect of Core Financials, Environmental Management, Custody, IT Asset Management and IT: Cyber Security. Recommendations have been made and all of these have been or are in the process of being addressed.
- Due to delays in completing the audits for 2020-21 a draft ISA 260 has not yet been issued, although the VFM opinion is still expected to have an exception in respect of financial reporting due to the delays in preparing the Statement of Accounts.

5.0 Improvement actions

The review process to support the production of the Annual Governance Statement identified several improvement actions, which are summarised below. These have been agreed with the respective Divisional and Departmental Heads to address weaknesses identified in the Force's systems of internal control. These issues are significant in that they cover a large proportion of the organisation's activities and/ or are key risk controls and therefore require a corporate solution rather than an individual approach. These are monitored by the Corporate Development Department and reported to the Chief Officer Team to ensure there is senior management oversight of the progress against each of these.

Areas for improvement 2022-23

URN	Identified improvement action(s):	Update	Lead Officer
1.0	Undertake a review to address the effectiveness of vetting and counter corruption arrangements in Nottinghamshire police	Areas for Improvement continue to be addressed. Comprehensive updates are provided regularly to the NPCC and HMICFRS.	D/Supt Hayley Williams
2.0	Undertake a review to address the concerns and recommendations from the inspection of the east midlands regional response to serious and organised crime	Areas for Improvement continue to be addressed	D/Supt Richard Bull

Internal Audit Annual Assurance 2022-23 Report - Areas of Limited Assurance and No Assurance

Limited Assurance	Date	Lead Officer
1 Environmental Management	February 2023	Deputy Chief Constable
2 Cyber Security	March 2023	Chief Superintendent Donna Lawton
3 Custody	March 2023	Chief Inspector Emma Spencer
4 Core Financials	March 2023	Danny Baker, Head of Finance

Nottinghamshire Police was inspected by HMICFRS during 2022/23 in the following areas:

Inspection Area	Type of Inspection	Outcome
An Inspection of Armed Policing	Thematic Inspection Awaiting Report	Awaiting Report
An Inspection of Vetting, Misconduct, and Misogyny in the Police Service	Thematic Inspection Recommendations Forty Three recommendations made in relation to Vetting, Misconduct and Misogyny.	All actions have been addressed and evidence submitted to both NPCC and HMICFRS. This is monitored on a monthly basis.
An Inspection of How Well the Police Tackle Serious Youth Violence	Eighteen forces (including Nottinghamshire) Inspected Recommendations By 31 st March 2024, Chief Constables should make sure their Officers are Trained in the use of Home Office Crime Outcome 22. By 31 st March 2024, Chief Constables should make sure their forces, through data collection and analysis, understand the levels of racial disproportionality in serious youth violence in their force areas.	Recommendations currently being addressed.

Nottinghamshire Police was inspected by HMICFRS during 2022/23 in the following areas:

Inspection Area	Type of Inspection	Outcome
<p>An Inspection into how well the Police and other Agencies use Digital forensics in their Investigations</p>	<p>Thematic Inspection</p> <p>Recommendations</p> <p>By December 2023, each force in England and Wales should develop a governance and oversight framework to better understand the local demand for digital forensic services.</p> <p>By September 2023, the National Police Chief's Council and all forces within England and Wales need to include the management of digital forensic kiosks in their governance and oversight frameworks.</p> <p>By November 2024, Chief Constables should integrate digital forensic services under their existing forensic science structure.</p>	<p>Recommendations currently being addressed</p>
<p>Twenty years on, is MAPPA achieving its objectives? A Joint Thematic Inspection of Multi-Agency Public Protection Arrangements</p>	<p>Thematic Inspection</p> <p>Recommendations</p> <p>Police Forces should ensure:-</p> <p>All MAPPA nominals managed at Levels 2 and 3 are allocated to a suitably trained police offender manager.</p> <p>Workloads for staff managing sexual offenders are reviewed against national expectations and, where found to be excessive, take steps for mitigation and communicate this to affected staff.</p>	<p>All actions have been addressed and evidence submitted to HMICFRS. Force is awaiting formal sign off by HMICFRS.</p>

Nottinghamshire Police was inspected by HMICFRS during 2022/23 in the following areas:

Inspection Area	Type of Inspection	Outcome
<p>The Police Response to Burglary, Robbery and other Acquisitive Crime</p>	<p>Thematic Inspection</p> <p>Recommendations</p> <p>By March 2023, forces should make sure their crime scene management practices adhere to the authorised professional practice on managing investigations for SAC or provide a rationale for deviating from it. They should also include:</p> <p>Giving victims timely and appropriate advice during their initial call; and</p> <p>Applying a risk assessment process such as THRIVE, clearly recording it, and flagging those re-victimised for further support.</p> <p>By March 2023, all forces should ensure SAC investigations are subject to effective supervision and direction. This should focus on:</p> <ul style="list-style-type: none"> • making sure supervisors have the capability and capacity to meaningfully supervise investigations; • making sure investigations meet the necessary standard and achieve suitable outcomes that consider the voice or opinion of victims; • applying investigative outcome codes appropriately; and • complying with the Victims' Code and recording evidence of compliance. 	<p>All actions have been addressed and evidence submitted to HMICFRS. Force is awaiting formal sign off by HMICFRS.</p>

Chief Constable and Chief Finance Officer Declaration

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

Signed:

Signed:

Kate Meynell
Chief Constable

Mark Kimberley
Chief Financial Officer

FINANCIAL STATEMENTS



0	0	0
42	30	96

0	0	0
42	30	96

Comprehensive Income and Expenditure Statement (CIES)

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

Precepts are made to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure Funding Analysis and the Movement in Reserves Statement.

2021-22				2022-23		
Expenditure	Income (Note 13)	Net		Expenditure	Income (Note 14)	Net
£'000	£'000	£'000		£'000	£'000	£'000
295,166	(20,981)	274,185	Cost of Police Services	292,233	(27,475)	264,758
-	(264,140)	(264,140)	Funding from the Commissioner	-	(272,743)	(272,743)
295,166	(285,121)	10,045	Cost of Services	292,233	(300,218)	(7,985)
58,634	-	58,634	Financing and Investment (Income) and Expenditure	77,094	-	77,094
353,800	(285,121)	68,679	(Surplus) or Deficit on Provision of Services	369,327	(300,218)	69,109
		(90,659)	Other Comprehensive (Income) and Expenditure			(1,003,782)
		(21,980)	Total Comprehensive (Income) and Expenditure			(934,673)

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement during the year on the different reserves held, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Chief Constable holds no usable reserves.

The Statement shows how the movements in reserves are broken down between gains and losses incurred in accordance with the Code and the statutory adjustments required to return to the amounts chargeable to Council Tax for the year.

2022-23	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2022	-	2,932,721	2,932,721
Movement in reserves during year			
(Surplus) or deficit on the provision of services	69,109	-	69,109
Other Comprehensive (Income) / Expenditure	-	(1,003,782)	(1,003,782)
Total Comprehensive Income and Expenditure	69,109	(1,003,782)	(934,673)
Adjustments between accounting basis and funding basis under regulations	(69,109)	69,109	-
Decrease in year	-	(934,673)	(934,673)
Balance at 31 March 2023	-	1,998,048	1,998,048

2021-22	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2021	-	2,954,701	2,954,701
Movement in reserves during year			
(Surplus) or deficit on the provision of services	68,679	-	68,679
Other Comprehensive (Income) / Expenditure	-	(90,659)	(90,659)
Total Comprehensive Income and Expenditure	68,679	(90,659)	(21,980)
Adjustments between accounting basis and funding basis under regulations	(68,679)	68,679	-
Increase in year	-	(21,980)	(21,980)
Balance at 31 March 2022	-	2,932,721	2,932,721

Balance Sheet

The Balance Sheet gives a value of net worth and corresponding reserves at a particular moment in time. All reserves are unusable and reflect valuation estimates on pensions and employee holiday / time owed.

All non-current assets are owned by the Commissioner and all usable reserves are held by the Commissioner.

31 March 2022 £000		31 March 2023 £000
(4,408)	Short-Term Creditors - Accumulated Absences	(4,355)
(4,408)	Current Liabilities	(4,355)
(2,928,313)	Other Long-Term Liabilities - Pension Liabilities	(1,993,693)
(2,928,313)	Long Term Liabilities	(1,993,693)
(2,932,721)	Net Assets	(1,998,048)
2,932,721	Unusable Reserves	1,998,048
2,932,721	Total Reserves	1,998,048

Cash Flow Statement

The Cash Flow Statement shows that there are no cash flows through the Chief Constable Entity.

2021-22 £000		2022-23 £000
68,679	Net (surplus) or deficit on the provision of services	69,109
(68,679)	Adjustment to (surplus) or deficit on the provision of services for noncash movements	(69,109)
-	Net cash flows from activities	-

NOTES TO THE ACCOUNTS



Note 1 – General Principles

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

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

Note 2 – Going Concern

The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Force will continue in operational existence for the foreseeable future. The provisions in the Code (Code Of Practice On Local Authority Accounting In The United Kingdom 2022-23) in respect of going concern reporting requirements reflect the economic and statutory environment in which Police and Crime Commissioners and police forces operate.

These provisions confirm that, as Police and Crime Commissioners and police forces cannot be created or dissolved without statutory prescription, they must prepare

Annual Statement of Accounts are required to be published under the Accounts and Audit Regulations 2011, in accordance with proper accounting practices.

These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23 (The Code) and the Best Value Accounting Code of Practice 2022-23, supported by International Financial Reporting Standards (IFRS).

their financial statements on a going concern basis of accounting.

Police and Crime Commissioners and Chief Constables carry out functions essential to the local community and Police and Crime Commissioners are revenue-raising bodies (with limits on revenue raising powers arising only at the discretion of central government). If a Police and Crime Commissioner was in financial difficulty, the prospects are thus that alternative arrangements would be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than

The Accounts have been prepared on a 'going concern' basis. Under The Act, The Chief Constable and the Commissioner are separate 'Corporation Sole' bodies. Both are required to prepare separate Statement of Accounts.

one financial year. As a result of this, it would not be appropriate for the financial statements to be prepared on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a Police and Crime Commissioner will continue to operate for the foreseeable future.

Note 3 – Accruals of Income and Expenditure

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

In particular:

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

Note 4 – Exceptional Items

There are no exceptional items applicable in the year.

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

There have been no changes in Accounting Policies, applicable to the Chief Constable in the year.

In applying accounting policies, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. There are no critical judgements made in the Statement of Accounts.

The largest area of estimation included within the accounts is in staff related costs. Accruals for overtime, bonuses, early retirement costs and other one-off payments have been checked retrospectively and found to be reasonable.

Note 6 – Charges to the CIES for Non-Current Assets

Although the Chief Constable does not directly hold any non-current assets, a charge for depreciation is included as a proxy for using those assets.

Note 7 – Government Grants and Contributions

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

Note 8 – Allocation of Costs

The charges to the Comprehensive Income and Expenditure Account reflect the way management decisions are made.

The basis of splitting costs between The Commissioner and the Chief Constable for revenue is based on operational activity of the Chief Constable.

All assets and liabilities belong to the Group apart from the provision for accumulated absences and pension liabilities that relate for the officers and staff that report to the Chief Constable.

The Chief Constable is therefore a single service entity.

Note 9 – Joint Operations & Associate Entities

These are accounted for in accordance with IAS 31 - Interests in Joint Ventures, according to agreed proportions of use. They are all governed by Section 22 Agreements.

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

The OPCC's share of Joint Operations (JO's) is as follows:

Ownership %	Arrangement	2022-23		
		Expenditure £000	Income £000	Net £000
27.30%	EM Major Crime	233	(240)	(7)
27.30%	EM Legal Services	548	(542)	6
34.90%	EM Criminal Justice	71	(73)	(2)
27.30%	EM Serious Organised Crime	8,171	(8,226)	(55)
27.30%	EM Occupational Health Unit	536	(542)	(6)
31.42%	EM Learning & Development	423	(431)	(8)
27.30%	EM Forensics	2,708	(2,645)	63
22.60%	Emergency Services Network (ESN)	77	(81)	(4)
31.04%	Multi Force Shared Service (MFSS)	870	(870)	-
		13,637	(13,650)	(13)

The OPCC does not have any Associate Entities in 2022-23.

Note 10 – Provisions

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

Note 11 – VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Note 12 – Resources used in Provision of Police Services

Although all transactions during the year are solely within the Accounts of the Commissioner and all assets are owned and controlled by the Commissioner, the Chief Constable uses resources to provide policing.

It includes the cost of depreciation on assets owned as a proxy for the rental value. It includes all adjustments required under IFRS for accrued employee benefits and pension costs.

Note 13 – Expenditure Funding Analysis

This statement shows how annual expenditure is used and funded from annual resources (government grants and Council Tax).

This is compared with the CIES which includes economic resources consumed or earned in accordance with generally accepted accounting practices.

2021-22				2022-23		
Net Expenditure Chargeable to the General Fund £000	Adjustments £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to the General Fund £000	Adjustments £000	Net Expenditure in the CIES £000
264,140	10,045	274,185	Cost of Police Services	272,743	(7,985)	264,758
(264,140)	-	(264,140)	Funding from the PCC	(272,743)	-	(272,743)
-	10,045	10,045	Net Cost of Services	-	(7,985)	(7,985)
-	58,634	58,634	Other (Income) and Expenditure	-	77,094	77,094
-	68,679	68,679	(Surplus) or Deficit on Provision of Service	-	69,109	69,109

Note 13 – Expenditure Funding Analysis (continued)

2022-23	Net Pensions Statutory Instruments £000	Other Statutory Adjustments £000	Total Adjustments £000
Cost of Police Services	(7,932)	(53)	(7,985)
Net Cost of Services	(7,932)	(53)	(7,985)
Other Income and Expenditure	77,094	-	77,094
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	69,162	(53)	69,109

2021-22	Net Pensions Statutory Instruments £000	Other Statutory Adjustments £000	Total Adjustments £000
Cost of Police Services	8,768	1,276	10,045
Net Cost of Police Services	8,768	1,276	10,045
Other Income and Expenditure	58,634	-	58,634
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	67,403	1,276	68,679

The Net Change for the Pensions Adjustments in 2022-23 is the replacement of pension contributions with IAS 19 pension related expenditure and income.

This is the current service costs and past service costs. For other income and expenditure this is the net interest on the defined benefit liability, which is charged to the CIES.

Other Differences – represents the difference in accumulated absences charged to the CIES and amounts paid for taxation purposes (being accrued leave).

Note 14 – Income

2021-22 £000	Credited to Services	2022-23 £000
(1,355)	Partnership and Joint Controlled Operations	(1,952)
(588)	PFI Grant	(588)
(3,208)	Recharge of Officers	(4,810)
(15,830)	Other Income	(20,124)
(20,981)	Total	(27,475)

Note 15 – Income and Expenditure Analysed by Nature

2021-22 £000	Nature of Expenditure or Income	2022-23 £000
(20,981)	Service Income	(27,475)
249,800	Employee Expenditure	245,530
45,365	Running Expenses	46,703
(264,140)	Income from Commissioner	(272,743)
-	Pension Interest Income	-
58,634	Pensions Interest Payment	77,094
68,678	(Surplus) or Deficit for Year	69,109

Note 16 – Adjustment between Accounting and Funding Basis under the regulations

2021-22 £000	Adjustment between Accounting and Funding Basis under the regulations	2022-23 £000
68,533	Pension Cost (transferred to/(from) the Pension Reserve	69,162
-	Pension Reserve Adjustment of PCC / CC b/f split	-
147	Holiday pay (adjustments to the Accumulated Absences Reserve)	(53)
68,680	Total	69,108

Note 17 – Unusable Reserves

31 March 2022	Type of Reserve	31 March 2023
£000		£000
2,928,313	Pensions	1,993,693
4,408	Accumulated Absences	4,354
2,932,721	Total	1,998,047

31 March 2022	Pensions Reserve	31 March 2023
£000		£000
2,950,440	Balance 1 April	2,928,314
-	Analysis adjustment between PCC and CC	-
(90,659)	Remeasurements of the net defined benefit liability/(asset)	(1,003,782)
143,046	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement	146,859
(74,513)	Employer's contributions to pensions schemes	(77,697)
2,928,314	Balance 31 March	1,993,694

31 March 2022		Accumulated Absence Reserve	31 March 2023	
£000	£000		£000	£000
	4,260	Balance 1 April		4,408
(4,260)		Settlement or cancellation of accrual made at the end of the preceding year	(4,408)	
4,408		Amounts accrued at 31 March 20XX	4,355	
	147	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		(53)
	4,408	Balance at 31 March		4,355

Note 18 – External Audit Costs

Ernst and Young LLP are the appointed external auditors.

The accrued cost is £101k (£139k accrued in 2021-22), but due to delays in the production of the accounts and increased external audit scrutiny, these costs may be increased once the audit of accounts has been completed.

As these figures are not material, any additional costs will be charged to the financial year in which they are paid and the accounts will not be updated for the payments.

Note 19 – Defined Benefit Pension Scheme

The employer makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the value of this is included within the CIES. The total value of the liability is carried on the Balance Sheet. The statutory arrangements ensure that funding will meet payments. Actuarial gains and losses are charged to the Pension Reserve.

Full pensions notes are included within the Group accounts. Summary information relating to the Chief Constable entity is included here. The Chief Constable information is extracted on a pro rata basis.

Employees are members of two separate defined benefits pension schemes providing retirement lump sums and pensions, earned whilst employed by the Group. There is a scheme for staff and one for officers.

The Local Government Pensions Scheme:

The Local Government Pensions Scheme (LGPS) for staff is administered by Nottinghamshire County Council. This is a funded scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. This scheme is a multi-employer scheme and the underlying assets and liabilities cannot be directly identified with individual employers. Therefore assets and liabilities are incorporated within these accounts on an apportioned basis at fair value. The figures are calculated by Barnett Waddingham (Actuaries), based on membership data as at 31 March 2022 for members receiving funded benefits and for any members receiving unfunded benefits.

The Police Pension Scheme:

The Police Pension Scheme for police officers is an unfunded scheme, meaning that there are no investment assets built up to meet the pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, the Group must transfer amounts to reduce the balance on the Pension Fund to zero. This is via the Pension Top-up grant from the Home Office. Conversely a surplus would be paid over. Employee's and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. The figures are based on a detailed valuation using information as at 31 March 2020.

Note 19 – Defined Benefit Pension Scheme (continued)

When assessing the potential implications of McCloud on the IAS19 liabilities, the actuary has considered those members with benefits in the 2015 scheme who were former members of the 1987 and 2006 schemes. The actuary has calculated the additional liability arising had these members not ceased to accrue benefits in the 1987 and 2006 schemes on 1 April 2015 (or after this date if their start date in the 2015 Scheme was tapered) and had continued instead to accrue final salary benefits in the 1987 and 2006 Schemes. The actuary has also included the impact for those who retired after joining the 2015 Scheme. Whilst members who left the service over this period and took deferred benefits were considered, the actuary concluded the effects are not material.

The costs emerging are sensitive to the underlying assumptions. The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgment will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation took place in 2020 with implementation of the results planned for 2023-24 and forces will need to plan for the impact of this on employer contribution rates alongside other changes identified through the valuation process.

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 police 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 enough 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.

Note 19 – Defined Benefit Pension Scheme (continued)

2021-22		Pension Fund Comprehensive Income and Expenditure Statement	2022-23	
LGPS £000	Police £000		LGPS £000	Police £000
21,839	60,430	Current Service Cost	20,100	49,550
140	-	Admin Expense	115	-
872	-	Past Service Cost	-	-
-	-	(Gain) / loss from curtailments	-	-
4,769	54,430	Net interest expense / (income)	4,184	72,910
27,621	114,860	Total charged to (Surplus) and Deficit on Provision of Services	24,399	122,460
		Other Costs - Remeasurement of the defined benefit liability		
(20,892)	-	Return on Assets	13,325	-
(15,806)	24,460	Actuarial (gains) & losses – experience	32,527	158,610
(21,795)	-	Actuarial (gains) & losses arising on changes in demographic assumptions	-	(43,490)
(23,863)	(35,620)	Actuarial (gains) & losses arising on changes in financial assumptions	(217,244)	(947,510)
2,857	-	Other Actuarial (gains) and losses	-	-
-	-	Return on plan assets (exc amount included in the net interest expense)	-	-
(51,878)	103,700	Total charged to the Comprehensive Income and Expenditure Statement	(146,993)	(709,930)

Note 19 – Defined Benefit Pension Scheme (continued)

2021-22		Pension Fund Movement in Reserves Statement	2022-23	
LGPS £000	Police £000		LGPS £000	Police £000
28,186	114,860	Reversal of net charges made to the (Surplus) or Deficit on the Provision of Services	24,399	122,460
(7,333)	-	Amount charged against the general fund balance for pensions in the year: Employers' contributions payable to the scheme	(7,497)	-
-	(67,180)	Retirement benefits payable to pensioners	-	(70,200)

2021-22		Pensions Assets and Liabilities Recognised in the Balance Sheet	2022-23	
LGPS £000	Police £000		LGPS £000	Police £000
(452,542)	(2,761,540)	Present value of the defined obligation	(292,714)	(1,981,410)
285,768	-	Fair value of plan assets	280,431	-
(166,774)	(2,761,540)	Value of Assets / (Liabilities)	(12,283)	(1,981,410)
(166,774)	(2,761,540)	Net (liability) / assets arising from the defined benefit obligation	(12,283)	(1,981,410)

Note 19 – Defined Benefit Pension Scheme (continued)

2021-22		Pension Fund	2022-23	
LGPS £000	Police Officer Pension Scheme £000		Movement in the Value of Scheme Assets	LGPS £000
261,688	-	Opening fair value of scheme assets	285,768	-
5,351	-	Interest income	7,389	-
		Re-measurement gain / (loss):		
20,892	-	The return on plan assets, excluding the amount included in the net interest expense	(13,325)	-
7,333	67,180	Contributions from employer	7,497	70,200
2,684	11,310	Contributions from employees into the scheme	2,884	11,700
(9,182)	(78,490)	Benefits / transfers paid	(9,668)	(81,900)
(2,857)	-	Other actuarial gains(losses) on assets	-	-
(140)	-	Admin Expense	(115)	-
285,768	-	Closing value of scheme assets	280,431	-

2021-22		Pension Fund	2022-23	
LGPS £000	Police Officer Pension Scheme £000		Movements in the Fair Value of Scheme Liabilities	LGPS £000
(487,108)	(2,725,020)	Opening fair value of scheme liabilities	(452,542)	(2,761,540)
(21,839)	(60,430)	Current service cost	(20,100)	(49,550)
(10,120)	(54,430)	Interest cost	(11,573)	(72,910)
(2,684)	(11,310)	Contributions from scheme participants	(2,884)	(11,700)
		Re-measurement gains and losses:		
15,806	(24,460)	- Actuarial gains / (losses) - experience	(32,527)	(158,610)
21,795	-	- Actuarial gains / (losses) from changes in demographic assumptions	-	43,490
23,863	35,620	- Actuarial gains / (losses) from changes in financial assumptions	217,244	947,510
(565)	-	- Actuarial gains / (losses) other	-	-
(872)	-	Past service cost	-	-
9,182	78,490	Benefits / transfers paid	9,668	81,900
(452,542)	(2,761,540)	Closing value of scheme liabilities	(292,714)	(1,981,410)
(166,774)	(2,761,540)	Net Pension Balance	(12,284)	(1,981,410)

Note 19 – Defined Benefit Pension Scheme (continued)

The liabilities show the underlying commitments that the Force will eventually have for retirement benefits. The total liability of £1,991.8m has a substantial impact on the net worth of the Balance Sheet. Statutory accounting arrangements to fund the deficit neutralise the effect on taxpayers. Finance is only required when the pensions are actually paid.

The deficit on the local government scheme has been recovered by increased monetary contributions and the situation will be re-assessed based on an actuarial valuation report.

The total contributions expected to be made to the Staff Pension Scheme and the Police Officer Pension Scheme in the year ending 31 March 2024 are £8.1m and £28.1m respectively.

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

- Expected yields on fixed interest investments are based on gross.
- Redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was -£6.1m (2021-22, £26.7m). The pension liability is sensitive to changes and the actuaries give an indication of this.

For the LGPS an increase of 0.1% on the discounting rate used decreases the pension liability by £5.5m and a decrease by the same amount increases the pension liability by £5.7m.

For the police officers scheme an extra 0.5% on the discounting rate used decreases the liability by £151m with a 0.5% decrease in the rate increasing the liability by the same amount.

Pension Assumptions	LGPS		Police	
	2021-22	2022-23	2021-22	2022-23
Mortality assumptions				
Longevity at 65 retiring today				
Men	20.7 yrs	20.7 yrs	22.1 yrs	21.9 yrs
Women	23.5 yrs	23.5 yrs	23.8 yrs	23.5 yrs
Longevity at 65 retiring in 20 years				
Men	21.9 yrs	22.0 yrs	23.8 yrs	23.5 yrs
Women	24.9 yrs	25.0 yrs	25.4 yrs	25.0 yrs
Rate of inflation				
CPI increases	3.20%	2.90%	3.00%	2.60%
Rate of increase in salaries	4.20%	3.90%	4.75%	3.85%
Rate of increase in pensions	3.20%	2.90%	3.00%	2.60%
Rate for discounting scheme liabilities	2.60%	4.80%	2.65%	4.65%

Note 19 – Defined Benefit Pension Scheme (continued)

Value of LGPS Assets at Bid Value	31 March 2022 £000	31 March 2022 %	31 March 2023 £000	31 March 2023 %
Equity Investments	171,462	60	163,450	58
Gilts	5,715	2	5,796	2
Other Bonds	22,862	8	16,609	6
Property	36,007	13	33,284	12
Cash	5,715	2	14,674	5
Inflation-linked pooled fund	16,003	6	14,155	5
Infrastructure	28,005	10	22,041	8
Unit Trust	-	-	10,421	4
	285,768	100	280,431	100

Note 20 – Officers’ Remuneration

2022-23							
Officers Remuneration 2022-23	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Comp for Loss of Office £	Employer Pension Contribution £	Total £
Chief Constable – C Guildford	3	128,231	-	5,419	-	37,136	170,786
Chief Constable	4	55,420	-	-	-	16,762	72,182
Deputy Chief Constable	5	34,845	-	1,806	-	-	36,651
Deputy Chief Constable – S Cooper	6	129,872	-	6,742	-	40,260	176,87
Temporary Assistant Chief Constable		111,369	-	6,000	-	28,786	146,155
Temporary Assistant Chief Constable	7	104,032	400	5,250	-	28,786	138,468
Chief Finance Officer	8	94,096	-	-	-	15,526	109,621
TOTAL CHIEF CONSTABLE		657,864	400	25,218	-	167,257	850,739

Note 1: Salary, Fees and allowances includes Rent Allowance, Housing Allowance and Compensatory Grant.

Note 2: Expenses Allowances include taxable expenses such as mileage, car allowances and medical expenses.

Note 3: Chief Constable left 04/12/2022

Note 4: Chief Constable wef 12/12/2022

Note 5: Deputy Chief Constable left 03/07/2022

Note 6: Deputy Chief Constable wef 22/06/2022

Note 7: Assistant Chief Constable wef 22/06/2022

Note 8: The CFO acted as joint CFO for the PCC and CC up to 01/08/22, total costs are shown here.

Note 20 – Officers’ Remuneration (continued)

2021-22							
Officers Remuneration 2021-22	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Employer Pension Contribution £	Total £
Chief Constable – C Guildford		180,215	-	8,000	-	54,593	242,808
Deputy Chief Constable		132,081	-	7,000	-	-	139,081
Assistant Chief Constable		119,220	-	6,000	-	36,958	162,178
Temporary Assistant Chief Constable	3	102,052	400	4,081	-	28,442	134,975
Temporary Assistant Chief Constable	4	47,303	1,154	2,750	-	13,036	64,243
Chief Finance Officer	5	83,333	-	-	-	13,750	97,083
TOTAL CHIEF CONSTABLE		664,204	1,554	27,831	-	146,780	840,369

Note 1: Salary, Fees and allowances includes Rent Allowance, Housing Allowance and Compensatory Grant.

Note 2: Expenses Allowances include taxable expenses such as mileage, car allowances, medical expenses and mortgage interest payments relating to relocation.

Note 3: Temporary Assistant Chief Constable wef 27/07/21

Note 4: Temporary Assistant Chief Constable left 15/09/21

Note 5: The CFO acted as joint CFO for the PCC and CC wef 21/12/21, total costs are shown here.

The table below does not include the senior officers in the previous tables, or police officers below the rank of Chief Superintendent

Employees Remuneration over £50,000		
	2021-22	2022-23
£50,001 to £55,000	18	19
£55,001 to £60,000	4	8
£60,001 to £65,000	3	5
£65,001 to £70,000	1	2
£70,001 to £75,000	-	1
£75,001 to £80,000	4	-
£80,001 to £85,000	1	3
£85,001 to £90,000	-	1
£90,001 to £95,000	1	1
£95,001 to £100,000	-	-
£100,001 to £105,000	-	-
£105,001 to £110,000	-	-
£110,001 to £150,000	-	-
£150,001 to £200,000	-	-
Total	32	40

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. This includes salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars).

An accrual is made for the cost of holiday entitlements or any form of leave, (e.g. time off in lieu earned, but not taken before the year-end), which an employee can carry forward into the next financial year.

The accrual is made at the payment rates applicable in the following accounting year, being the period in which the employee takes the benefit. The amount included on the balance sheet is £4.36m (£4.41m 2021-22).

Termination Benefits

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

8 contracts were terminated during the year (2 in 2021-22), incurring costs of £98.7k (£12k in 2021-22).

Other departures agreed cover voluntary redundancies and compromise agreements. There were no material payments in relation to injury awards during the year ended 31 March 2023.

Exit Packages								
Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£000)	
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
£0 - £20,000	-	1	2	5	2	6	12	38
£20,001 - £40,000	-	-	-	2	-	2	-	60
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Over £150,000	-	-	-	-	-	-	-	-
Total cost included in bandings all included within the CIES	-	1	2	7	2	8	12	99

Note 21 – Related Parties

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

The Commissioner as the parent corporation asserts a significant influence over the Chief Constable.

Central Government has significant influence over the general operations of the Chief Constable, as it is responsible for providing the statutory framework within which it operates.

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

Joint arrangements and collaborations are areas where significant influence can be exerted by all parties.

Other Local authorities with whom partnership working is important, for instance within the area of anti-social behaviour may be an influencing factor.

Note 22 – Contingent Liabilities

A contingent liability arises where a past event gives a possible obligation which depends on the outcome of uncertain future events not wholly in the control of the Chief Constable/Group. As usable reserves/liabilities are met by the Group such liabilities are not recognised in the Chief Constables accounts.

Contingent liabilities also arise in circumstances where a provision or reserve would otherwise be made, but there is not the level of certainty on either likelihood or value. Contingent liabilities are not recognised in the Balance Sheet.

Any liabilities arising would be fully met by The Commissioner and Group.

Note 23 – Reserves

These accounts do show unusable reserves such as pensions and accumulated absences.

However, as all the assets are held solely in the Group accounts, where a useable reserve is recognised, hence are therefore only shown in the Group accounts. As such no useable reserves are held by the Chief Constable.

Note 24 – Accounting Standards Issued, Not Adopted

For 2022/23 new standards that have been issued but not adopted relate to;

- IFRS 16 Leases

These changes only apply to those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year.

Note 25 – Events after the Balance Sheet Date

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

Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

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

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

GLOSSARY



GLOSSARY

ACCOUNTING PERIOD	ACCOUNTING POLICIES	ACCRUALS
The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.	These are a set of rules and codes of practice used when preparing the accounts.	Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.
ACT	ACTUARIAL GAINS AND LOSSES	AUDIT OF ACCOUNTS
The Police Reform and Social Responsibilities Act 2011.	<p>For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:</p> <p>Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or the actuarial assumptions have changed.</p>	An independent examination of the Force's financial affairs.
BALANCE SHEET	BUDGET	CIPFA
A statement of the recorded assets, liabilities and other balances at the end of the accounting period.	The forecast of net revenue and capital expenditure over the accounting period.	The Chartered Institute of Public Finance and Accountancy.

CODE	COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)	CONSISTENCY
The CIPFA Code of Practice on Local Authority Accounting governs the content of these accounts.	The account of the Force that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.	The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.
CREDITOR	CURRENT SERVICE COST (PENSIONS)	DEFINED BENEFIT PENSION SCHEME
Amount owed by the Force for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.	The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.	Pension schemes in which benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.
DEPRECIATION	DISCRETIONARY BENEFITS (PENSIONS)	EVENTS AFTER THE BALANCE SHEET DATE
The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Force's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other charges.	Retirement benefits, which the employer has not legal, contractual or constructive obligation to award and are awarded under the Authority's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.	Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date when the Statement of Accounts is authorised for issue.

EXPECTED RETURN ON PENSION ASSETS	GOING CONCERN	GOVERNMENT GRANTS
<p>For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.</p>	<p>The concept that the statement of Accounts is prepared on the assumption that the Force will continue in operational existence for the foreseeable future.</p>	<p>Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Force. These grants may be specific to a particular scheme or may support the revenue spend of the Authority in general.</p>
GROUP	IFRS	INTEREST COSTS (PENSION)
<p>Nottinghamshire Office of the Police and Crime Commissioner and its Group.</p>	<p>International Financial Reporting Standards are developed by the International Accounting Standards Board (IASB) and regulate the preparation and presentation of Financial Statements. Any material departures from these Standards would be disclosed in the notes to the Accounts.</p>	<p>For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.</p>
MATERIALITY	MINIMUM REVENUE PROVISION (MRP)	PAST COSTS (PENSIONS)
<p>The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.</p>	<p>The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Force.</p>	<p>For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to the employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.</p>

PRIOR YEAR ADJUSTMENT	REMUNERATION	REVENUE EXPENDITURE
<p>Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.</p>	<p>All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits. Received other than in cash. Pension contributions payable by the employer are excluded.</p>	<p>The day-to-day expenses of providing services.</p>