



2012/13

STATEMENT OF ACCOUNTS

**FOR THE CHIEF CONSTABLE OF
STAFFORDSHIRE POLICE**

CHIEF CONSTABLE OF STAFFORDSHIRE POLICE
STATEMENT OF ACCOUNTS 2012/13
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Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Explanatory Foreword and Introduction

Explanatory Foreword and Introduction

Introduction

Staffordshire Police provides policing services for an area covering more than 2,600 square kilometres (1,000 square miles) stretching from the Peak District National Park in the north to the West Midlands conurbation border in the south. Approximately 1,098,000 people live in the county in more than 463,000 households in a rich tapestry of communities, all with their own specific policing needs.

Staffordshire's geography is varied, ranging from the sparsely populated area of the Moorlands to urban and densely populated areas such as the city of Stoke-on-Trent and Newcastle-under-Lyme in the north, the county town of Stafford at the heart of the county, Tamworth and Burton-upon-Trent in the east, and Cannock and Lichfield in the south. The force area includes the unitary authority of the City of Stoke-on-Trent, as well as the county and district authorities of Staffordshire.

Staffordshire Police employ around 3,400 people, consisting of 1,865 police officers, more than 200 police community support officers (PCSOs) and more than 1,300 police staff. The force is also supported by over 470 volunteer special constables who give up their own time to provide a fantastic service to Staffordshire communities.

Local policing teams (LPTs) are the bedrock of service across the county and each has its own commander of chief inspector or inspector rank. Local police officers and PCSOs work together within these teams and are available at the times when communities need them the most.

LPTs are supported by specialist central departments consisting of police officers and police staff that are based strategically across the force area.

With reference to the Statement of Accounts for the Chief Constable, under The Police Reform and Social Responsibility Act 2011 that came into effect on 22 November 2012, the Police and Crime Commissioner (PCC) is now responsible for the finances of the whole group in that he receives all external funding (from central government in particular) and sets the annual budget and precept. The Chief Constable is allocated an annual budget by the PCC and he is responsible for operational policing within a scheme of consent and local arrangements. The Comprehensive Income and Expenditure Statement reflects the fact that resources are consumed by the Chief Constable on behalf of the PCC to deliver the Police and Crime Plan, however this expenditure is funded by an intra-group transfer back to the Comprehensive Income and Expenditure Statement of the Office of the Police and Crime Commissioner Staffordshire (OPCC) to demonstrate that all funding is provided by the OPCC.

How we performed in 2012/13

Crime was cut by over nine per cent in Staffordshire in 2012/13 while nine out of ten victims were satisfied with the service they received.

There were 6,156 fewer crimes across the county and Stoke-on-Trent between April 2012 and March 2013 compared to 2011/12 - as the total fell from 65,559 to 59,403.

Serious acquisitive crime, made up of domestic burglary, vehicle crime and robbery, was reduced by 5.6 per cent or 462 offences, from 8,320 to 7,858.

Violent crime with injury also fell by 2.6 per cent or 186 offences, from 7,074 to 6,888.

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Nine out of ten victims of crime (89 per cent) and anti-social behaviour (also 89 per cent) said they were satisfied with the overall service they got from Staffordshire Police.

This is in the context of a sustained drop in the number of anti-social behaviour incidents in Staffordshire in recent years. During 2012/13 there were 31,510 incidents reported - a reduction of 36 per cent compared to 49,504 in 2009/10.

Financial performance in 2012/13

In February 2012 the then Police Authority approved a budget of £182.732 million for 2012/13. On the 22 November 2012 all of the property, rights and liabilities of Staffordshire Police Authority transferred to and vested in the OPCC Staffordshire. The approved budget thus became the budget for the OPCC Group.

Government grant which funds some two thirds of the budget was reduced by 6.7% as part of the October 2010 CSR (Comprehensive Spending Review) and Council Tax was again frozen for the second year running at a Band D equivalent of £177.61. Such a restraint on funding resources obviously necessitated a fundamental review of the way in which policing operated in Staffordshire and, as demonstrated above, policing performance levels were maintained against this backdrop of ongoing funding reductions.

The net expenditure in the management accounts was £181.550 million resulting in a saving of £1.182 million (0.6%). Most of this saving was attributable to staffing costs although as in recent years these were offset by additional costs in connection with early retirements particularly on the grounds of ill health. The saving of £1.182 million was in line with ongoing in year forecasts and was either allocated to operational budgets to be carried forward, to the Reshaping the Future Reserve or to the Capital Reserve. All in all, it was felt that this was a satisfactory outcome and well within the over/under spend targets as outlined in the performance management framework.

Total capital expenditure amounted to £5.733 million of which £1.722 million was spent on buildings, £2.764 million on IT and £1.247 million on transport. The Capital Programme was financed mainly through internal borrowing of £1.172 million, capital receipts of £0.980 million, a capital grant of £1.920 million and £1.661 million from the revenue budget. The Capital Programme is less in value than in recent years as the move to the new HQ is complete and the replacement vehicle programme has been reviewed and indeed reduced. There were no significant assets purchased in the year and there were no material increase in outstanding liabilities notwithstanding the later paragraph on quantifying outstanding pension liabilities.

Total usable reserves now amount to £14.689 million which is virtually identical to those shown in the previous year's balance sheet. The main reserve in order to provide against unexpected events is the General Reserve which stands at £5.375 million in line with the stated policy of holding around 3% of the net budget in reserve. The Reserves and Assets are held by the OPCC and further detail regarding these is included within the Statement of Accounts for the OPCC and the OPCC Group.

Key activities in 2012/13

- **Olympics and Paralympics**

Staffordshire Police officers and staff made a magnificent contribution to delivering a safe and secure Olympic Games. From the arrival of the Olympic Torch to the final football medal match, the Olympics was an amazing and unique policing experience.

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The force's part in the largest ever pre-planned policing operation began in May 2012 when the Olympic Torch travelled through the county, as part of its 70 day journey around the country.

The Torch returned in June and on both occasions, officers working on the route demonstrated the strong community-style of policing we pride ourselves on. The fact that the Torch passed smoothly and safely through our area was testament to the professionalism and hard work of those involved on the ground.

During the Games, many officers also spent time in the capital, as well as bases across the region, to offer mutual aid and support. While the majority of support came from our local policing officers, there was also a requirement for some specialist skilled officers to assist and we supported the national operation in key areas such as public order, dog support, and firearms.

Our support helped to ensure that everyone enjoyed the summer of celebration in safety, with the reassurance of a proportionate and supportive policing operation.

Whilst policing demands during the Olympic period were challenging, core policing across Staffordshire did not suffer and the force had the resilience and capacity to deal with unexpected major incidents.

This could not have been done without the commitment and support of all officers and staff both in operational and non-operational roles.

Recognition for the success of the policing operation has come from the highest levels. Regionally, our partners and colleagues praised our professionalism and members of the public have been quick to praise both directly and across social media.

We also supported the operation to protect the Paralympics.

- **Operation Nemesis**

Earlier this year, Operation Nemesis, the force's crackdown on major drug dealers, hit Burton-upon-Trent. The raids involved over 250 officers and police staff and followed months of detailed investigation and planning by specialist investigation teams from Staffordshire Police. Numerous properties were searched by scenes of crimes officers and specialist search dogs.

As a direct result of the raids in January, February and March, 41 people were arrested and 38 were charged and appeared before Burton Magistrates.

In September 2012, members of an international drugs ring which operated from the Cannock area have been jailed for a total of over 30 years. The group were involved in importing cocaine from South America and supplying drugs in Cannock, the West Midlands and further afield. The men were caught following a detailed two-year investigation by the force's Serious and Organised Crime Unit in the UK and overseas.

- **V Festival**

Major acts including The Stone Roses, The Killers, Snow Patrol and Noel Gallagher's High Flying Birds took to the stage at Weston Park on 18 and 19 August. There was 90,000 people at the festival each day - of which 75,000 were campers.

Officers were on hand to target known offenders or people linked to crime as they entered the site - ANPR (Automatic Number Plate Recognition) cameras, which scan car registration numbers, were in operation to alert officers to intelligence.

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Explanatory Foreword and Introduction

The force has a proven track record in policing the V Festival and other major events in the county. It has earned a national reputation for its trouble-free, low-crime atmosphere and is rightly regarded as one of the UK's safest festivals. A robust policing plan is drawn up months before the event as part of detailed organisational work with the promoters.

Our officers were onsite working together with colleagues from the organiser, and partners.

- **Euro 2012**

Months of police planning came to fruition when England played their first game against France. High-visibility police teams were out and about in Staffordshire's town and city centres offering reassurance and deal with any issues that arose.

Officers worked closely with licensees, councils and other agencies to tackle alcohol-related violence and anti-social behaviour through Operation Safer Nights, which continued through Euro 2012.

- **ANPR**

The force and Staffordshire County Council jointly funded the installation of Automatic Number Plate Recognition (ANPR) across the county.

The hi-tech cameras are now on main routes across Staffordshire to combat travelling criminals, as well as motorists who do not tax or insure their vehicles.

- **Integrated Offender Management**

180°, Staffordshire's Integrated Offender Management scheme, which sees police, probation and other agencies working in the same office - in the same room, even at the same desk - to deal with the 600 most prevalent criminals on the patch. Staffordshire's 180° is one of the most advanced schemes in the country and was praised by Justice Minister Lord McNally. It has already led to great successes in cutting crime.

It really benefits communities by helping offenders to address the root causes of their criminal behaviour, helping them turn their lives around, which results in them not being involved in crime in the future.

All of the activities and successes during 2012/13 were achieved with reducing budgets and reduced numbers of officers and staff.

Key challenges

In the last 12 months the pace of change has been relentless and moving forward this pace will continue.

The fast-paced nature of the changes to our culture is a challenge that Staffordshire Police is grasping hard. The last few months we have seen an increase in historical sexual offence reporting. Each report has a victim requiring a great deal of support and the time of experienced detectives to conduct a complex investigation.

It has been recognised for a while that mental health creates issues for the force daily particularly on the front line. Twenty per cent of the force's daily business is connected to mental health. There has been a county-wide footprint created involving leads at senior management level from the county and city council, West Midlands Ambulance Service, the police and other groups. There are a number of initiatives that are being looked at. The Home Secretary does understand that this is a big demand and is looking at how police forces work with the health service.

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Explanatory Foreword and Introduction

As resources are so tight our local policing model and investigative services side are very tightly balanced in numbers. The force will need to balance those numbers as well as possible. In the past we have had a buffer in terms of staffing numbers but we have not got that now.

The foundation for neighbourhood policing will remain important and the force will need to preserve what that stands for. The ability to be able to respond to those that need our services is key, especially those that are vulnerable. Staffordshire Police will need to continue to do more with less and it has demonstrated that really well over the last few years.

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Statement of Responsibilities

Statement of Responsibilities

Responsibilities of the Chief Constable

The Chief Constable is required to:

- Make arrangements for the proper administration of the financial affairs of Staffordshire Police Force and to secure that one of its officers (Chief Financial Officer) has responsibility for the administration of those affairs. In this organisation the Chief Financial Officer is the Director of Resources
- Manage its affairs to secure the economic, efficient and effective use of resources and safeguard its assets
- Approve the Statement of Accounts

I accept the above responsibilities and approve these Statement of Accounts for 2012/13.



**Mike Cunningham
Chief Constable
Staffordshire Police**

Date: 25. 9. 13

Responsibilities of the Chief Financial Officer to the Chief Constable (Director of Resources)

The Director of Resources is required to:

- Ensure that the financial affairs of the force are properly administered and that financial regulations are observed and kept up to date
- Report to the Chief Constable, the PCC and the external auditor, any unlawful, or potentially unlawful expenditure by the Chief Constable or officers of the Chief Constable
- Provide information to the CFO to the PCC as required to enable production of group accounts

The Director of Resources is responsible for the preparation of the Statement of Accounts for the Chief Constable in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom (the Code)*,

In preparing these Statement of Accounts the Director of Resources has:-

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Local Authority Code

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

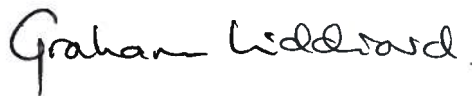
Statement of Responsibilities

The Director of Resources has also;

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

DIRECTOR OF RESOURCES' CERTIFICATE

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Corporation Sole of the Chief Constable of Staffordshire Police as at 31 March 2013 and its income and expenditure for the year ended 31 March 2013.



Graham Liddiard
Director of Resources
Staffordshire Police

Date: 25/9/13

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Financial Statements

Comprehensive Income and Expenditure Statement

This Statement reflects the resource of the Office of the Police and Crime Commissioner Staffordshire that is consumed at the request of the Chief Constable. Government funding and other income belongs to the OPCC so in reality, all expenditure is funded by the OPCC through an intra-group adjustment.

2011/12	2011/12	2011/12		2012/13	2011/12	2012/13
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Gross Expenditure £000
83,259	0	83,259	Local Policing	81,572	0	81,572
14,300	0	14,300	Dealing with the Public	16,884	0	16,884
17,477	0	17,477	Criminal Justice Arrangements	15,342	0	15,342
5,927	0	5,927	Road Policing	6,408	0	6,408
11,276	0	11,276	Specialist Operations	10,856	0	10,856
10,324	0	10,324	Intelligence	8,413	0	8,413
31,400	0	31,400	Specialist Investigation	33,253	0	33,253
7,029	0	7,029	Investigative Support	7,840	0	7,840
2,116	0	2,116	National Policing	2,078	0	2,078
0	0	0	Corporate and Democratic Core	0	0	0
907	0	907	Non Distributed Costs	630	0	630
184,015		184,015	Cost of Services Before Intra-group Funding	183,276	0	183,276
(184,015)	0	(184,015)	Intra-group Funding	(183,276)	0	(183,276)
0	0	0	Total Cost of Services	0	0	0

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Financial Statements

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Chief Constable, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The statement does not show any financial transactions as all reserves are managed by the OPCC.

	<u>General Fund</u>	<u>Earmarked General Fund Reserves</u>	<u>Capital Receipts Reserve</u>	<u>Capital Grants Unapplied</u>	<u>Total Usable Reserves</u>	<u>Unusable Reserves</u>	<u>Total Reserves</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Balance as at 1 April 2011	0	0	0	0	0	0	0
<i>Movement in Reserves During 2011/12:</i>	0	0	0	0	0	0	0
Surplus or (Deficit) on the Provision of Services	0	0	0	0	0	0	0
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	0	0	0	0	0	0	0
Adjustments Between Accounting Basis and Funding Basis Under Regulations	0	0	0	0	0	0	0
Net Increase before Transfers to Earmarked Reserves	0	0	0	0	0	0	0
Transfers To/From Earmarked Reserves	0	0	0	0	0	0	0
Increase in 2011/12	0	0	0	0	0	0	0
Balance at 31 March 2012 Carried Forward	0	0	0	0	0	0	0
<i>Movement in Reserves During 2012/13:</i>	0	0	0	0	0	0	0
Surplus or (Deficit) on the Provision of Services	0	0	0	0	0	0	0
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	0	0	0	0	0	0	0
Net Increase before Transfers to Earmarked Reserves	0	0	0	0	0	0	0
Transfers To/From Earmarked Reserves	0	0	0	0	0	0	0
Increase in 2012/13	0	0	0	0	0	0	0
Balance at 31 March 2013 Carried Forward	0	0	0	0	0	0	0

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Financial Statements

Balance Sheet

The Balance Sheet shows the value as at the end of the financial year of the assets and liabilities recognised by the Chief Constable. The Chief Constable does not own any assets and liabilities, nor hold any reserves at year end. The statement is included in this set of accounts showing zeros to highlight that all Balance Sheet items are held on the Balance sheet of the OPCC Staffordshire.

31 March 2012 £000		31 March 2013 £000
0	Land and Buildings	0
0	Vehicles, Plant and Equipment	0
0	Intangible Assets	0
0	Assets Held for Sale	0
0	Long Term Assets	0
0	Short Term Investments	0
0	Inventories	0
0	Short Term Debtors	0
0	Cash and Cash Equivalents	0
0	Current Assets	0
0	Bank Overdrafts	0
0	Short Term Borrowing	0
0	Short Term Creditors	0
0	Provisions	0
0	Current Liabilities	0
0	Provisions	0
0	Long Term Borrowing	0
0	Other Long Term Liabilities	0
0	Liability Related to Defined Benefit Pension Schemes	0
0	Long Term Liabilities	0
0	Net Liabilities	0
Financed by:		
0	Usable Reserves	0
0	Unusable Reserves	0
0	Total Reserves	0

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Financial Statements

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. The Chief Constable does not have a bank account nor hold any cash balances or make any banking transactions. The statement is included in this set of accounts showing all zeros to highlight that all cash movements are paid to and from the Police Fund account which is held by the OPCC Staffordshire.

2011/12 £000		2012/13 £000
	Cash Flows from Operating Activities:	
0	Cash Outflows	0
0	Cash Inflows	0
0	Net Cash Flows From Operating Activities	0
	Cash Flows from Investing Activities:	
0	Cash Outflows	0
0	Cash Inflows	0
0	Net Cash Flows from Investing Activities	
	Cash Flows from Financing Activities:	
0	Cash Receipts of Short Term and Long Term Borrowing	0
0	Other Receipts from Financing Activities	0
0	Repayments of Short Term and Long Term Borrowing	0
0	Other Payments for Financing Activities	0
0	Net Cash Flows from Financing Activities	0
0	Net Decrease in Cash and Cash Equivalents	0
0	Cash and Cash Equivalents at the beginning of the Reporting Period	0
0	Cash and Cash Equivalents at the end of the Reporting Period	0

Notes to the Financial Statements

1. The Creation of the Single Entity of the Chief Constable of Staffordshire Police

The Police Reform and Social Responsibility Act 2011 came into effect on 22 November 2012. On this date, Staffordshire Police Authority ceased to exist and two distinct corporation soles were created; the Office of the Police and Crime Commissioner Staffordshire (OPCC) and the Chief Constable for Staffordshire.

The 2012/13 Statement of Accounts are the first to be presented under the new arrangement. The transition has been accounted for in accordance with the CIPFA Code of Practice on Local Authority Accounting 2012/13 using the application of *FRS 6 Acquisition and Mergers*. By applying merger accounting, the accounts for 2012/13 are presented as if the current arrangement has always been in place. Therefore, no separate accounts for the, now disbanded, Police Authority will be produced. The transactions for 2012/13, opening balances as at 1 April 2012 and closing balances as at 31 March 2013 are presented under the Group accounts of the OPCC and the single entity accounts of the OPCC and the Chief Constable. Relative comparative figures from the previous financial year have also been provided.

On the 22 November 2012 all of the property, rights and liabilities of Staffordshire Police Authority transferred to and vest in the Office of the Police and Crime Commissioner Staffordshire. There was no transfer of assets, liabilities or reserves to the Chief Constable's corporation sole. This is reflected in the single entity accounts of the Chief Constable which show a Balance Sheet, Movement on Reserves Statement and Cash Flow with all nil balances. The Comprehensive Income and Expenditure Statement reflects the fact that resources are consumed by the OPCC at the request of the Chief Constable, however this expenditure is funded by an intra-group transfer back to the Comprehensive Income and Expenditure Statement of the OPCC to demonstrate that all funding is provided by the OPCC. The Group statement shows the position net of any intra group funding. As the balances of all assets, liabilities and reserves were transferred solely to the OPCC, the Group Balance Sheet and OPCC balance sheet are identical and are presented as one statement. There were no adjustments to the Police Authority balances as a result of the merger.

2. Critical Assumptions

Upon the creation of two separate corporation soles under the Police Reform and Social Responsibility Act 2011, Chief Constables were not recognised as having Local Authority Status. One implication of this is that Chief Constables are not covered by the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code'), as this applies solely to Local Authority bodies.

Legislation has been drawn up to change this and provide Chief Constables with Local Authority status, however as at 31 March 2013 this legislation had not received Royal Assent. Both the CFO to the Chief Constable and the CFO to the PCC made the decision to treat the Chief Constable as a Local Authority for the purpose of the production of 2012/13 Statement of Accounts.

The following points summarise the rationale behind the decision to apply the Local Authority Code of Practice to the single entity accounts of the Chief Constable:

- The introduction of the Police Reform and Social Responsibility Act 2011 never intended to strip Police Forces of local authority status. This was a by-product of the financing arrangements which has been recognised and measures are currently taking place to reverse this.
- It is anticipated that once Royal Assent is received on the legislation that gives Chief Constables Local Authority status, the legislation will be applied retrospectively.

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Notes to the Financial Statements

- The Home Office document "Financial Management Code of Practice for the Police Service of England and Wales" signposts to the Code as "continuing to apply".
- As recommended by the Home Office, the PCC and Chief Constable share governance arrangements including sharing an Audit Committee. It is the wish of both CFOs that the Audit Committee and readers of the accounts focus on the substance of the accounts. Neither CFO wishes to over complicate the accounts by using different accounting policies for the single entity accounts that then need to be brought in line for the group accounts – particularly if this is for one year only. The accounts for 2013/14 would be further complicated by reversing these entries and realigning policies once the legislation is applied retrospectively. It is pragmatic, realistic and simplistic to make the critical judgement that the Chief Constable is a Local Authority.
- The accounts are supposed to represent the activities of the organisation. Police Forces are, to all intents and purposes, operating as a Local Authority so it seems sensible to account for them in this way.

The Chief Constable does not hold any balances on the Balance Sheet, Cash Flow or Movement on Reserves Statement; but the Comprehensive Income and Expenditure Statement demonstrates that the above assumption does not have a material impact on any of these balances.

3. Service Expenditure Analysis

The Net Cost of Services shown in the Comprehensive Income and Expenditure Statement is analysed in line with CIPFA's Service Reporting Code of practice (SeRCOP). The tables below analyse Expenditure by the subjective heading. The subjective analysis is used by management to make day to day decisions whereas the SeRCOP shows the cost of each type of policing activity.

2011/12 £000		2012/13 £000
	Financial resources of OPCC consumed at the request of the Chief Constable	
96,235	Police Officer Pay and Allowances	86,479
47,131	Police Staff Pay and Allowances	47,265
2,684	Other Employee Expenses	3,167
4,603	Police Pensions	5,748
5,636	Premises	5,990
4,723	Transport	4,368
15,974	Supplies and Services	16,359
3,410	Third Party Payments	3,704
3,619	Depreciation, Amortisation and Impairment Losses	10,196
184,015	Total Financial resources of OPCC consumed at the request of the Chief Constable	183,276
(184,015)	Intra-group adjustment	(183,276)
0	Net Cost of Policing Services	0

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Notes to the Financial Statements

4. Amounts Reported for Resource Allocation Decisions

The analysis of expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice. However, decisions about resource allocations are taken by the Chief Constable on the basis of budget reports structured in a different way.

The tables below show how the figures reported to the Chief Constable in the budget reports relate to the figures reported in the Comprehensive Income and Expenditure Statement (along with prior year comparatives).

Income and Expenditure as Reported to the Chief Constable

2011/12				2012/13		
Operational	Pensions	Total		Operational	Pensions	Total
£000	£000	£000		£000	£000	£000
(7,769)	0	(7,769)	Grants and Contributions	(7,684)	0	(7,684)
(2,140)	0	(2,140)	Reimbursements	(2,495)	0	(2,495)
(1,891)	0	(1,891)	Sales, Fees and Charges	(1,743)	0	(1,743)
(45)	0	(45)	Other Income	(127)	0	(127)
(11,845)	0	(11,845)	Total Income	(12,049)	0	(12,049)
158,467	4,604	163,071	Employee Expenses	152,395	6,313	158,708
31,477	0	31,477	Other Operating Expenses	32,958	0	32,958
(476)	0	(476)	Carry Forwards	(2,745)	0	(2,745)
189,468	4,604	194,072	Total Expenditure	182,608	6,313	188,921
177,623	4,604	182,227	Net Expenditure	170,559	6,313	176,872

Reconciliation of Income and Expenditure Reported to the Chief Constable to Cost of Services in the Comprehensive Income and Expenditure Statement

2011/12			2012/13	
£000	£000		£000	£000
	182,227	Net Expenditure as Reported to the Chief Constable		176,872
	10,772	Reported to Management, Not Included in Net Cost of Services		11,496
		Not Reported to Management for Decision Making:		
(12,024)		IAS 19 – Retirement Benefits	(16,457)	
3,619		Depreciation, Amortisation and Impairment	10,152	
(532)		Employee Benefits	845	
(47)	(8,984)	Other	368	(5,092)
	184,015	Cost of Services in Comprehensive Income and Expenditure Statement		183,276

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Notes to the Financial Statements

Reconciliation to Subjective Analysis 2012/13

	As per Service Analysis	Not Included in Chief Constables CIES	Not Reported to Management for Decision Making	Net Cost Of Services
	£000	£000	£000	£000
Employee Expenses	159,191	(1,395)	(15,854)	141,942
Other Service Expenses	29,735	696	707	31,138
Depreciation, Amortisation and Impairment	0	0	10,196	10,196
Total Expenditure	188,926	(699)	(4,951)	183,276
Government Grants and Contributions	(7,684)	7,684	0	0
Fees, Charges and Other Service Income	(4,370)	4,511	(141)	0
Total Income	(12,054)	12,195	(141)	0
Surplus or Deficit on the Provision of Services	176,872	11,496	(5,092)	183,276

Reconciliation to Subjective Analysis 2011/12

	As per Service Analysis	Not Included in Chief Constables CIES	Not Reported to Management for Decision Making	Net Cost Of Services
	£000	£000	£000	£000
Employee Expenses	163,071	(688)	(12,838)	149,545
Other Service Expenses	31,001	(529)	378	30,850
Depreciation, Amortisation and Impairment	0	0	3,620	3,620
Total Expenditure	194,072	(1,217)	(8,840)	184,015
Government Grants and Contributions	(7,769)	7,770	(1)	0
Fees, Charges and Other Service Income	(4,076)	4,221	(145)	0
Total Income	(11,845)	11,991	(146)	0
Surplus or Deficit on the Provision of Services	182,227	10,774	(8,986)	184,015

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Notes to the Financial Statements

5. Audit Fees

The fees payable to our Auditors in relation to the audit of the Chief Constable's accounts were as follows:

2011/12 £		2012/13 £
0	Fees Payable to PricewaterhouseCoopers LLP with Regard to External Audit Services Carried out by the Appointed Auditor for the Year	20,000

6. Termination Benefits and Exit Packages

During 2012/13 55 voluntary redundancies and early retirements were approved at a total cost of £2.139m (£1.584m in 2011/12). 15 of the employees will not leave the organisation until after 1 April 2013 and a provision of £1.000m has been set aside on the balance sheet of the OPCC. No compulsory redundancies were approved. A breakdown of the total cost and number of exit packages is shown below:

Exit Package Cost Band	Number of Exit Packages		Total Cost of Exit Packages in each Band	
	2011/12	2012/13	2011/12 £	2012/13 £
£0 - £20,000	24	14	262,263	170,411
£20,001 - £40,000	18	16	516,652	482,408
£40,001 - £60,000	10	14	480,393	666,389
£60,001 - £80,000	2	10	148,730	699,894
£81,001 - £120,000	2	1	175,858	119,607
Total	56	55	1,583,896	2,138,709

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Notes to the Financial Statements

7. Officers' Remuneration

The number of employees (including senior employees and relevant police officers) whose remuneration was £50,000 or more in bands of £5,000 were:

Remuneration Band	Number of Employees	
	2011/12	2012/13
£50,000 - £54,999	69	93
£55,000 - £59,999	55	54
£60,000 - £64,999	4	14
£65,000 - £69,999	4	3
£70,000 - £74,999	6	5
£75,000 - £79,999	6	5
£80,000 - £84,999	2	1
£85,000 - £89,999	1	3
£90,000 - £94,999	1	0
£95,000 - £99,999	0	0
£100,000 - £104,999	0	1
£105,000 - £109,999	0	0
£110,000 - £114,999	1	2
£115,000 - £119,999	1	1
£120,000 - £124,999	1	0
£125,000 - £129,999	0	0
£130,000 - £134,999	0	0
£135,000 - £139,999	0	0
£140,000 - £144,999	0	1
£145,000 - £149,999		
£150,000 - £155,000	1	0
Total	152	183

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

[Notes to the Financial Statements](#)

8. Disclosure of Remuneration for Senior Executives 2012/13

Post Holder Information	Note	Salary £	Bonuses and Expense Allowances £	Benefits in Kind £	Other Payments £	Total Remuneration Excluding Pension Contributions 2012/13 £	Pension Contributions £	Total Remuneration Including Pension Contributions 2012/13 £
Chief Constable		139,119	0	6,404	3,543	149,066	33,667	182,733
Deputy Chief Constable	1	106,132	0	3,942	2,836	112,910	25,684	138,594
Temporary Deputy Chief Constable	2	108,005	0	5,601	3,066	116,672	26,137	142,809
Assistant Chief Constable		93,753	0	2,423	3,066	99,242	22,688	121,930
Temporary Assistant Chief Constable	3	84,624	0	0	2,635	87,259	19,370	106,629
Director of Resources		102,315	0	6,630	3,944	112,889	15,961	128,850
Sub Total Chief Constable		633,948	0	25,000	19,090	678,038	143,507	821,545

Note 1: Deputy Chief Constable left the organisation 03/03/2013

Note 2: Assistant Chief Constable promoted to temporary Deputy Chief Constable 18/02/2013

Note 3: Promoted to Temporary Assistant Chief Constable from 18/02/2013

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

[Notes to the Financial Statements](#)

Disclosure of Remuneration for Senior Executives 2011/12

Post Holder Information	Note	Salary £	Bonuses Expense Allowances £	Benefits in Kind £	Other Payments £	Total Remuneration Excluding Pension Contributions 2011/12 £	Pension Contributions £	Total Remuneration Including Pension Contributions 2011/12 £
Chief Constable		139,119	0	8,549	3,543	151,211	33,667	184,878
Deputy Chief Constable		114,771	0	5,102	3,066	122,939	27,775	150,714
Assistant Chief Constable A	1	19,111	0	1,807	0	20,918	4,625	25,543
Assistant Chief Constable B		101,426	0	5,907	3,066	110,399	24,152	134,551
Assistant Chief Constable C	2	46,372	0	3,072	1,517	50,961	11,222	62,183
Director of Resources		102,315	0	13,123	0	115,438	15,450	130,888
Total		523,114	0	37,560	11,192	571,866	116,891	688,757

Note 1 Assistant Chief Constable A left the organisation on 05/06/11

Note 2: Assistant Chief Constable C joined the organisation on 03/10/11

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Notes to the Financial Statements

9. Related Party Transactions

The Chief Constable is required to disclose material transactions with related parties, that is bodies or individuals that have the potential to control or influence the Chief Constable or to be controlled or influenced by the Chief Constable.

The Chief Constable, senior officers and departmental heads were contacted to obtain the required declarations. The Chief Constable also has business relationships with Central Government and a number of other public organisations, such as Staffordshire County Council.

Details of our related party transactions are as follows:

- Police and Crime Commissioner – all funding for operational police services is effectively controlled by the Office of the Police and Crime Commissioner Staffordshire and recharged to reflect the resources consumed by the CC on the PCC's behalf to deliver the Police and Crime Plan. The OPCC Staffordshire can hold the Chief Constable to account for the performance of the Force. The OPCC decides on the level of funding that the Chief Constable receives and sets a budget for the force each year.
- Senior officers and other employees – there are no known related party transactions.

10. Pooled Budgets and Joint Operations

Staffordshire Police actively works with other police forces to deliver areas of operational policing and back office functions. Some arrangements have financial implications and these are explained below:

(i) Central Counties' Air Operations Unit (CCAOU) with West Mercia Police

The Central Counties' Air Operations Unit is a joint operation by the PCCs of West Mercia and Staffordshire. West Mercia provides the financial administration service for this joint unit, with the two PCC's jointly own the helicopter. The OPCC and Group Balance Sheet includes fixed assets £1.96m as the value of the PCC's 50% share of the helicopter. The Comprehensive Income and Expenditure Statement for the Chief Constable includes the contribution to the joint operation.

The joint arrangement for the Unit, set out in the following table, covers all operating costs except for officers attached to the Unit:

2011/12 £000		2012/13 £000
	Funding Provided to the Pooled Budget:	
400	Contribution from Staffordshire Police	472
453	Contribution from West Mercia Police	564
853	Total Funding Provided to the Pooled Budget	1,036
	Expenditure Met from the Pooled Budget:	
553	Fixed Costs	735
192	Fuel	167
108	Maintenance Contract	134
853	Total Expenditure	1,036
0	Net Surplus/(deficit) arising during the year	0

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Notes to the Financial Statements

(ii) Central Motorway Police Group with West Midlands Police and West Mercia Constabulary

A pooled budget arrangement exists with West Midlands Police and West Mercia Constabulary for the Policing of the Motorway network in the West Midlands area known as the Central Motorway Police Group. West Midlands Police provides the financial administration service for this joint unit. The assets of the unit in respect of police vehicles, equipment and land and buildings are held individually by each OPCC and are shown on each OPCC's balance sheet.

The three OPCCs have an agreement in place for funding this unit with contributions to the agreed budget of 50.7% from West Midlands Police, 25.4% from West Mercia Police and 23.9% from Staffordshire. The same proportions are used to meet any deficit or share any surplus arising on the pooled budget at the end of each financial year. The revenue account for the Unit covers all operating costs.

2011/12 £000		2012/13 £000
	Funding Provided to the Pooled Budget:	
4,343	Contribution from West Midlands PCC	4,261
2,179	Contribution from West Mercia PCC	2,137
2,052	Contribution from Staffordshire PCC	2,013
8,574	Total Funding Provided to the Pooled Budget	8,411
	Expenditure Met from the Pooled Budget:	
7,589	Pay and Allowances	7,486
45	Premises Costs	56
707	Transport Costs	627
247	Supplies and Services	286
8,588	Total Expenditure	8,455
(14)	Income Received to the Pooled Budget	(44)
(14)	Total Income	(44)
8,574	Total Net Expenditure	8,411
0	Net Surplus/(deficit) arising during the year	0
0	Staffordshire Police share of 23.9% of net surplus / (deficit) arising during the year	0

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Notes to the Financial Statements

(iii) Early Adopter Project with West Midlands Police

A pooled budget arrangement was established during 2011/12 between Staffordshire and West Midlands Police Forces. This is for work on the Early Adopter project which is funded by the Department of Health who issue a grant to each force. This project deals with the medical assessment of people held in custody. Staffordshire Police act as the lead force for this project and any related expenditure is held within the Comprehensive Income and Expenditure account for Staffordshire Police. Details for 2012/13 are as follows

2011/12 £000		2012/13 £000
	Funding Provided to the Pooled Budget:	
100	Contribution from West Midlands Police	100
60	Contribution from Staffordshire Police	60
160	In Year Funding Provided to the Pooled Budget	160
0	Surplus carried forward from previous year	92
160	Total Funding to the Pooled Budget	252
	Expenditure Met from the Pooled Budget:	
0	Premises	9
68	Supplies and Services	130
68	Total Expenditure	139
0	Income Received to the Pooled Budget	0
92	Net Surplus/(deficit) arising during the year	113
(92)	Surplus carried forward as a creditor on the balance sheet of OPCC Staffordshire	(113)
0	Closing Net Surplus/(deficit)	0

(iv) Legal Services

During 2011/12 a Section 22a collaboration agreement was signed with West Midlands Police for the joint delivery of a Legal Services Department. The collaborative working arrangement began in 2011/12 however no financial transactions (e.g. sharing of budgets / year end variances) took place during that year. In 2012/13 a contribution of £0.135m was made to West Midlands Office of Policing and Crime towards the cost of legal services, this figure is included in the Comprehensive Income and Expenditure Statement of the Group. As of the Balance Sheet date of 31 March 2013, no formal arrangement is in place for the full sharing of legal services costs and the reallocation of any year end over or under spends.

11. **Events after the Balance Sheet Date**

The financial statements were authorised for issue by the CFO to the Chief Constable on 25 September 2013. All events relevant to the financial year ended 31 March 2013 have been taken into consideration up to this date and where considered material recognised in the Statement of Accounts. There can be no reasonable expectation that events could have been taken into account by the Chief Constable and the OPCC Group after this date.

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Notes to the Financial Statements

12. Statement of Accounting Policies

The Chief Constable follows the accounting policies as set by the Group. The accounting policies for the Group are extensive and for that reason, only those that relate to occurring transactions are disclosed in this set of accounts. However if a new type of transaction should arise in the future, the Chief Constable would follow the accounting policy as set out in the Group Statement of Accounts

I. General Principles

The Chief Constable is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations, which those Regulations require to be prepared in accordance with proper accounting practice. The Statement of Accounts summarises the Chief Constable's transactions for the financial year and its position at the year end. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 and the CIPFA Service Reporting Code of Practice standard classification of expenditure at the mandatory level, supported by International Financial Reporting Standards (IFRS).

The financial year runs 1 April to 31 March.

II. Accruals of Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular, expenses in relation to services received (including services by employees) are recorded as expenditure when the services are received rather than when payments are made.

III. Charges to Revenue for Non-Current Assets

Service revenue accounts and support services are debited with the following amounts to record the real cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the loss can be written off
- amortisation of intangible assets attributable to the service.

These items are included within the intra-group adjustment between the Chief Constable and the OPCC. The OPCC is not required to raise Council Tax to cover depreciation, impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement of an amount considered to be prudent. Depreciation, impairment losses and amortisations are therefore replaced by revenue provision in the General Fund, by way of an adjusting transaction with the Capital Adjustment Account in the OPCC and OPCC Group's Movement in Reserves Statement for the difference between the two.

IV. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year end. They include benefits such as wages and salaries, paid annual leave and paid sick leave, bonuses and non monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Chief Constable. An accrual is made for the cost of holiday entitlements and time off in lieu (TOIL) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit.

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Notes to the Financial Statements

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy. These benefits are charged on an accruals basis to the Non Distributed Costs line in the Chief Constable's Comprehensive Income and Expenditure Statement. They are charged when the Chief Constable is demonstrably committed to the termination of the employment of an employee or making an offer to encourage voluntary redundancy.

Post Employment Benefits

Employees are members of defined benefit pension schemes which provide lump sums and pensions upon retirement:

- Police Officer Pension Schemes

Officers who have joined the Force since 1 April 2006 are entitled to become members of the New Police Pension Scheme 2006. Prior to that date Officers were entitled to become members of the Police Pension Scheme, in which benefits and contributions are determined by the Police Pensions Regulations 1987 (as amended). The schemes have no investment assets and the Pension Fund is balanced to nil each year by a transfer from the Police Fund. The Home Office then pay a top-up grant, not exceeding the amount of the transfer, back into the Police Fund. In accordance with IAS19, the charge to the Comprehensive Income and Expenditure Statement represents the increase in the benefits earned by officers in the current period, including the related finance costs and any changes in the value of the unfunded liabilities.

Both schemes are accounted for as defined benefit schemes:

- The liabilities of the schemes are attributable to the Group and are included in the OPCC and OPCC Group's Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds.
- The change in the net pensions liability is analysed into seven components:
 - (i) Current service cost; the increase in liabilities arising from employee service in the current year; debited to the Net Cost of Services in the Comprehensive Income and Expenditure Statement.
 - (ii) Past service cost; the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years; debited to the Net Cost of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
 - (iii) Interest cost; the expected increase in the present value of liabilities during the year as they move one year closer to being paid; debited to the Financing and Investment Income and Expenditure line in the OPCC and OPCC Group's Comprehensive Income and Expenditure Statement.
 - (iv) Expected return on assets; the annual investment return on the fund assets attributable to the Group, based on an average of the expected long term return; credited to the Financing and Investment Income and Expenditure line in the OPCC and OPCC Group's Comprehensive Income and Expenditure Statement (not applicable to the unfunded Police Pension Schemes).
 - (v) Gains/losses on settlements and curtailments; the result of actions to relieve the Group of liabilities or events that reduce the expected future service or accrual of benefits of employees; debited to the Net Cost of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Notes to the Financial Statements

(vi) Actuarial gains and losses; changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions are debited to the Pensions Reserve.

(vii) Contributions paid to the pension schemes; cash paid as employer's contributions to the pension funds.

Statutory provisions limit the OPCC to raising Council Tax to cover the amounts payable by the Group to the pension funds in the year. In the Movement in Reserves Statement this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension funds and any amounts payable to the funds but unpaid at the year end.

Discretionary Benefits

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

Injury Awards

The Group has powers to make awards to Police Officers who have ceased to be members of the police force and are permanently disabled as a result of an injury received without his/her own default in the execution of his/her duty. These payments are made in accordance with the Police (Injury Benefit) Regulations 2006.

V. Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the financial statements, depending on how significant the items are to an understanding of the Chief Constable's financial performance.

VI. 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 when the Statement of Accounts is authorised for issue. Two types can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events;
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where 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.

VII. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SeRCoP). The total absorption costing principle is used; the full costs of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core; costs relating to the Group's status as a democratic organisation.
- Non Distributed Costs; the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Notes to the Financial Statements

These two cost categories are defined in SeRCoP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Cost of Services

VIII. Prior Period Adjustments and Changes in Accounting Policies

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Group's financial position or financial performance. A change may also be made to accounting policies if the Group encounters a transaction that has never arisen in the past, therefore requiring a policy to be introduced.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

IX. VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

Statement of Accounts 2012/13 for the Chief Constable of Staffordshire Police

Supplementary Financial Statement

Police Pension Scheme for England and Wales

Pensions Fund Accounts

FUND ACCOUNT 2011/12 £000		FUND ACCOUNT 2012/13 £000
	Contributions Receivable:	
(18,165)	Contributions at 24.2% of Pensionable Pay	(17,121)
(2,037)	Early Retirements	(3,039)
(44)	Other – Pre 1974 Recharge Receipts	(73)
(8,153)	Officers' Contributions	(8,563)
(28,399)		(28,796)
(58)	Transfers in from Other Schemes	(48)
	Benefits Payable:	
36,431	Pensions	39,969
16,193	Commutations and Lump Sum Retirement Benefits	13,976
85	Lump Sum Death Benefits	75
52,709		54,020
	Payments to and on Account of Leavers:	
1	Refunds of Contributions	0
330	Individual Transfers Out to Other Schemes	325
331		325
24,583	Net Amount Payable for the Year	25,501
(24,583)	Additional Contribution from the OPCC via the Home Office	(25,501)
0		0
	<u>NET ASSETS STATEMENT AS AT 31 MARCH 2013</u>	
0	Current Assets	0
0	Current Liabilities	0
0	Net Assets	0
0		0

Notes to the Supplementary Financial Statement

1. The Chief Constable is required by law to operate a pension fund and the Pension Fund for Police in England and Wales is controlled by the Police Pension Fund Regulations 2007 (SI2007 No.1932). Due to the fact that the Chief Constable does not hold assets or liabilities, no cash is transacted by the Chief Constable. All payments and receipts into and out of the fund are made by the OPCC such that the Chief Constable can fulfil the administration of the fund. The Fund is accounted for in the following ways:
 - all receipts and payments relating to the 1987 and 2006 Police Pensions Regulations are generally receivable into and payable out of the Pension Fund, unless otherwise specified in the 2007 Regulations
 - specific provision is made for officers' contributions and inward transfer values to be paid into the Fund and for awards payable and outward transfer values to be paid out of the Fund
 - the OPCC is required to make a transfer from the Police Fund to the Pension Fund for employers contributions. The level of these contributions and the officers contributions are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department
 - transfers are required from the Police Fund to the Pension Fund on the event of specified ill health retirements and where discretionary pension payments are made
 - with some exceptions, awards payable under the Police (Injury Benefit) Regulations 2006 are met from the Police Fund rather than the Pension Fund
2. The 2007 Regulations provide that the OPCC must transfer an amount from the Police Fund to the Pension Fund where income to the Fund is less than its expenditure so that the fund will be balanced to nil at the end of each financial year. In the year ended the 31 March 2013 the OPCC transferred £25.501m into the Fund to meet the excess expenditure in the year (£24.583m in 2011/12). Where the OPCC makes a transfer into the Pension Fund, the Home Office will pay a top-up grant to the OPCC and the OPCC acts as an intermediary for this grant receipt. The grant is therefore shown on the OPCC's Comprehensive Income & Expenditure Statement but is transferred to the Pension Fund Account by an adjustment in the Statement of Movement in Reserves. The top-up grant payable to the OPCC in 2012/13 was £25.501m (£24.583m in 2011/12).
3. Accounting policies
 - (a) **Transfer values**

The OPCC uses the receipts and payments basis for transfer values it has received or paid and for refunds of contributions. This means the accounts do not include amounts the OPCC owe or amounts which are owed to the OPCC.
 - (b) **Debtors and creditors**

The OPCC include debtors and creditors at the end of the financial year for employer's pension contributions paid in advance, top-up grant due but not received and for commuted lump sum payments to retiring police officers that have been paid but not processed through the payroll. The pension scheme financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The top-up grant due but not received at 31 March 2013 was £8.720m (£9.395m at 31 March 2012).
 - (c) **IAS 19**

Relevant information from the pension accounts has been supplied to the Government Actuary Department (GAD), so the necessary information is available to help us meet IAS19. The Statement of Accounts for the OPCC and OPCC Group contains details of the long-term pension obligations in note 35 of the Financial Statements.

Statement of Accounts 2012/13

Glossary

Glossary

Accounting Policies

Those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through :

- recognising
- selecting measurement bases for, and
- presenting assets, liabilities, gains, losses and changes to reserves.

Accounting policies do not include estimation techniques.

Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised; the basis on which it is to be measured; and where in the revenue account or Balance Sheet it is to be presented.

Budget

A statement of the Chief Constable's plans in financial terms. A budget is prepared and approved by the OPCC prior to the start of each financial year.

CIPFA

The Chartered Institute of Public Finance and Accountancy. This is the main professional body for accountants working in the public services.

Corporate and Democratic Core

These represent the costs of delivering public accountability and representation in policy making and meeting the Chief Constables' legal responsibilities.

Depreciation

The measure of the cost or revalued amount of the benefits of the non current assets that have been consumed during the period.

Consumption includes the wearing out, using up or other reduction in the useful life of a non current asset whether arising from use, the passage of time or obsolescence through either changes in technology or the demand for the service produced by the asset.

Financial Regulations

A written code of procedures approved by the Chief Constable and intended to provide a framework for the proper financial management of the Chief Constable. The financial regulations are supported by detailed financial instructions.

IAS19

The objective of International Accounting Standard (IAS) 19, Accounting for Retirement Benefits in Financial Statements of Employers is to prescribe the accounting and disclosure for employee benefits (that is, all forms of consideration given by an entity in exchange for service rendered by employees). The principle underlying all of the detailed requirements of the Standard is that the cost

Statement of Accounts 2012/13

Glossary

of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable

IFRS

International Financial Reporting Standards, as agreed by the UK accountancy profession and the Accounting Standards Board.

Medium Term Financial Strategy (MTFS)

A statement setting out a forecast of possible spending and government support for a forward three year period and used as a basis for planning.

Non Distributed Costs

This is where overheads are not charged or apportioned to activities within the service expenditure analysis in the Comprehensive Income and Expenditure Statement.

Relevant Police Officer

The Chief Constable (England and Wales) and Commissioners of the Metropolitan or City of London Police (England). Any other senior police officer whose salary is £150,000 per year or more.

Remuneration

All amounts paid to or receivable by a person, and includes sums due by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax), and the estimated money value of any other benefits received by an employee otherwise than in cash (e.g. benefits in kind).

Senior Employee

A senior employee is an employee whose salary is more than £150,000 per year, or one whose salary is at least £50,000 per year (to be calculated pro rata for a part-time employee) and who is:

- (a) the designated head of paid service, a statutory chief officer or a non-statutory chief officer of a relevant body, as defined under the Local Government and Housing Act 1989
- (b) the head of staff for a relevant body which does not have a designated head of paid service; or
- (c) any person having responsibility for the management of the relevant body, to the extent that the person has power to direct or control the major activities of the body, in particular activities involving the expenditure of money, whether solely or collectively with other persons.

