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THE CHIEF CONSTABLE OF DYFED-POWYS POLICE

# STATEMENT OF ACCOUNTS

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FOR THE YEAR ENDED  
31 MARCH 2020

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## Narrative Report

### 1.0 Introduction

- 1.1 This narrative report aims to provide information on the most significant matters reported within the Chief Constable's accounts for the services provided by the Chief Constable of Dyfed-Powys.
- 1.2 The Police Reform and Social Responsibility Act 2011 created two corporations sole within each police force area, the Commissioner and Chief Constable. Each individual has a clear and separate statutory remit. The Commissioner is publicly elected and therefore, represents the public's voice on policing matters. Mr Dafydd Llywelyn was elected as Commissioner in May 2016. Mr Mark Collins was appointed by the Commissioner to the position of Chief Constable in December 2016. A separate Statement of Accounts document is produced which sets out Group Accounts for the Police and Crime Commissioner and the Chief Constable.
- 1.3 As part of a range of measures, the Coronavirus Act 2020 postponed elections for Police and Crime Commissioners, which were due to take place in May 2020, by one year to 6 May 2021. The Act extends the term of office of the current incumbent for one year and reduces the term of office for the next incumbent by one year.
- 1.4 This report details the main objectives, strategies and principle risks that the Chief Constable of Dyfed-Powys face. It provides a commentary on how resources have been used to achieve desired outcomes in line with these objectives and strategies.
- 1.5 It aims to give a fair, balanced and understandable analysis of financial and operational performance, which can be used to provide context to the financial information included within the financial statements to aid the understanding of the reader.
- 1.6 The narrative report will focus on the following areas:
  - Organisational Overview and External Environment
  - Governance and Operational Performance
  - Organisational Model
  - Financial Performance
  - Risks, opportunities and the Medium Term Financial Outlook
  - Coronavirus Pandemic Response and Implications
  - Basis of preparation and presentation



## 2.0 Organisational Overview and External Environment

- 2.1 Spanning 4,188 square miles, Dyfed-Powys is the largest force area in England and Wales. With 13,842 miles of roads, 2 large ports, 350 miles of coastline and vast areas of countryside, the geography presents significant demand and resourcing challenges.



- 2.2 The resident population of 518,062 is spread across extensive rural areas, holiday and market towns as well as more heavily populated areas. The draw of tourism presents unique demands with large numbers of tourists visiting key towns. This presents some significant implications for crime volumes, anti-social behaviour and roads policing.
- 2.3 The Welsh language is spoken by 40.9% of Dyfed-Powys residents compared with the national average of 28.4%. The force is committed to ensuring that the workforce is representative of the communities it serves so that members of the public are, whenever possible, afforded the opportunity to communicate with us via the medium of Welsh.
- 2.4 The skills of the workforce and resourcing levels are critical in dealing with the ever evolving and changing demands and legislation. The Chief Constable manages and controls the force through internal governance arrangements with the Commissioner providing oversight and scrutiny on behalf of the public.
- 2.5 Against national trends, Dyfed-Powys' Police Officer headcount has remained relatively stable over the last 10 years, albeit 2018/19 saw a small planned reduction as a result of a voluntary early severance scheme for Police Officers. This was planned and managed carefully to ensure that key skills were retained. It realised £1.2million of cost reductions and facilitated succession planning to deliver an optimal and effective skills mix. The budgeted number of Police Support Staff posts have since risen to 701 as a result. The workforce also includes 148 PCSO positions and 98 special constables. The implications of the Government's commitment to recruit an additional 20,000 police officers across England and Wales by March 2023 will have an impact on these numbers for the future and this is referenced in Section 4 and 6.

Home Office Police Workforce Statistics as at 31st March each year										
	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019
Police Officers	1,195	1,157	1,131	1,112	1,123	1,176	1,149	1,160	1,186	1,145
Police Staff	720	673	606	606	600	536	584	622	633	651
Police Community Support Officers	83	80	97	143	150	147	135	143	145	146
Total	1,998	1,910	1,834	1,861	1,873	1,859	1,868	1,925	1,964	1,942
England and Wales Total	248,397	237,250	224,272	218,052	214,024	212,380	205,860	203,135	204,330	206,569

- 2.6 The financial landscape continues to be challenging and Dyfed-Powys Police has seen central grant funding reductions of 21% or £13 million between the 2010 Comprehensive Spending Review and 2019/20. The force has been required to make savings of £29.5 million over this period and has an extensive efficiency and savings plan going forward but

there will also be a requirement to identify more to ensure a balanced budget given cost pressures expected particularly in relation to pension costs. Against this backdrop, the force also has some significant capital investment needs over the next ten years in relation to new premises and ICT systems as well vital ongoing maintenance and equipment replacements.

- 2.7 There has been much independent commentary over recent years and months in relation to Police sustainability, funding, resilience and increased financial burdens. Pressures continue to arise from the changing nature of policing and crime. More recently, a complex array of implications and far reaching financial and economic consequences have arisen as a result of the Coronavirus pandemic. These highlight the very critical and precarious position that Dyfed-Powys, the police service, public services and the country as a whole face.
- 2.8 Both the Commissioner and Chief Constable continue to articulate concerns in relation to the very significant impact and risks that threaten communities in Dyfed-Powys. The Medium Term Financial Plan for 2020/21 further details aspects, albeit it must be noted that this was approved prior to the Coronavirus pandemic, so does not yet reflect the specific implications of this: <http://www.dyfedpowys-pcc.org.uk/media/9094/2021-mtftp-and-precept-report-for-panel-final-for-publication.docx>
- 2.9 Against this challenging financial backdrop, demands continue to grow and become increasingly complex. The force has experienced increases in recorded crime over recent years albeit that changes to the way that crimes are recorded nationally have impacted on this. All forces in England and Wales have experienced similar increases with the most notable increases being in relation to violent crime.
- 2.10 Police officers and staff are called upon to deal with a wide variety of important issues affecting the public.

Antisocial Behaviour	Fraud	Property crime
Brexit	Governance	Resources
CCTV	Justice	Roads policing
Children and young people	Mental health	Sexual crime
Crime investigation	Modern Day Slavery	Specialist capabilities
Cyber crime	Neighbourhood policing	Stop and search
Digital technology	Organised Crime	Terrorism
Domestic abuse	Police Effectiveness	Violent crime
Drugs and alcohol	Police legitimacy	Workforce
Firearms	999 Response	Youth and Policing

- 2.11 The service continues to evolve quickly to enable it to respond to new risks, threats and changes in technology, many of which have required new ways of working.
- 2.12 The force and Office of the Police and Crime Commissioner developed a delivery plan for 2017-21 in support of the Police and Crime Plan with a Vision being created for 2025. Detailed delivery plans were then developed to underpin these high level strategic documents. The plans recognise the challenging operational and financial environment, the need for continued investment to support sustainable services and the requirement to match force resources and assets to meet force demand appropriately.
- 2.13 With the Commissioner's support, the force has invested significantly in digital policing, providing front line officers and PCSOs with access to force systems through mobile data terminals and body worn video cameras, as well as introducing vehicle based telematics to

enhance incident response. CCTV has continued to be rolled out widely across the area, acting both as a deterrent but also providing a valuable and effective crime investigation tool.

- 2.14 Policing is a non-devolved service in terms of the Welsh Government, however much of the work that is undertaken across the four county areas is rightly done in partnership with Local Authorities, Fire Authorities, Local Health Boards and many other partners including the third sector. In addition a number of important services such as Armed Response and responding to the threat of Organised Crime and Terrorism are carried out in collaboration with other forces.
- 2.15 Dyfed-Powys Police continues to contribute to national policing activities with force's officers and staff being called to assist with a number of high profile policing events and incidents during the year which were reimbursed including:
- D-Day 75th Year celebrations - June 2019
  - Investigation into deaths of 39 Vietnamese people in refrigerated lorry in Essex
  - NATO Conference - December 2019
  - State Visit of US President - June 2019
  - Conservative Party Conference - Manchester
  - Various Climate Protests
  - African Investment Summit - January 2020
  - Swansea City V Cardiff City - October 2019
- 2.16 More locally, the force had a number of significant planned and unplanned operations and events during the year including:
- Investigation of missing person from Nantgaredig Carmarthen
  - Numerous investigations into activity concerned with supply of drugs including work in connection with the National Crime Agency to detect and recover £60m worth of cocaine from a yacht in Fishguard. Two men caught aboard pleaded guilty and were sentenced to 19.5 and 13.5 years.
  - A number of other tragic incidents which brought significant operational challenges and extraordinary resourcing requirements
  - Numerous local events and activities including the Royal Welsh Show and the Hay Book Festival
- 2.17 Early 2020 also saw the developing emergency arising from Coronavirus, with the World Health Organisation declaring it a pandemic on the 12<sup>th</sup> March 2020. The impact of the response to this has been unprecedented amongst the public sector as a whole, most significantly affecting the National Health Service, Local Government and Care Sector but also specifically on policing.
- 2.18 Dyfed-Powys took a range of early steps to ensure that it was well prepared to respond at a local, regional and national level. The governance arrangements established were significant to ensure that all aspects of operational and organisational performance and service delivery were both optimal and dynamic to respond appropriately to the quickly evolving position, with the health and wellbeing of the workforce being absolutely paramount. These arrangements are further outlined within the Annual Governance Statement and an additional section has been included at 7 of this narrative report to highlight some of the wider service delivery and organisational issues along with the financial implications.

### 3.0 Governance and Operational Performance

- 3.1 The Governance arrangements by which the Commissioner and Chief Constable operate are complex. The arrangements were critically reviewed during 2018/19 and continue to evolve to ensure effective organisational management, oversight and scrutiny. An Annual Governance Statement is included as part of this Statement of Accounts and this details the arrangements in place for delivering robust scrutiny and accountability by the Commissioner and Chief Constable. A Joint Corporate Governance Framework sets out the principles, structures and processes by which the Office of the Police and Crime Commissioner and Dyfed-Powys Police are governed, both jointly and separately, and this is reviewed and updated annually.
- 3.2 The Commissioner and Chief Constable each have a clear and separate statutory remit. The operational independence of the Chief Constable is protected in legislation. He has a statutory responsibility for the control, direction and delivery of operational policing services provided by the force. The Chief Constable is accountable in law for the exercise of police powers and to the Commissioner for the delivery of efficient and effective policing, management of resources and force expenditure. The Chief Constable holds Office under the Crown and is responsible for maintaining the Queen's Peace.
- 3.3 The Police and Crime Commissioner is statutorily responsible for securing an efficient and effective police force and holding the Chief Constable to account for the exercise of his functions. The Commissioner is responsible for setting the annual police budget (including precept level) and ensuring that public money is accounted for and that it is used economically, efficiently and effectively. The Commissioner is the statutory owner of all capital assets and is the holder of all reserves and balances.
- 3.4 The Commissioner is responsible for setting the strategic priorities for the force through the production of the Police and Crime Plan, ensuring business is conducted in accordance with the law and that proper standards are achieved and maintained.
- 3.5 The Commissioner's Police and Crime Plan is an important document that sets out four priorities and five key delivery principles namely:

Priorities	Delivery Principles
Keeping Communities Safe	Delivering Value for Money
Safeguarding the Vulnerable	Public Engagement
Protecting our communities from serious threats	Working Together
Connecting with communities	Supporting Victims
	Equality and Fairness

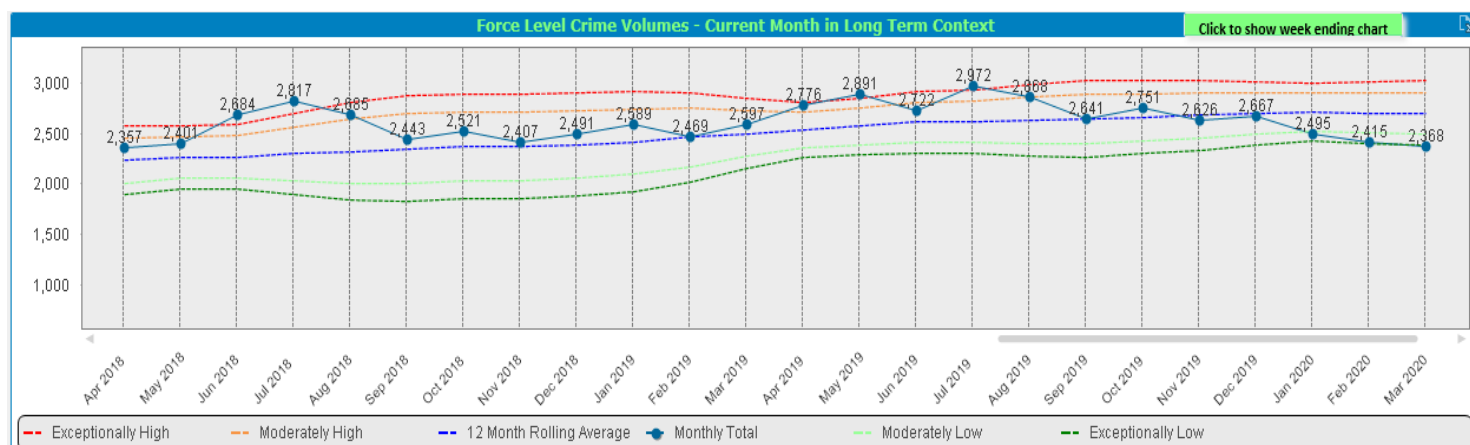
- 3.6 The Commissioner and Chief Constable have continued to consolidate the solid and professional relationship between the two functions and have a single vision of improving Dyfed-Powys Police and the service it provides to the public.
- 3.7 The Chief Constable is responsible for supporting the Commissioner in the delivery of the priorities set out in the Police and Crime Plan. His operational delivery, performance monitoring frameworks and financing decisions focus on these priorities. Progress against the plan is reported quarterly at the Policing Accountability Board; a public meeting where the Police and Crime Commissioner holds the Chief Constable and his senior team to account. The latest Performance Report can be obtained within the agenda for the last meeting at:



<http://www.dyfedpowys-pcc.org.uk/en/accountability/policing-accountability-board>

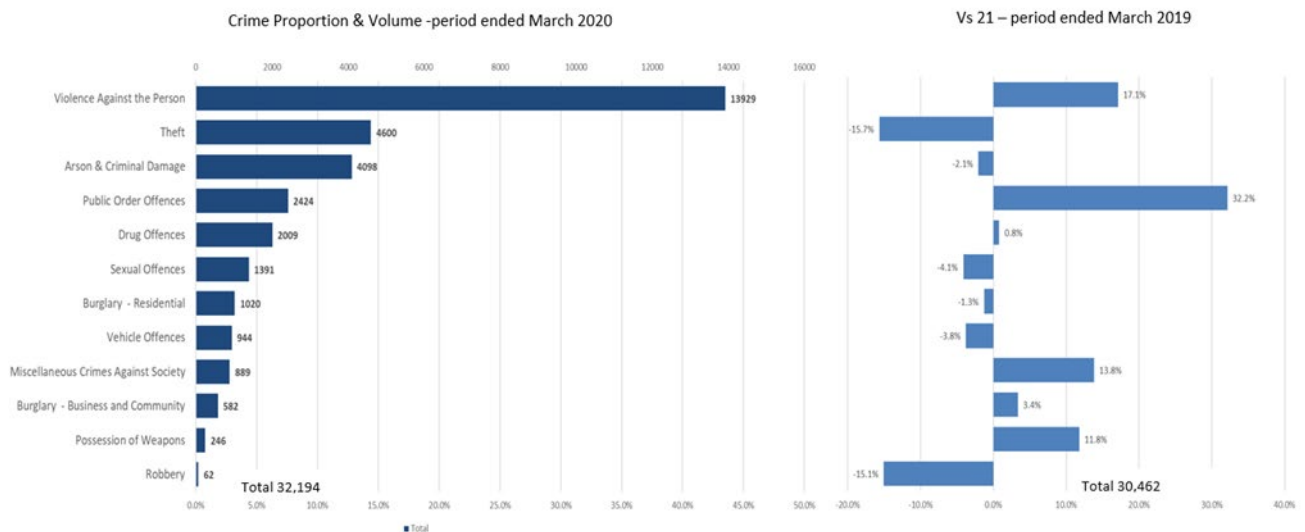
- 3.8 There are a number of volume and output metrics that are monitored as part of the assurance and governance arrangements. This analysis provides indicators of progress and performance against the priorities within the Police and Crime Plan. All performance is monitored and scrutinised through the appropriate Boards within the Governance structure with a key focus on improvement and learning.
- 3.9 Dyfed-Powys Police have continued to answer 999 calls well within the 10 second target set by the Code of Practise for the Public Emergency Call Service (PECS). 101 performance in terms of average speed of answer and abandonment has declined since the same period last year. A multifaceted plan is in place to improve 101 performance. The plans proposed include changes to ICT systems, Force Contact Centre (FCC) (and wider force) processes, improving internal partnership working and promulgating cultural change. The number of calls for service received at our FCC has remained largely unchanged for the last 4 years. Demand and resources are forecasted to change as the FCC provides additional digital contact channels via social media and single online home in the coming year.
- 3.10 Response times to calls for service, in accordance with the prioritisation given to them, is very good. Some geographical challenges are faced in places such as Lampeter and Radnorshire Inspector areas however, in comparison, the response times are far better than in other forces.
- 3.11 The following chart demonstrates that total crime recorded peaked in July 2019. A decrease in crime commenced from December 2019 and continued steadily. The UK faced a nationwide lockdown on the 23<sup>rd</sup> March due to the COVID-19 situation. Crime volume is showing the beginnings of a decrease that continued into April 2020

Total recorded crime volume over time



- 3.12 Within the last two years, the largest increases in recorded crime are within Public Order Offences, Violent Crime and Miscellaneous Crimes against Society. Increases are also noted within the Possession of a Weapon category. Albeit, these are small in number, given the serious nature of the crimes and indeed the national focus on knife crime, the force is committed to recording and dealing effectively with all such reports. There was a 15% decrease in both Robbery and Theft. Overall there has been a 5.7% increase in crime compared to 2018/19.

## Crime Category comparison 2018/19 to 2019/20



- 3.13 The majority of investigations now have an element of cyber dependency in the way the offence is committed. As the number of devices increase and storage expands, early triaging and assessment is essential in order to prioritise examinations and cope with demand. Revision of processes within the Digital and Cyber Crime Unit (DCCU) has ensured that effective triaging takes place both at the point of seizure and on submission to the DCCU. Capacity in dealing with the investigation of digital devices pertaining to lower level offences has also been increased, through training Crime Scene Investigators to retrieve data from mobile devices in accordance with ISO standards. This, alongside other measures, has assisted in a substantial increased capacity and led to a reduction of outstanding workload within the DCCU and enabled a better service to victims through swifter processes.
- 3.14 County Lines remains a national threat with Organised Crime Groups from major cities targeting rural communities and taking control of local drug markets. Early intervention by Dyfed-Powys Police to disrupt activity has assisted in minimising the harmful impact within the force area. The creation of Serious Violence and Organised Crime boards within each County has helped develop a multi-agency approach to this threat and protect the vulnerable who are targeted by these groups.
- 3.15 Doing the basics brilliantly is a key commitment of the Chief Constable and this applies across all areas of work. For 2019/20, Neighbourhood policing and Domestic Abuse have been established as priority areas that the Chief Officer team and other senior leaders are focusing on to drive improvement in further safeguarding our communities.
- 3.16 Dyfed-Powys Police have also prioritised raising the standards of investigations across all crime types reported, paying specific emphasis on more serious crimes whereby investigations can become protracted. This work has been led by the Head of Crime and has resulted in a substantial reduction in live cases that are over 12 months old. Particular focus has been paid to Rape and Serious Sexual offences (RASSO) due to the trauma that is caused to victims. There is effective management of these investigations amongst senior leaders and regular RASSO meetings are held with the Crown Prosecution Service to review any failed cases and to scrutinise police decision making around any “No further action (NFA)” cases.

- 3.17 To further build on measures put in place to enhance the service provided to victims of crimes, which included the establishment of a Vulnerability Desk, a Secondary Risk Assessment Unit (SRAU) has been developed to effectively respond to the increase in domestic abuse incidents and cases referred to the Multi-Agency Risk Assessment Committee. The SRAU provide a consistent approach to the grading of domestic incidents and provide a timely and effective risk management plan through multi-agency daily discussions. Furthermore, staff are trained to complete a Screening Assessment for Stalking and Harassment.
- 3.18 The Vulnerability Hub draws together key functions including the Central Referral Unit, SRAU, Offender Management Unit and Harm Reduction Unit. It is anticipated that this will improve our response to all vulnerable victims. Through the development of a Triage and Assessment unit, the force will be able to review all Multi Agency Referral Forms providing a consistent assessment of threat, risk and harm. This will enable early intervention to address lower level vulnerability adopting an Adverse Childhood Experience lens approach. Working with partners and conducting joint reviews has stimulated interest from Local Authorities to form part of the Triage and Assessment process. This can be carried out physically or virtually using the recently purchased state of the art software, mitigating some of the geographical challenges presented to Dyfed-Powys.
- 3.19 During this fiscal year, the conviction rates in Dyfed-Powys for both Crown and magistrates' court have consistently remained higher than the national average. Although the conviction rates have fluctuated on a quarterly basis, the trends remain steady i.e. 82.4% to 86.9% in the Crown Court and 87.2% to 90.9% (Q3 data was the highest in Wales) in the magistrates' court
- 3.20 Public opinion of local policing is gauged from two key sources of information. These are the Crime Survey for England and Wales (CSEW) which offers public perception of policing and the Victim Satisfaction Survey which provides victim experience of policing. The CSEW is carried out by the Office for National Statistics and the Victim Satisfaction Survey is carried out by police staff within Dyfed-Powys Police, a service commissioned by the Police and Crime Commissioner. Generally the Victim Satisfaction Survey suggests that victims are satisfied with the whole experience however, keeping victims informed of progress made against the investigation of the crime is an area that is consistently highlighted as one for improvement.

1. Crime Outcomes

Considering crimes that were reported and assigned an outcome (finalised) in 2019/20, 65.7% (19,911 crimes) were assigned an outcome within 30 days of it being reported. This is an increase of 2.7% when compared with 2018/19. The volume of crimes assigned an outcome within 30 days depends highly on both the type and nature of the crime. Crimes of greater complexity, such as sexual and robbery offences (35.7% and 43.5%, respectively) are likely to take longer to assign an outcome, than crimes that are generally considered less complex, such as criminal damage and public order offences (75.9% and 71.8%, respectively).

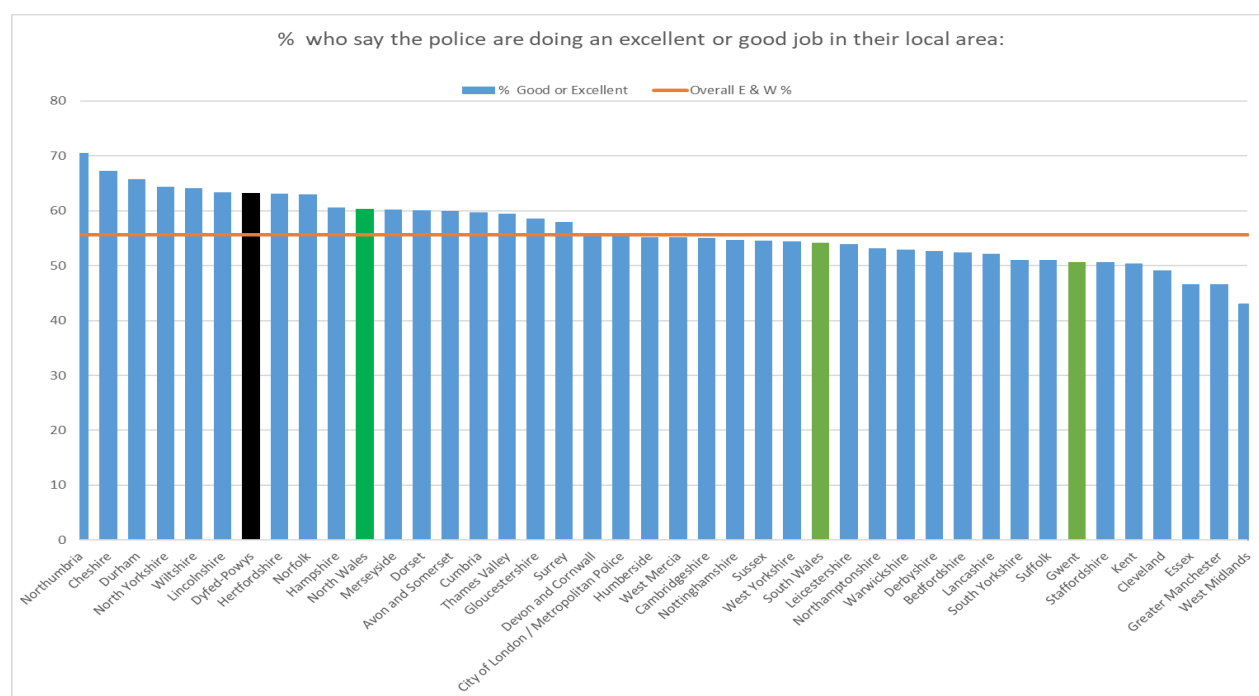
2. Victim satisfaction

615 telephone interviews were conducted in 2019/20 to identify how satisfied victims of crime and anti-social behaviour were with policing services received. The graph below focuses on five aspects of our victims' journey. Only 3 surveys were conducted in March 2020 as the national lockdown due to COVID-19 meant that surveying of victims of crime could not

continue as it was not a task that was suitable for home working. Due to the small numbers March, figures are not therefore included in the final dataset set out below.

- 3.21 In terms of Victims Satisfaction, 75.1% were satisfied with their whole experience but the force recognises that there is work to do to focus on keeping victims up to date. Lower satisfaction rates with being kept informed appear to influence an individual's whole experience satisfaction rate. Satisfaction with treatment rates remain consistently high.
- 3.22 Despite a number of personnel changes occurring within the Police Chief Officer team over the year, the force and Commissioner have continued to work hard together to overcome continued challenges with progress being made on a number of critical areas. A focus on public engagement and working together to safeguard the vulnerable has resulted in a shift in focus, to what has now been recognised nationally as providing exceptional victim care.
- 3.23 The level of public perception remains high in comparison with levels elsewhere in the country with 63% rating the work that Dyfed-Powys Police do as good or excellent (CSEW December 2019 Data):

## Level of Public Perception – Good or Excellent



- 3.24 During October 2018, Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services HMICFRS undertook the first annual integrated PEEL inspection of the force. Their findings were published in late April 2019 with the following grading:

Section	Test	Outcome
Effectiveness	How effectively does the force reduce crime and keep people safe?	Good
Efficiency	How efficiently does the force operate and how sustainable are its services to the public?	Requires Improvement
Legitimacy	How legitimately does the force treat the public and its workforce?	Requires Improvement

- 3.25 Although disappointing to see the grading, both the Commissioner and Chief Constable are absolutely committed to providing a first class policing service to the communities of Dyfed-Powys. The force has invested a significant amount of time in better understanding the issues highlighted and continues to focus on addressing these. This spring, the force accepted an invitation from HMICFRS to be a pilot force for their new Continuous Assessment PEEL framework this summer. However due to the outbreak of Covid-19 in March 2020, HMICFRS suspended all inspection activity until further notice. There are currently no timescales for this to recommence.
- 3.26 HMICFRS has recognised the significant progress the force is making in relation to restructuring services to deliver specialist support to communities. It is also reassuring to hear praise for the work of staff in the Force Contact Centre, who consistently identify vulnerability. HMICFRS have further provided positive feedback to progress made around the new strategic direction and model for Neighbourhood Policing. The force was graded as good for treating the public fairly which is testament to the work undertaken daily to support and safeguard the communities of Dyfed-Powys.
- 3.27 Both the Commissioner and Chief Officer Group are very clear that they want a culture where everyone feels able to be heard and to challenge but it was evident that there was work to do in relation to concerns about perceived fairness. The force undertook a staff survey during 2019/20 with a response rate of 52.5%. The findings are currently being analysed by Durham University who are undertaking the research.
- 3.28 The force recently resubmitted an application for an Investors in People accreditation. This process casts an independent eye across the whole of the force including its working practices, leadership and culture. It is very pleasing to note that the force was awarded the prestigious Gold Award by Investors In People in April 2020. With less than 7% of organisations applying achieving this level of accreditation, this is a significant achievement and underlines the extent of the improvements that have been made in relation to the leadership approach, staff welfare and the management of people.
- 3.29 This is complemented by the staff survey, which was run at the same time. These provide a great opportunity for Chief Officers to learn about and act on the opinions of the workforce. This is supplemented by frequent Chief Officer Road Shows and are supplemented further by online interactions by Chief Officers on platforms such as “Ask the Chief”, social media and the “COG Blog”. Chief Officers will review the feedback from Investors in People together with the results of the staff survey to identify and address all opportunities to improve further.
- 3.30 The force has continued to re-shape to meet demand and has made considerable progress in many of the delivery principles which underpin the Police and Crime Plan. The force has one of the lowest levels of recorded crime and is therefore one of the safest places to live in England and Wales with public trust and confidence remaining high. It is however, recognised that the landscape of policing is forever changing, and that there is still much work ahead to address future challenges whilst addressing the issues identified within the most recent HMICFRS Report.



#### 4.0 The Organisational Model

- 4.1 The force is organised on both a geographic and functional basis. The Chief Constable is supported by a Chief Officer Team which comprises the Deputy Chief Constable, the Assistant Chief Constable and the Director of Finance. The main responsibilities of the three positions in supporting the Chief Constable are shown in the table below:

Deputy Chief Constable	Assistant Chief Constable	Director of Finance
People Services	Local Policing	Corporate Finance
Legal Department	Investigations	Fleet
Information Management	Specialist Response	Procurement
Collaboration and Efficiency	Contact Centre	Information Systems and Technology
Corporate Communications	Scientific Support	Business Support Unit
Ill Health Retirements	Criminal Justice	
Major Operations	Partnerships	
Health and Safety		
Professional Standards		

- 4.2 For the 2019/20 financial year, the force had a budgeted establishment of 1,149 Police Officers, 148 Police Community Support Officers and 701 Police Staff. A breakdown of the distribution of staffing is shown in the table below:

Budgeted Positions 2019-20	Police Officers FTE	PCSO FTE	Police Staff FTE	Total FTE
Local Policing	577	148	9	734
Investigations	297	0	159	456
Operational Support (including Call Handling)	166	0	155	321
Criminal Justice	1	0	51	52
Scientific Support	4	0	20	24
Professional Standards	9	0	14	23
Other including Business Support	29	0	265	294
Seconded and Funded Areas	66	0	27	93
<b>Total</b>	<b>1,149</b>	<b>148</b>	<b>700</b>	<b>1,997</b>

- 4.3 Recruitment intakes have been carefully planned and managed during the year to ensure optimal resourcing levels, availability of specialist skills and to allow the proportionate geographical distribution of staff. New training arrangements have been implemented from March 2019 under the Police Education Qualifications Framework which continues to see intakes of student constables each year with external course providers delivering core elements of their training.

- 4.4 In January 2020, the force welcomed its first cohort of 22 recruits that were appointed under the Home Office Operation Uplift programme which aims to increase the number of Police Officers employed nationally by 20,000 by March 2023. Up to 6,000 Officers needed to be in place by March 2021 and the force has received an allocation of 42 constable positions from the initial allocation announced. A comprehensive programme of recruitment is in place not only to support the additional officers but also to replace officers leaving the service over this period. Despite the challenges posed by the Coronavirus pandemic, the force is on track to deliver against this target. This will see the number of Officers in post increase to 1,181 by this date.

### **5.0 Financial Performance**

- 5.1 This Statement of Accounts shows the financial performance of the Chief Constable and has been prepared on the basis of proper accounting practice which meets the requirements of the Chartered Institute of Public Finance & Accountancy's Code of Practice. This differs slightly from the budgets that are managed and monitored on a day to day basis as these exclude some elements such as depreciation and movements on pension liabilities which under statute do not need to be financed fully in the year.
- 5.2 The cost of services included within the Comprehensive Income and Expenditure Statement shows that £138.1 million has been spent on providing policing services to the public of Dyfed-Powys Police in 2019/20 before taking account of the impact of the McCloud / Sargeant ruling on past service pension costs.
- 5.3 The Statement provides an analysis across the main cost components. The components have been amended compared to previous years to reflect financial reporting changes that have been implemented internally during 2019/20 within the force. Prior year figures have been restated for comparative purposes. For example, it can be seen that the largest element was spent on Police Officers which accounted for £64.472 million of the total in 2019/20.
- 5.4 The cost of service overall is around £9 million more than the comparable figure spent in the prior financial year. Of this increase, around £3.4 million is attributable to pay and price inflation, £3.1 million is attributable to increase in police officer pension contributions with the remainder being attributable to budgeted increases in agency and contracted payments for national and collaborative services, budgeted increases in police staff and other non-pay categories including ICT. The impact of the McCloud / Sargeant ruling on past pension costs for the office and staff schemes have been separately identified but within the overall cost of service due to their significance.
- 5.5 The Balance Sheet provides a snapshot of the Chief Constable's assets and liabilities as at 31<sup>st</sup> March 2020. All capital assets (such as buildings and vehicles) and reserves are owned by the Commissioner and are therefore excluded.
- 5.6 The Chief Constable's Balance Sheet is dominated by the long term liability of £1,442 million (previously £1,371 million) that exists in respect of future pension liabilities for police officers and staff. This represents the amount that would need to set aside at the balance sheet date to cover the future payments of pensions of all current serving and retired officers and staff. This figure has been calculated independently on an actuarial basis and takes account of future salary levels, inflation, mortality rates etc. This has increased by £71 million during the year predominantly due to changes in financial and demographic assumptions, the impact of the McCloud / Sargeant ruling and the impact of the Coronavirus Pandemic on the value of Local Government Scheme asset valuations. All current and future police officer pension

costs will be paid for by the Government and there is therefore an offsetting debtor shown in the accounts of the Chief Constable.

- 5.7 Further details and breakdowns in respect of Balance Sheet items are included in the notes to the accounts.

### Financial Performance and Variance Analysis 2019/20

- 5.8 The Police and Crime Commissioner set a budget of £105.595 million as a Revenue Budget for the financial year 2019/20 which incorporated a use of reserves of £0.981 million as well as financial savings of £2.932 million which were deducted from baseline budgets. These cashable savings were to be delivered across a number of initiatives including workforce structures, collaborative arrangements, ICT developments, income generation and significant reductions in non-pay spending delivered through procurement and other cost reduction initiatives.
- 5.9 The budget incorporated a 2% pay award assumption for officers and staff and a 2% increase in general inflation on non-pay costs. This assumption proved to be challenging with a pay increase of 2.5% being approved by the Home Secretary for Police Officers and a 2.5% increase also being agreed for Police staff later in the year. The 2019/20 financial year also saw the implementation the police officer pension valuation outcome which increased employer pension contributions for officers from 24.2% in 2018/19 to 31% in 2019/20, albeit that a new specific grant was allocated to mitigate approximately half of the additional costs.
- 5.10 Of the total budget, £99.6 million was set as the budget for the Chief Constable. This takes account of a sum of £1.302 million that was paid by Home Office as a specific pension grant to partly offset the cost increases referred to above.
- 5.11 Having recognised the scale of the financial challenges that the force was facing, the Chief Constable established a Finance Gold group during 2018/19. This Gold group continued until late 2019 being chaired by the Chief Constable and was attended by all senior managers to ensure that there was a very clear and co-ordinated approach to financial management and understanding across the organisation. The work of this group has now been fully subsumed into the revised governance arrangements with the newly formed Finance, Efficiencies and Futures Board.
- 5.12 Four specific sub groups were established and these continue to operate with focused representation:
- **medium term financial plan** to consider use of reserves, efficiencies, future funding and resourcing levels
  - **overtime** to critically review arrangements and requirements
  - **procurement** to critically review arrangements and spend for contracts and supplies & services
  - **Income generation** to seek and maximise opportunities.
- 5.13 The following table sets out the final out-turn position for 2019/20 and compares this to the original budget. This Statement is prepared on a different basis to the information included in the Comprehensive Income and Expenditure Statement. It reflects the budgets that are managed and monitored on a day to day basis within the force and excludes some elements such as depreciation and movements on pension liabilities which under statute do not need to be financed fully in the year.
- 5.14 A revised budget is also shown in this variation statement that reflects additional budgets and movements approved during the year. Virements are processed during the year to ensure that the budget is updated on a timely basis. The changes to the budget referred to below

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were updated and reported at the monthly Policing Board meetings and the quarterly public Police Accountability Boards held thorough the year.

Variation Statement	Original Budget £'000	Revised Budget £'000	Actual £'000	Variance (Positive for Saving) £'000
<b>All Commissioner Revenue Budget Costs</b>	<b>5,977</b>	<b>5,939</b>	<b>5,951</b>	<b>-12</b>
<b>Chief Constable</b>				
Police Pay and Allowances	62,667	62,665	62,334	331
Police Officer Overtime	1,712	1,712	1,499	213
Bank Holidays	625	625	622	3
Police Staff Pay and Allowances	27,817	27,870	27,908	-38
Police Staff Overtime	196	141	98	43
Pension Costs	1,609	1,609	1,647	-38
Recruitment and Training	1,053	1,021	1,232	-211
Other Non-Pay Costs	8,868	9,448	9,257	191
Telephone Analysis and Forensics	1,976	2,107	2,174	-67
Collaboration Payments	3,309	3,321	2,990	331
Grants	-6,658	-6,136	-6,371	235
Income	-2,052	-3,069	-3,460	391
Capital Financing	776	842	911	-69
Reserves	-981	-1,012	-1,460	448
Recharges	0	-190	-226	36
<b>Total Departmental Budgets - Force</b>	<b>100,917</b>	<b>100,954</b>	<b>99,155</b>	<b>1,799</b>
Holding Account - Go Safe	0	0	400	-400
Go Safe - Transfer from Reserves	0	0	-400	400
Other Holding Accounts	3	4	-1	5
Pensions Grant – Specific	-1,302	-1,302	-1,302	0
<b>Total Budget – Force</b>	<b>99,618</b>	<b>99,656</b>	<b>97,852</b>	<b>1,804</b>
<b>Net Spending by Force and Commissioner</b>	<b>105,595</b>	<b>105,595</b>	<b>103,803</b>	<b>1,792</b>
<b>Movements in Reserves and Capital Financing</b>				
Capital Reserve Utilised in year	-3,150	-1,548	-822	-726
<b>Capital Reserve - Direct Revenue Financing</b>	<b>3,150</b>	<b>1,548</b>	<b>822</b>	<b>726</b>
Reduction in Planned Revenue Reserves Use	0	0	416	-416
Earmarked Reserve Creation - COVID - 19	0	0	650	-650
Non Enhancing Spending funded by Revenue	0	0	191	-191
Direct Revenue Financing to Reduce Borrowing	0	0	535	-535
<b>Total Revenue Reserves Movements</b>	<b>0</b>	<b>0</b>	<b>1,792</b>	<b>-1,792</b>
<b>Total Budget</b>	<b>105,595</b>	<b>105,595</b>	<b>105,595</b>	<b>0</b>

The final outturn position highlighted within the Variation Statement above demonstrate that the Commissioner's Revenue budget was more or less on target overall, being slightly over by £12k. Further information on this are included in the Group Accounts.

5.15 The Statement shows that the Chief Constable costs overall were £1,804k below the revised budget for the year. An explanation of the main reasons for the more material variances against the budget for 2019/20 is provided below:

- i. Police Officers Pay and Allowances: In total, this budget was underspent by £331k at the end of the year. Vacancies, earlier retirement and transfers of police officers have largely offset the additional cost impact of the 2.5% pay award that became payable from September 2019. This increase was 0.5% higher than the 2% allowed for in the budget.
- ii. Police Officer and Staff Overtime: Overtime spending has been constrained well within the budget for the year despite some fairly significant major incident activity over the course of the year. The work undertaken by the Overtime Group has been instrumental in delivering savings of £213k and £43k against the overtime headings for police officers and staff respectively.
- iii. Police Officer Bank Holiday and Allowances Headings: These headings have been well managed and were largely on budget for the year with savings of £3k being recorded in respect of Bank Holiday working.
- iv. Police Staff Pay and Allowances: These were slightly over by £38k on budget as a result of additional on-call payments and some historic staff re-gradings.
- v. Police Officer Pension Costs: Pension payments were slightly over budget by £38k as a result of decisions around permanence and injury awards that were taken in March on medical grounds.
- vi. Recruitment and Training: The force overspent against the budget by £211k against these headings. Additional costs were incurred in recruiting, assessment and training in of supporting the Operation Uplift Programme during the year. An additional tranche of 22 officers was recruited in January in support of the National initiative to increase officer numbers by 20,000 by March 2023 and 6,000 by March 2021. These additional costs were offset to some extent by an additional Grant of £203k (see below).
- vii. Other Non-Pay Costs: A saving of £191k is recorded against this heading. The procurements that were planned in relation to a Digital Media System (£160k) and the purchase of new fridges for crime exhibit purposes (£47k) were deferred into the 2020/21 financial year due to delivery and procurement issues.
- viii. Telephone Analysis and Forensics: Restrictions in relation to Digital Forensics and Scientific Support Forensic procurement which were expected to result in savings against these budgets have been cancelled out by additional costs incurred in relation to specific operational activity at year end leaving a small overspend of £67k at year end.
- ix. Agency and Collaboration Payments: The over spend that was projected in relation to collaboration payments in respect of the Regional Organised Crime Unit did not materialise and an under spend was experienced against funding set aside for the Joint Firearms Unit resulting in a net underspend of £331k overall against all agency headings. In addition some staffing changes were



implemented during the year that reduced the net costs of the central collaboration team.

- x. Grants: Grant headings were largely on target over the course of the year overall. As noted above, the force did receive additional grant funding of £203k in the year in respect of the Operation Uplift Programme which it had not budgeted for which accounts for the majority of the variance of £235k overall.
- xi. Income: The force received an additional £391k against the budgeted amount by year end which did reverse the trend reported over the year which was projecting a shortfall. The income shortfalls predicted in respect of interest receipts, firearms licensing, prosecution cost income and mutual aid receipts all ended up lower than was prudently feared. The force also received notification in March 2020 that the Home Office has provided an additional £1 million of funding to South Wales Police in order to cover the costs of the PEQF (Policing Education Qualifications Framework) Programme in lieu of Apprenticeship contributions. Following the submission of a claim Dyfed-Powys Police has been awarded £250k for 2019/20.
- xii. Capital Financing: The Table above shows a net overspend of £69k against capital financing charges at the end of the financial year. A sum of £120k was saved against this budget in relation to debt repayment and interest charges as a result of the decision not to borrow in the year due to capital spending slippage and in lieu of the overall spending position against budget. In addition, a transfer from earmarked reserves of £403k was approved by the Commissioner in support of a number of eligible capital funding schemes during the year which included the purchase of additional vehicles and in car-video equipment.
- xiii. Transfer from Reserves: Alongside the planned utilisation of the specific reserve to support the revenue budget, the Finance Department actioned a number of transfers from Specific Earmarked Reserves and funds for amounts that had been approved by the Commissioner in respect of a number of linked capital and revenue schemes and activities as noted above. In total the transfer from reserves was £448k higher than that set aside in the revised budget.

- 5.16 The force budget also incorporates self-balancing holding accounts in respect of Go Safe, Driver Retraining, collaboration funded posts and Secondments. These were largely on target compared to the budget. A transfer from reserves of £400k was required to offset the costs of the Go Safe Scheme which was funded from a Specific Reserve being held on behalf of Go Safe to support its future activities in respect of capital and revenue.
- 5.17 Generally, the year-end position is very positive which would appear to be welcomed given the scale of financial challenges that await in relation to ongoing Coronavirus related activity and costs in 2020/21 and the future financial challenges that wait in its wake in the Comprehensive Spending Review and from Operational uplift and formula funding considerations. The force has exercised considerable financial restraint and prudence over the year despite some considerable operational and financial challenges including higher than budgeted pay awards. The force has also made considerable progress in relation Operational Uplift, recruiting an additional 22 officers in January 2020 as part of this programme. Operationally and organisationally, the force has continued to perform strongly and has made many improvements as outlined in Section 4.0 above.

- 5.18 The final section of the Table above shows the net movements on reserves and capital financing compared to the budget. Capital spending was down on profile overall which meant that the transfer from the earmarked Capital Reserve was some £726k lower than anticipated.
- 5.19 The Final out-turn position was discussed at the Police Accountability Board meeting that was held on the 11<sup>th</sup> of May 2020. The Policing Board had already considered and accepted a paper that, subject to the final year end position, recommended the creation of a new Covid-19 reserve of £650k, as a prudent and interim measure in the absence of any firm position in relation to national funding. The paper outlined the significant additional costs of both the procurement of Personal Protective Equipment (PPE) and costs incurred in managing the initial policing and organisational response to the Coronavirus pandemic which amounted to £150k for 2019/20. It also attempted to forecast the financial implications on a monthly basis up until September 2020 considering a range of costs, impacts to income along with areas where potential savings may arise. The force took swift steps to ensure appropriate levels of Protective Personal Equipment were available to ensure the safety of the workforce.
- 5.20 At the Police Accountability Board Meeting of the 11<sup>th</sup> of May 2020, it was also agreed that an additional Direct Revenue Transfer be actioned in order to prevent the need for the Commissioner to borrow to fund Estates capital spending in 2019/20. This totalled £535k for the year. There was also a need to consider funding non-enhancing expenditure in relation to capital schemes from the Revenue budget under proper accounting practice amounting to £191k which would also mitigate against future borrowing for ICT projects.
- 5.21 This has left a net reduction in the need to transfer funding from the Earmarked Revenue Reserve of £416k which will be used to offset general budget pressures expected in future years. It was agreed that this position would be reconsidered in the autumn when the picture in relation to national funding to support the Coronavirus pandemic and the financial pressures and implications mentioned above will hopefully have become clearer.
- 5.22 The final revenue outturn position included a number of transfers to and from reserves as shown in the following table. It can be seen that total reserves have reduced from £16.2 million to £14.6 million during the year a fall of £1.641 million.

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Reserve Category	Opening Bal 1/4/19 £'000	Closing Bal 31/3/20 £'000	Net Movement (-ve = Use of Reserve) £'000	Original Budgeted Movement £'000	Difference £'000	Reason
General Reserves	4,032	4,032	0	0	0	No Use of General Reserves budgeted or needed
<b>Total General Reserve</b>	<b>4,032</b>	<b>4,032</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Go Safe Revenue Reserve	531	313	-218	0	-218	Go Save - Utilisation of Reserve in year
Earmarked Revenue Reserve	1,336	774	-562	-977	415	Net contribution from reserves
COVID 19 Reserve	0	650	650	0	650	New Reserve to offset Covid 19 cash flows
Sustainability and Transformation Reser	494	494	0	0	0	No Eligible Spending against this Reserve
Drug Intervention Prog Reserve	135	135	0	-40	40	No Eligible Spending against this Reserve
Driver Retraining Scheme Reserve	1,294	870	-424	-368	-56	Additional allocations Authorised
Incentivisation Revenue Reserve	218	162	-56	-39	-17	Additional allocations Authorised
Collaboration Revenue Reserve	389	262	-127	0	-127	To Meet Eligible Collaoration Spending
Chief Constable Operational Fund	385	485	100	100	0	As budgeted reached threshold of £500K
<b>Total Earmarked Revenue Reserves</b>	<b>4,782</b>	<b>4,145</b>	<b>-637</b>	<b>-1,324</b>	<b>687</b>	
Other Earmarked Capital Reserves	5,785	4,963	-822	-3,150	2,328	
Go Safe Capital Reserve	1,190	1,008	-182	0	-182	Purchase of Vehicles - GO Safe
<b>Earmarked Capital Reserve</b>	<b>6,975</b>	<b>5,971</b>	<b>-1,004</b>	<b>-3,150</b>	<b>2,146</b>	
<b>USEABLE RESERVES SUBTOTAL</b>	<b>15,789</b>	<b>14,148</b>	<b>-1,641</b>	<b>-4,474</b>	<b>2,833</b>	
General Capital Grant	427	427	0	0	0	No Eligible Spending against this Grant
<b>Capital Grants Unapplied</b>	<b>427</b>	<b>427</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL USEABLE RESERVES</b>	<b>16,216</b>	<b>14,575</b>	<b>-1,641</b>	<b>-4,474</b>	<b>2,833</b>	

5.23 The final reserves position for the Commissioner shows a figure of £14.575 million held as at 31 March 2020. This incorporates a sum of £4.964 million to support future capital budget commitments, a general reserve of £4.032 million for unforeseen events and a sum of £0.774 million that is required to fund predicted future MTFP revenue contributions and deficits. This includes a balance of £1.321 million which is held on behalf of the road safety partnership "Go Safe" and £0.262 million being held for regional collaborative arrangements. A number of earmarked reserves are held to support specific projects including reserves to support sustainability and transformational projects of £0.494 million, an operational fund of £0.485 million to assist the force in dealing with peaks and troughs in operational activity. A new reserve of £0.650 million has been created to meet additional Covid-19 related PPE and other costs as an interim measure until picture on National Funding for 2020/21 and on future settlements becomes clearer.

## 6 Risks, Opportunities and the Medium Term Financial Outlook.

6.1 Risks are managed at all levels of the organisations through the Governance Structure and a Corporate Risk Register is used to record, manage and mitigate the main risks which could affect the delivery of Police and Crime Plan outcomes. The Risk Register is a live document which is updated at least weekly. The main risks that remaining outstanding at the end of 2019/20 include:

- Crime Recording and HMICFRS cause for concern
- PNC – time delays and data accuracy and integrity
- PND and Information Assets – inconsistency of data sets
- Financial resilience and attainment of savings plan Governance and financial controls in respect of Collaborative activities
- Sustainability of external forensics markets
- A specific risk register has been established to consider risks arising from the Coronavirus pandemic

- 6.2 The Risk Register is monitored regularly in order to ensure that risks are allocated an owner responsible for applying appropriate mitigations. Further details in relation to risk management are included in the Joint Annual Governance Statement which is included as part of this document.
- 6.3 In terms of the Medium Term Financial Outlook, Dyfed-Powys Police has faced significant financial challenges since 2010 due to reductions in funding from central government along with cost pressures and continual changes in the demand for policing services.
- 6.4 In September 2019, the Government declared that it had “turned the page on austerity” with the Chancellor outing a commitment to tackling crime and keeping people safe. This included funding for a 6,000 additional police officers across England and Wales as part of a wider commitment to recruit an additional 20,000 officers. The Home Office announced the initial allocations of Operation Uplift on the 9<sup>th</sup> October 2019, resulting in 42 additional officers for Dyfed-Powys. There has not yet been any indication of the second tranche of additional officers.
- 6.5 In outlining the settlements both the Home Secretary and Policing Minister recognised the productive engagement they had had with the service which had allowed for a clearer picture of the changing nature of demands and the capabilities needed to respond robustly to the challenges. They also paid tribute to police forces and police staff around the country for their exceptional bravery, dedication and hard work and outlined a determination to give the service the resources it needed to crack down on crime, deal robustly with the criminals exploiting the vulnerable and to improve outcomes for the victims of crime.
- 6.6 The 2020/21 grant settlement for Dyfed-Powys was £56.617m being £4.967m higher than 2019/20. This settlement included the continuation of specific grant of £1.302m which was introduced to partly mitigate pressures arising from the changes to the employer’s contribution rate for Police Officer pensions. The settlement also includes an increase in core funding of £3.768m along with a specific ring-fenced grant of £1.190 million to support the recruitment and infrastructure costs of the additional officers. The settlement also reflected a significant reduction in the allocation of capital grant from £325k to £85k.
- 6.7 Following a rigorous process of scrutiny and deliberations over the financial assumptions, risks that continue to threaten the communities and investment priorities, the Commissioner submitted his precept proposal for 2020/21 and Medium Term Financial Plan 2025/26 to the Dyfed-Powys Police and Crime Panel on 7<sup>th</sup> February 2020. This process included a number of seminars and presentations to the Commissioner, his staff, the Force Executive Board, Audit Wales (formerly known as Wales Audit Office) representatives, Joint Audit Committee, and Police and Crime Panel Members.
- 6.8 The Commissioners proposal was unanimously supported which raised the average band D property precept by £12 to £260.56, a 4.83% increase raising a total precept of £58.793m. This will provide a total of central and local funding of £115.402m representing a 7.96% increase on funding levels in 2019/20.
- 6.9 This, once again, sees Dyfed-Powys with the lowest council tax precept in Wales of £260.56 compared with £272.71 in South Wales, £273.39 in Gwent and £290.61 in North Wales. It is also worth highlighting that Dyfed-Powys has had the fourth lowest council tax precept increases across England and Wales since 2012/13.
- 6.10 The MTFP includes assumptions of 5% year on year increases in precept and incorporates an assumption of 2.25% growth in pay and inflationary pressures from 2021/22 onwards modelling known growth and cost increase pressures and potential loss of specific grants. In

addition, the continued reduction in the annual contribution from reserves and an incremental increase in contribution to capital financing and charges to support the forward Capital Programme have been included. Further additional spending on a number of national, regional and local priorities along with the additional costs arising from changes to police pensions have been included.

- 6.11 The force continues to identify efficiency measures and has a cost reduction plan which is aiming to capitalise on national, regional and local initiatives including the National Commercial Board, Police ICT Company and All Wales Collaboration activities. This plan assumes reshaping of the workforce and cost base through efficiency and productivity but this needs to continue to develop to enable the Commissioner and force to set a balanced and funded Medium Term Financial position for both revenue and capital whilst protecting the standard of service for the communities of Dyfed-Powys.

MEDIUM TERM FINANCIAL PLAN – REVENUE	20-21 £M	21-22 £M	22-23 £M	23-24 £M	24-25 £M	25-26 £M
Central and Local Funding						
Predicted Central Funding**	-56.6	-57.7	-58.8	-59.9	-61.0	-62.2
Local Precept	-58.8	-62.2	-65.9	-69.7	-73.8	-78.1
<b>Total Funding</b>	<b>-115.4</b>	<b>-119.9</b>	<b>-124.7</b>	<b>-129.6</b>	<b>-134.8</b>	<b>-140.3</b>
Revenue Spending	116.7	121.6	126.8	131.9	136.5	141.8
<b>Revenue Spending</b>	<b>116.7</b>	<b>121.6</b>	<b>126.8</b>	<b>131.9</b>	<b>136.5</b>	<b>141.8</b>
Future Cost Reduction Plan						
Pay Related	-0.1	-0.1	-0.1	-0.1	-0.1	
Procurement/ Income generation	-0.7	-0.2	-0.2	-0.1	-0.1	-0.1
Financial Management	-0.1					
Sustainability Projects/ Assets	-0.3	-0.3	-0.2	-0.1		
Productivity Improvements	-0.1	-0.4	-0.4	-0.5	-0.1	-0.1
<b>Annual Planned Reductions</b>	<b>-1.3</b>	<b>-1.0</b>	<b>-0.9</b>	<b>-0.8</b>	<b>-0.3</b>	<b>-0.2</b>
Planned Net Spending	115.4	120.6	125.9	131.1	136.2	141.6
<b>Future deficits</b>	<b>0.0</b>	<b>0.7</b>	<b>1.2</b>	<b>1.5</b>	<b>1.4</b>	<b>1.3</b>

\*\* includes specific grants for pensions and operation uplift

- 6.12 The Commissioner set a capital programme for 2020/21 to 2024/25 of £69.469 million which includes investment in Estates, Fleet and ICT infrastructure for both local and national projects. This investment has been prioritised towards strategic priorities, unavoidable spending, areas that reduce future revenue expenditure and recognises the need to be adequately equipped to face the changing demands of 21<sup>st</sup> century policing.
- 6.13 There has been a significant reduction in core capital funding allocated by the Home office over recent years and for 2020/21 this has been reduced from £325k to only £85k. The capital programme sees the depletion of capital reserves and includes external borrowing requirements of £49.1 million. The majority of this borrowing will fund the building of a new custody facility for Carmarthenshire, provide a solution for the ageing police facility in Brecon and fund the new training facility for the Joint Firearms Unit. In order to meet future capital investment requirements and mitigate the reductions in capital grant funding, the MTFP and capital programme includes increasing revenue contributions to capital.



- 6.14 The Commissioner, as the owner of all capital assets under Statute, considers his Capital Strategy annually in conjunction with the Chief Constable and assesses his borrowing requirements annually to ensure they are prudent, sustainable and affordable. These documents are available on the website of the Police and Crime Commissioner.
- <http://www.dyfedpowys-pcc.org.uk/media/9401/capital-strategy-website.pdf>
- 6.15 The Capital Programme will be revised to reflect the final outturn position for 2019/20 and will be kept under review as part of the ongoing work to reassess the Medium Term Financial Plan.
- 6.16 The Commissioner as the holder of all Reserves under Statute, considers and publishes an annual reserves strategy which underpins the MTFP and its assessment of risk exposure and mitigation measures. The Reserves strategy considers the adequacy of general reserves and takes account of the strategic, operational and financial risks facing Dyfed-Powys. These considerations also take cognisance of Home Office guidance on Police Reserves. The Reserves Strategy is shown at:
- <http://www.dyfedpowys-pcc.org.uk/media/9089/20-21-reserves-strategy.pdf>
- 6.17 The force submitted its third Force Management Statement to Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services which comprehensively sets out the main operational and business support challenges that the force is facing. This considers the capability and capacity of the force in the context of dealing with current and future demand. In summary the document points to challenges which largely mirror those areas already identified in the Risk Register but also highlights challenges in relation to vulnerability, domestic abuse and violent / sexual offending in terms of anticipated future demands. The next Force Management Statement is currently planned for submission in autumn 2020 which will allow for improved alignment with Medium term financial planning considerations.
- 6.18 The Commissioner and force face a number of unknown potential future financial commitments which are referred to further in the contingent liabilities and pensions notes including:
- Police Pension Legal Challenge - Career Average Revalued Earnings
  - Undercover Policing Inquiry
  - Dedicated Source Handling Unit On-Call Allowance Claims
  - A claim relating to Police Staff Allowances relating to concurrency
- 6.19 The Government has now announced the much awaited Comprehensive Spending Review (CSR) which will set out spending plans for a three year period. The financial implications of the Coronavirus pandemic and its impact on the wider economy are extensive which gives rise to additional financial uncertainty in relation to a number of elements of funding and indeed, the Chancellor has already indicated that tough choices lay ahead. The APCC and NPCC continue to work closely with the Home Office and wider policing partners to develop co-ordinated law enforcement submissions aimed at facilitating spending considerations.
- 6.20 The pension liability shown in the Balance Sheet and the cost movement for the year included in this Comprehensive Income and Expenditure Statement take account of the potential implications of the McCloud and Sergeant judgement by the Court of Appeal ruling that the Government's 2015 Public Sector Pension Reforms unlawfully treated people differently based upon age at 1<sup>st</sup> April 2012. This impacts both the Police Officer and Police Staff (Local Government) pension schemes. Although it may well take until 2021 for a final remedy to be determined, an actuarial estimation of the financial impact has been included

as a past service cost. In respect of the Local Government Pension Scheme, the Employer's Contribution rate was increased by 1.2% from April 2020 to take account of the anticipated additional costs as part of the 2019 pension valuation. In relation to Police Officers, the valuation process is being initiated in 2020 however changes to the Police officer pension employer's contribution rate will not be implemented until 2023/24.

- 6.21 The position on the Formula Funding Review is also uncertain however it is understood that the Home Office may look to implement changes to formula after the CSR. The impact of the last unimplemented review would have resulted in £8 million less for Dyfed-Powys.
- 6.22 As outlined previously, there has been much independent commentary over the recent years and months in relation to Police sustainability, funding, resilience and increased burdens which highlight the precarious position that Dyfed-Powys, the police service, public services and the country face as a whole.

## 7 **Coronavirus Pandemic Response and Implications**

- 7.1 As outlined in the introduction, early 2020 saw the developing national emergency arising from the Coronavirus pandemic. The response to this has been unprecedented amongst the public sector as a whole and specifically to policing as it adapted quickly to enforcing the changing UK and Welsh legislation whilst maintaining service delivery and protecting its workforce.
- 7.2 Dyfed-Powys took a range of early steps to ensure that it was well prepared to respond at a local, regional and national level. The governance arrangements established were significant and wide ranging to ensure that all aspects of operational and organisational performance and that service delivery was optimal and dynamic to respond appropriately to the evolving position, with the health and wellbeing of the workforce being absolutely paramount. The Gold, Silver and Bronze command structures work in tandem with a Strategic Command Group, Tactical Command Group and the Local Resilience Forum the governance arrangements are further outlined within the Annual Governance Statement. Appropriate governance groups have included OPCC representations to continue to facilitate oversight and scrutiny.
- 7.3 The safety and well-being of the workforce have been absolutely paramount in the policing response, with various phases of workforce deployment being utilised as the emergency evolved. A considerable number of key initial steps were taken to ensure business continuity, resilience and critical service delivery. A few examples include the Force Contact Centre being split between two sites, significant numbers of non-frontline staff working from home, reprioritising and allocation of IT to essential roles, resources being pooled to ensure service delivery and ways of working for both frontline and back office functions being adapted with both internal and external meetings being held electronically and training being delivered on-line. Many staff continue to work from home with some now back in the workplace with appropriate social distancing arrangements firmly in place. These arrangements have accelerated the forces agile working project.
- 7.4 The impact of the Coronavirus on resource levels has been monitored carefully across the organisation, with the force Contact Centre being the only part of the organisation to fall from a green status to amber for a limited period of time when numbers of staff self-isolating peaked at 14%. Workforce abstractions have now returned to an average level of 5% which is around 1% higher than average and it is pleasing to see that these have been much lower than the national averages across policing.

- 7.5 Overcoming the challenges that all sectors across the UK face with the supply of Public Protective Equipment (PPE) has required the force to adopt emergency procurement procedures to source such equipment in a timely manner. To date, the force has been able to maintain appropriate levels to ensure the safety and protection of the workforce. Procurement professionals have continued to work with service leads to assess and monitor the necessary supply chains and supplier base to ensure all aspects of service delivery. There have been some national pressures within the forensic market and these have mitigated as and when necessary.
- 7.6 In terms of demand, and in line with all other forces, Dyfed-Powys has experienced a statistically significant decrease in reported crimes. However, reports incidents of Anti-Social Behaviour have increased exponentially, primarily resulting from reports of breaches of lock down rules. To date, the ability to respond to these reports is good. The force has also been proactive in dealing with the non-essential travel issues of people wishing to travel to enjoy the force area and those wishing to visit second homes within the area. A specific operation was also run to proactively warn against potential mass gatherings during the period of national lockdown.
- 7.7 In addition, the force, in line with best practice, has established an Organisational Learning and Recovery Cell to plan and to deal with the aftermath of the pandemic. This will encompass any lessons learned, working practices to be maintained, prioritise and plan for the resumption of strategic projects and on-going staff welfare considerations.
- 7.8 In terms of initial financial implications, the force needed to commit to significant additional costs in sourcing PPE for front line Officers and staff, issuing additional uniform, additional overtime, ICT equipment, cleaning and testing. As the organisational position continues to evolve, alongside these additional costs there are a number of areas where some savings are being both realised and anticipated but also some losses in income receipts for a number of activities and services. All aspects of costs and savings are being logged and indeed reported nationally to inform discussions and negotiations in relation to future funding.
- 7.9 A number of avenues are being pursued at a local and national level, but there have yet to be any firm indications from Government in relation to additional funding towards for policing, albeit that some flexibilities have been afforded in relation to the specific grant for Operation Uplift. Given these uncertainties, and as referenced in the outturn position, the Commissioner has sought to establish an earmarked reserve at year end to assist with the partial mitigation of the financial implications whilst the national picture becomes clearer. This position will be reviewed in the autumn, or as information becomes available.
- 7.10 In terms of valuations used within this Statement of Accounts, it is also important to note the impact of the pandemic on the global financial markets with activity being impacted in many sectors. As at the valuation dates, the Estate values consider that they can attach less weight to previous market evidence and the valuations are therefore reported on the basis of 'material valuation uncertainty'. They have recommended that the valuation properties be kept under frequent review.
- 7.11 The Valuation of the Pension Schemes for Officers and Staff have been conducted by Mercer and this provides an independent expert assessment of the present value of future pension liabilities and assets as at the 31<sup>st</sup> of March 2020. Changes in the valuations over the course of the year are reflected in the cost of service reported in the Comprehensive Income and Expenditure Statement under proper accounting practice.

- 7.12 In a newsletter dated 31<sup>st</sup> of March 2020, Mercer confirmed that actuarial assumptions were set shortly after the year end – which meant that the impact of the market turmoil that accompanied the Covid-19 pandemic has been incorporated. In March 2020 there have been substantial falls in equity markets that has affected the value of Assets held under the funded Local Government Pension Scheme. As an unfunded scheme, this does not affect the Police Pension Scheme.
- 7.13 Over the same month, the market falls have also extended to corporate bond yields with AA bond yields rising by around 0.5% per annum. The discount rate used in the calculations have reduced from 2.5% for 2018/19 to 2.3% in 2019/20 which reflects the market conditions as at 31<sup>st</sup> of March 2020 which will have increased the liability for both the Police Officer and Staff pension schemes. These assumptions are referred to in more detail in the detailed pension note.
- 7.14 In a newsletter issued by Carmarthenshire County Council (our pension administrators) on the impact of the Pandemic it was reported that asset values for its schemes had fallen by around 14% between December 2019 and March 2020. The full longer term financial impact of this on contribution rates will not be felt on budgets until the next valuation date i.e. 2023. In the short term, it is estimated that the ratio of assets to costs will have reduced from 100% to around 90% to 95% based upon the latest Local Government Pension Fund newsletter.
- 7.15 The Commissioner and Chief Constable held a briefing session at the end of April for Joint Audit Committee members specifically relating to response and issues associated to the Coronavirus pandemic. This provided an overview of the governance arrangements, national context, associated risks, financial implications and both internal and external audit considerations.
- 7.16 Work will continue to assess the financial implications for both 2020/21 and beyond, but this will take some time to crystallise both in terms of the local issues and impact but also within the wider economic landscape. The scale of Governments economic interventions has been vast and this will undoubtedly have significant implications for public services and funding.
- 7.17 Both the Chief Constable and Commissioner have continued to proactively engage with both UK and Welsh Government, with Commissioner also doing so in his pivotal role as Chair of Policing in Wales.
- 7.18 The Medium Term Financial Plan for 2020/21 and its associated plans and strategies, which were approved in February 2020 will be reconsidered in light of these wider implications with a particular focus on financial resilience and sustainability. The creation of the specific earmarked Covid19 reserve and the reduction in the planned utilisation of revenue reserves to support the 2019/20 budget undoubtedly assist in mitigating some of the financial implications but there are clearly now a range of uncertainties and complexities regarding future government funding, comprehensive spending review, funding formula review, impacts for tax base, market conditions for the supply of goods and services, ability to meet planned efficiencies, impact on national projects and initiatives along with potential changes to policing services generally which will all need careful consideration.

## **8.0 Basis of Preparation and Presentation**

- 8.1 These are the eighth statutory accounts prepared under the new governance arrangements. Both the Commissioner and Chief Constable as separate legal entities must produce their own Statement of Accounts, with the Commissioner being responsible for production of the Group Accounts, within which the Commissioner's accounts are contained.

8.2 The Accounts and Audit (Wales) Regulations 2015 require local government bodies to prepare a Statement of Accounts in accordance with proper practices. The Chartered Institute of Public Finance & Accountancy's Code of Practice is identified as representing proper practices.

8.3 The following is an explanation of the statements that follow, their purpose and the relationship between them:

- **Independent Auditor's Report** - this sets out the opinion of the external auditor, the Auditor General for Wales, on whether the Group accounts presented give a 'true and fair view' of the financial position and operations of the Commissioner for 2019/20;
- **Statement of Responsibilities for the Statement of Accounts** - this statement sets out the responsibilities of the Chief Constable and his Chief Finance Officer;
- **Comprehensive Income and Expenditure Statement** - this core statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year;
- **Balance Sheet** - this core statement shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The Commissioner owns the land, buildings and other assets used by the force. ;
- **Notes to the financial statements** - these provide additional information that further explains items included within the main statements with an aim of improving the readers understanding of the main financial statements and sets out the Accounting Policies used as the basis of preparing the financial statements as required by the Code of Practice;
- **Police Pension Fund Account** - is a statement that shows expenditure, income, assets and liabilities pertaining to Police Pensions in the year. The account shows the top up grant due from the Group to the Pension Fund Account. Subsequently the Home Office reimburses the Group for money paid over to the account and effectively underwrites the deficit. This practice would work in reverse if the Pensions Fund Account were to show a surplus at the year-end;
- A **Joint Annual Governance Statement** is included within this Statement of Accounts that sets out details of how the Commissioner and Chief Constable exercise governance over their affairs. The Statement is a statutory document for each corporation sole, albeit a combined statement has been produced for 2019/20 which aims to aid transparency and understanding to the reader, clearly demonstrating where arrangements are consistent and where they differ between the Commissioner and the Chief Constable. The statement includes an annual review of the adequacy of the governance arrangements, and also provides assurance on the systems of internal control.



## Statement of Responsibilities

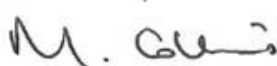
The purpose of this statement is to set out the responsibilities of the Chief Constable and the Chief Financial Officer in respect of the Statement of Accounts.

### The Chief Constable's responsibilities

The Chief Constable is required to:

- make arrangements for the proper administration of his financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs, that officer is the Chief Financial Officer;
- manage his affairs to secure economic, efficient and effective use of resources and safeguard his assets; and
- approve the Statement of Accounts.

I approve the Statement of Accounts for financial year 2019/20.



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**Chief Constable of Dyfed-Powys**

**Date: 2<sup>nd</sup> September 2020**

### The Chief Financial Officer's responsibilities

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

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the local authority Code.
- The Chief Financial Officer has also:
- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Chief Constable at the reporting date and of its expenditure and income for the year ended 31 March 2020.



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**Chief Financial Officer to the Chief Constable**

**Date: 2<sup>nd</sup> September 2020**

## **The Independent auditor's report of the Auditor General for Wales to the Chief Constable for Dyfed-Powys**

### **Report on the audit of the financial statements**

#### **Opinion**

I have audited the financial statements of:

- Chief Constable of Dyfed Powys Police; and
- Dyfed Powys Police Pension Fund

for the year ended 31 March 2020 under the Public Audit (Wales) Act 2004.

The Chief Constable of Dyfed Powys Police financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, and the related notes, including a summary of significant accounting policies.

Dyfed Powys Police Pension Fund's financial statements comprise the Fund Account and the Net Assets Statement and related notes.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund as at 31 March 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20.

#### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis of Matter: Pension Fund Valuation Uncertainty**

I draw attention to Note 17 of the financial statements, which describes the impact of a material uncertainty disclosed in a pension fund manager report in their year-end valuation report for the UK property fund they manage on behalf of the Dyfed Pension Fund. The Council has disclosed this material uncertainty and my audit opinion is not modified in respect of this matter.

### Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Chief Constable of Dyfed Powys Police's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

### Other information

The responsible financial officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

### Report on other requirements

#### Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with guidance.

### Matters on which I report by exception

In the light of the knowledge and understanding of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or

- I have not received all the information and explanations I require for my audit.

### Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

### Responsibilities

#### Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 28, the responsible financial officer is responsible for the preparation of the statement of accounts, including the Dyfed Powys Police Pension Fund's financial statements, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Chief Constable of Dyfed Powys Police's and the Dyfed Powys Police Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

#### Auditor's responsibilities for the audit of the financial statements

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

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



For and on behalf of the Auditor General for Wales

3 September 2020

24 Cathedral Road

Cardiff

CF11 9LJ

The maintenance and integrity of the Dyfed Powys Police website is the responsibility of the Chief Constable; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

## Comprehensive Income and Expenditure Statement

This statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year. The 2018/19 Statement has been restated to reflect changes made to Reporting Arrangements. Please refer to Note 2 'Previous Period Adjustments' for an explanation of these changes.

2018/19 (Restated)			Comprehensive Income and Expenditure Statement	Note	2019/20		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000			Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
62,236	0	62,236	Police Officer Pay		64,472	0	64,472
2,469	0	2,469	Police Officer Overtime		2,272	0	2,272
14,178	0	14,178	Police Officer Pensions		16,362	0	16,362
27,706	0	27,706	Police Staff Pay		29,398	0	29,398
164	0	164	Police Staff Overtime		106	0	106
3,473	0	3,473	Police Staff Pensions		4,548	0	4,548
1,537	0	1,537	Other Employee Related Costs		1,214	0	1,214
100	0	100	Premises Costs		466	0	466
2,035	0	2,035	Transport Costs		1,916	0	1,916
9,435	0	9,435	Supplies & Services		10,237	0	10,237
2,118	0	2,118	Agency & Contracted Services		3,424	0	3,424
3,659	0	3,659	Capital Financing Costs		3,688	0	3,688
<b>129,110</b>	<b>0</b>	<b>129,110</b>	<b>Cost of Services (before McCloud)</b>		<b>138,103</b>	<b>0</b>	<b>138,103</b>
			Potential Impact of Legal Challenge (McCloud)				
75,453	0	75,453	Police Officer Pensions	<b>17</b>	5,145	0	5,145
3,146	0	3,146	Police Staff Pensions	<b>17</b>	537	0	537
<b>207,709</b>	<b>0</b>	<b>207,709</b>	<b>Total Cost of Services</b>		<b>143,785</b>	<b>0</b>	<b>143,785</b>
31,444	0	31,444	Financing & Investment Income & Expenditure	<b>7</b>	33,816	0	33,816
0	(239,153)	(239,153)	Commissioning Costs (Intra-group transfer)		0	(177,601)	(177,601)
<b>239,153</b>	<b>(239,153)</b>	<b>0</b>	<b>Surplus/Deficit on Provision of Services</b>		<b>177,601</b>	<b>(177,601)</b>	<b>0</b>
		80,914	Actuarial (gains)/losses on pension asset/liabilities				28,013
		<b>(80,914)</b>	<b>Commissioning Costs (Intra-group transfer)</b>				<b>(28,013)</b>
		<b>0</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>0</b>



## Balance Sheet

31 March 2019 £'000		Note	31 March 2020 £'000
0	Property, plant & equipment		0
0	Investment property		0
0	Intangible assets		0
0	Assets held for sale		0
1,370,871	Long term debtors	17	1,442,219
<b>1,370,871</b>	<b>Long term assets</b>		<b>1,442,219</b>
0	Short term investments		0
463	Inventories		461
475	Short term debtors	9	783
0	Cash and cash equivalents		0
(938)	Intra-group transfer		(1,244)
<b>0</b>	<b>Current assets</b>		<b>0</b>
0	Bank Overdraft		0
0	Short term borrowing		0
(10,324)	Short term creditors	10	(8,562)
0	Short term provisions		0
10,324	Intra-group transfer		8,562
<b>0</b>	<b>Current liabilities</b>		<b>0</b>
0	Long term creditors		0
0	Long term borrowing		0
(1,370,871)	Other long term liabilities	17	(1,442,219)
0	Long term provisions		0
0	Grant receipts in advance		0
<b>(1,370,871)</b>	<b>Long term liabilities</b>		<b>(1,442,219)</b>
<b>0</b>	<b>Net assets</b>		<b>0</b>
0	Usable reserves		0
0	Unusable reserves		0
<b>0</b>	<b>Total reserves</b>		<b>0</b>

## Police Pension Fund

Chief Constable 2018/19		Fund Account	Chief Constable 2019/20	
£'000	£'000		£'000	£'000
		Contributions receivable		
(10,520)		Employer contributions	(13,337)	
(256)		Other Income	(250)	
(5,879)		Officers' contributions	(5,792)	
	<b>(16,655)</b>	<b>Contributions receivable</b>		<b>(19,379)</b>
	<b>(393)</b>	<b>Transfers in from other pension funds</b>		<b>(656)</b>
		Benefits payable		
26,483		Pensions	28,050	
9,443		Commutations and lump sum retirement benefits	7,313	
	<b>35,926</b>	<b>Benefits Payable</b>		<b>35,363</b>
		Payments to and on account of leavers		
39		Transfers out to other pension funds	329	
12		Refunds of contributions	25	
119		Scheme Pays tax payments	535	
	<b>170</b>	<b>Payments to and on account of leavers</b>		<b>889</b>
	<b>19,048</b>	<b>Net amount payable for the year</b>		<b>16,217</b>
	(19,048)	Additional contribution from the Police Fund (re Home Office grant)		(16,217)
	<b>0</b>	<b>Total</b>		<b>0</b>

Chief Constable 2018/19		Net Assets Statement	Chief Constable 2019/20	
£'000	£'000		£'000	£'000
		Current Assets		
	908	Debtor – net balances owed from the Police fund		0
	<b>908</b>	<b>Current Assets</b>		<b>0</b>
		Current Liabilities		
	(908)	Creditors – benefits payable to retiring officers end of March paid April		0
	<b>(908)</b>	<b>Current Liabilities</b>		<b>0</b>
	<b>0</b>	<b>Net Assets</b>		<b>0</b>

## Notes to the Accounts

### 1. Accounting policies

#### General Principles

The Statement of Accounts summarises the Chief Constable's transactions for the 2019/20 financial year and the position at the year-end of 31 March 2020. The Chief Constable is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended), which require them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and the Service Reporting Code of Practice 2019/20, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

#### Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for 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 financial position or financial performance. 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.

#### Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made. In particular:

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **Overheads and Support Services**

The costs of overheads and support services are charged to service segments in accordance with the Chief Constable's arrangements for accountability and financial performance.

### **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 (CIES) or in the notes to the accounts, depending on how significant the items are to an understanding of the financial performance of the Chief Constable.

### **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 of events can be identified:

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

### **Financial Instruments**

#### Financial Liabilities

These are initially measured at fair value and are carried at their amortised cost.

#### Financial Assets

The financial assets held by the Chief Constable during the year are financial assets that have fixed or determinable payments and not quoted in an active market.

#### Foreign currency translation

Where the Chief Constable has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

### **Inventories**

Inventories are included in the balance sheet at current cost price. International Accounting Standard (IAS) 2 states that Inventories should be measured at the lower of cost and net realisable value. The policy does not therefore comply with IAS 2 but the difference is not material.

### **Joint arrangements - Accounting for the consolidation of joint arrangements**

Where the Commissioner/ Chief Constable have entered into collaborative arrangements with other Commissioners and Chief Constables an assessment has been made against IFRS 11 Joint Arrangement to determine the appropriate accounting treatment. IFRS 11 requires all such arrangements to be classed as either Joint Ventures or Joint Operations. All

of the Commissioner's/ Chief Constable's such arrangements are classed as Joint Operations where the Commissioner/ Chief Constable is entitled to their fair share of the Joint Operation's Assets and Liabilities.

Further details can be found under the Collaborative Arrangements note.

### **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 such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which the employees render service. An accrual is made for the cost of holiday entitlements (including time off in lieu and flexi leave) 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 salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

#### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Commissioner and Chief Constable to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

#### Post-Employment Benefits

Police officers and police staff have the option of belonging to one of two separate pension schemes relevant to them:

- Police Officers Pension Scheme, administered through a Police Pension Fund
- Local Government Pensions Scheme, administered by Carmarthenshire County Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Group.

This Police Officer Pension scheme is "unfunded" which means that no investment assets are built up to pay pensions and other benefits in the future, and therefore no provision to meet the liability for future payments of benefits is included in the balance sheet. The liabilities of the Local Government Scheme that are attributable to the Group are included in the 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.

#### Discretionary Benefits

The Commissioner and Chief Constable also have 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.

#### **Leases**

##### **The Chief Constable as Lessee (Operating Leases)**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from the use of leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. where there is a rent-free period at the commencement of the lease).

#### **Value Added Tax (VAT)**

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

## **2. Previous Period Adjustments**

#### Modification of force reporting arrangements

The Code of Practice requires the Service Analysis in the Comprehensive Income and Expenditure Statement (CIES) to be prepared on the same basis as the information used by management for decision-making. During 2019/20, some changes have been made to the Chief Constable's internal reporting arrangements with reports now being prepared on a subjective basis as opposed to a 'Directorate/Portfolio' basis. These changes have been reflected in the CIES for 2019/20 and the 2018/19 prior year figures have been restated for comparative purposes.

## **3. Accounting Standards issued but not yet been adopted**

The Code requires the Chief Constable to disclose information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code. The following changes will be required from 1 April 2020:

- amendments to *IAS28 Investments in Associates and Joint Ventures*: Long-term Interests in Associates and Joint Ventures;
- Annual Improvements to *IFRS Standards 2015-2017 Cycle*;
- Amendments to *IAS19 Employee Benefits*: Plan Amendment, Curtailment or Settlement;

The impact of the above changes on the Financial Statements is not known, however, in the Financial Statements for 2020/21, the effect of the changes will be assessed and if necessary, the comparative figures restated.

#### 4. Critical judgements in applying accounting policies

There continues to be a high degree of uncertainty about future funding levels for the Dyfed-Powys Police and the scale of the Governments recent economic interventions to deal with the Coronavirus pandemic will undoubtedly have significant implications for public services and their funding. Work will continue to assess the financial implications for both 2020/21 and beyond, but this will take some time to crystalize both in terms of the local issues but also within the wider economic landscape. The Chief Constable has determined that this uncertainty is not yet sufficient to provide an indication that assets might be impaired as a result of a need to close facilities and reduce levels of service provision.

#### 5. Assumptions and other major sources of estimation uncertainty

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

The items in the Chief Constable's Balance Sheet at 31 March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, an increase of 0.1% in pay award for the police officer pension scheme would result in an increase to the pension liability to £1,369 million.

#### 6. Events after the Reporting Period

The Draft Statement of Accounts was authorised for issue by the Chief Financial Officer on 29 May 2020. There are no events after the balance sheet date that would affect the Chief Constable's financial position for 2019/20.

## 7. Financing and investment income and expenditure

This line contains corporate items of income and expenditure arising from involvement in financial instruments and similar transactions involving interest.

2018/19 £'000		2019/20 £'000
31,444	Pensions interest cost and expected return on pensions assets	33,816
<b>31,444</b>	<b>Total</b>	<b>33,816</b>

## 8. Financial Instruments

A Financial Instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

### Financial Liabilities

A Financial Liability is an obligation to transfer economic benefits controlled by the Chief Constable and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that are potentially unfavourable to the Chief Constable.

The Chief Constable's non-derivative financial liabilities comprise of creditors and are measured at amortised cost.

### Financial Assets

A Financial Asset is a right to future economic benefits controlled by the Chief Constable that is represented by cash or other instruments or a contractual right to receive cash or another financial asset. The financial assets held by the Chief Constable during the year are held under the following classification:

Loans and receivables (financial assets that have fixed or determinable payments and not quoted in an active market) comprising:

### **Debtors**

### Financial Instruments – Balances

The financial assets and liabilities in the Balance Sheet are analysed across the following categories:

	Long Term		Current	
	31 March 2019 £'000	31 March 2020 £'000	31 March 2019 £'000	31 March 2020 £'000
Creditors	0	0	(10,324)	(8,562)
<b>Total Financial Liabilities</b>	<b>0</b>	<b>0</b>	<b>(10,324)</b>	<b>(8,562)</b>
Debtors	0	0	475	783
<b>Total Financial Assets</b>	<b>0</b>	<b>0</b>	<b>475</b>	<b>783</b>

An intra-group transfer will take place from the Chief Constable's Accounts to the Commissioner's accounts based on the net current asset position as the Chief Constable is unable to hold cash balances.

### Gains and Losses

No gains and losses have been recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments.

### Fair Values

The Chief Constable's long-term financial liabilities are carried on the Balance Sheet at amortised cost.

The 2010 Code of Practice requires the Fair Values of these assets and liabilities to be disclosed for comparison purposes. Fair Value is defined in Financial Reporting Standard 26 (FRS 26) as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The Fair Value of a financial instrument on initial recognition is generally the transaction price.

There were no transfers between input levels 1 and 2 during the year.

There has been no change in the valuation technique used during the year.

Carrying amount 31 March 2019 £'000	Fair value 31 March 2019 £'000		Carrying amount 31 March 2020 £'000	Fair value 31 March 2020 £'000
		Financial Liabilities		
(10,324)	(10,324)	Creditors	(8,562)	(8,562)
<b>(10,324)</b>	<b>(10,324)</b>	<b>Total Financial Liabilities</b>	<b>(8,562)</b>	<b>(8,562)</b>
		Financial Assets		
475	475	Debtors	783	783
<b>475</b>	<b>475</b>	<b>Total Financial Assets</b>	<b>783</b>	<b>783</b>

### Financial Liabilities

For creditors, the carrying value has been used as a reasonable approximation of fair value therefore the fair value at the Balance Sheet date is the same as the carrying amount.

### Financial Assets

For debtors, the carrying value has been used as a reasonable approximation of fair value therefore the fair value at the Balance Sheet date is the same as the carrying amount.

## 9. Short-term Debtors

31 March 2019 £'000		31 March 2020 £'000
475	Prepayments	674
0	Trade receivables	109
<b>475</b>	<b>Total</b>	<b>783</b>

**10. Short-term Creditors**

31 March 2019 £'000		31 March 2020 £'000
970	Trade payables	2,335
9,354	Other payables	6,227
<b>10,324</b>	<b>Total</b>	<b>8,562</b>

**11. Collaborative Arrangements**

Police forces in Wales have a long, successful history of collaborating to develop specialist areas of policing. This included those under the remit of the former Police Authorities of Wales Joint Committee. Future collaboration will be driven by the need to satisfy the Strategic Policing Requirement and by the outcomes of the Regional Strategic Assessment of threats, risks and harm to the southern region of Wales.

The Police and Crime Commissioner for each police force will be responsible for ensuring the Strategic Policing Requirement is met. As part of this, the Commissioner will look to work in collaboration with other Commissioners and forces to provide the most effective service possible. Such agreements are regulated by Section 22A of the Police Act 1996, as amended by the Police Reform and Social Responsibility Act 2011.

The collaborative services and their funding continue under revised Commissioner and force governance arrangements. These are in effect considered as 'Pooled Budgets' with agreements for funding contributions made and varied from time to time, and certain specific government grants. The pooled budgets are effectively hosted by the Police and Crime Commissioner and Chief Constable for South Wales Police on behalf of the four police forces in Wales.

Income and Expenditure for the main activities of the collaborative units is presented below along with the funding contributions made by each participating force.

Included in accounting policies under Collaborative arrangements is an explanation of the accounting requirements for joint operations. IFRS11, Accounting for Joint Arrangements, requires income and expenditure to be subject to a different accounting treatment than actually incurred. Accordingly expenditure in Comprehensive Income and Expenditure Statement has been increased by £1,660k and income/grants have been increased by £1,283k; a net increase in expenditure of £377k. This net increase has been reversed in the Movement in Reserves Statement with no impact on the Police Fund balance.

Assets, debtors and creditors in respect of the arrangements have remained in the balance sheets of forces on the basis of materiality.

Note: Individual force contributions for 2018/19 in respect of the Joint Firearms Unit have been restated due to the split between forces being incorrect in the 2018/19 Statement of Accounts \*North Wales Police are basing their Dedicated Security Post (DSP) costs on income and expenditure rather than an allocation based on population in Wales. Their income and expenditure for DSP is therefore not included in the tables below. They are not included in the Regional Task Force, which operate in the Southern Welsh Forces. For the Regional Organised Crime Unit, North Wales Police contribute to the North West Region of England and North Wales.



## Single Entity Statement of Accounts 2019/20

Expenditure and Income Statements for 2019/20 for the main collaborative arrangements are as follows:

	Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	
	National Policing	National Policing	National Policing	Intelligence/ Investigation	Intelligence	Specialist Operations	Total
Service Classification	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Pay Expenditure	10,366	509	4,029	6,308	1,666	11,765	<b>34,643</b>
Non Pay Expenditure	1,500	50	224	1,278	504	1,856	<b>5,412</b>
<b>Gross Expenditure</b>	<b>11,866</b>	<b>559</b>	<b>4,253</b>	<b>7,586</b>	<b>2,170</b>	<b>13,621</b>	<b>40,055</b>
Specific Grant Income	(11,831)	(559)	(4,253)	(3,764)	0	(1,271)	<b>(21,678)</b>
Income	(35)	0	0	(792)	(22)	(97)	<b>(946)</b>
<b>Total Income &amp; Grants</b>	<b>(11,866)</b>	<b>(559)</b>	<b>(4,253)</b>	<b>(4,556)</b>	<b>(22)</b>	<b>(1,368)</b>	<b>(22,624)</b>
<b>(Surplus) or Deficit to be funded from Force Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,030</b>	<b>2,148</b>	<b>12,253</b>	<b>17,431</b>
Force Contributions (Net)							
Dyfed-Powys	0	0	0	(616)	(437)	(3,438)	<b>(4,491)</b>
Gwent	0	0	0	(787)	(558)	(3,038)	<b>(4,383)</b>
North Wales	0	0	0	0	0	0	<b>0</b>
South Wales	0	0	0	(1,627)	(1,153)	(5,777)	<b>(8,557)</b>
<b>Total Force Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,030)</b>	<b>(2,148)</b>	<b>(12,253)</b>	<b>(17,431)</b>

Each force's contribution towards Expenditure and Income for 2019/20 is as follows:

	Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	
	National Policing (Population – national benefit basis)	National Policing (Population – national benefit basis)	National Policing (Population – national benefit basis)	Intelligence/ Investigation (Population – national benefit basis)	Intelligence (Agreed Financial Contribution – local delivery)	Specialist Operations (Agreed Financial Contribution – local delivery)	Total
Service Classification and agreed basis of apportionment	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Dyfed-Powys	1,959	92	412	1,610	441	4,235	<b>8,749</b>
Gwent	2,235	105	470	1,838	563	3,249	<b>8,460</b>
North Wales*	2,640	124	2,313	0	0	0	<b>5,077</b>
South Wales	5,032	237	1,058	4,137	1,165	6,138	<b>17,767</b>
<b>Gross Expenditure</b>	<b>11,866</b>	<b>558</b>	<b>4,253</b>	<b>7,585</b>	<b>2,169</b>	<b>13,622</b>	<b>40,053</b>
Dyfed-Powys	(1,959)	(92)	(412)	(967)	(4)	(425)	<b>(3,859)</b>
Gwent	(2,235)	(105)	(470)	(1,104)	(6)	(326)	<b>(4,246)</b>
North Wales*	(2,640)	(124)	(2,313)	0	0	0	<b>(5,077)</b>
South Wales	(5,032)	(237)	(1,058)	(2,485)	(12)	(616)	<b>(9,440)</b>
<b>Total Income &amp; Grants</b>	<b>(11,866)</b>	<b>(558)</b>	<b>(4,253)</b>	<b>(4,556)</b>	<b>(22)</b>	<b>(1,367)</b>	<b>(22,622)</b>



## Single Entity Statement of Accounts 2019/20

Expenditure and Income Statements for 2018/19 for the main collaborative arrangements were as follows:

Service Classification	Counter Terrorism Intelligence Unit National Policing £'000	Counter Terrorism Specialist Advisors National Policing £'000	Counter Terrorism Port/Dedicated Security National Policing £'000	Regional Organised Crime Unit Intelligence/Investigation £'000	Regional Task Force Intelligence £'000	Joint Firearms Unit Specialist Operations £'000	Total £'000
Pay Expenditure	7,541	428	3,805	4,855	1,720	11,480	29,829
Non Pay Expenditure	1,644	46	380	2,333	575	1,656	6,634
<b>Gross Expenditure</b>	<b>9,185</b>	<b>474</b>	<b>4,185</b>	<b>7,188</b>	<b>2,295</b>	<b>13,136</b>	<b>36,463</b>
Specific Grant Income	(9,146)	(474)	(4,159)	(3,787)	0	(1,167)	(18,733)
Income	(39)	0	(26)	(1,512)	(21)	(245)	(1,843)
<b>Total Income &amp; Grants</b>	<b>(9,185)</b>	<b>(474)</b>	<b>(4,185)</b>	<b>(5,299)</b>	<b>(21)</b>	<b>(1,412)</b>	<b>(20,576)</b>
<b>(Surplus) or Deficit to be funded from Force Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,889</b>	<b>2,274</b>	<b>11,724</b>	<b>15,887</b>
Force Contributions (Net)							
Dyfed-Powys	0	0	0	(384)	(463)	(3,333)	(4,180)
Gwent	0	0	0	(491)	(590)	(2,913)	(3,994)
North Wales	0	0	0	0	0	0	0
South Wales	0	0	0	(1,014)	(1,221)	(5,478)	(7,713)
<b>Total Force Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,889)</b>	<b>(2,274)</b>	<b>(11,724)</b>	<b>(15,887)</b>

Each force's contribution towards Expenditure and Income for 2018/19 was as follows:

Service Classification and agreed basis of apportionment	Counter Terrorism Intelligence Unit National Policing (Population – national benefit basis) £'000	Counter Terrorism Specialist Advisors National Policing (Population – national benefit basis) £'000	Counter Terrorism Port/Dedicated Security National Policing (Population – national benefit basis) £'000	Regional Organised Crime Unit Intelligence/Investigation (Population – national benefit basis) £'000	Regional Task Force Intelligence (Agreed Financial Contribution – local delivery) £'000	Joint Firearms Unit Specialist Operations (Agreed Financial Contribution – local delivery) £'000	Total £'000
Dyfed-Powys	1,519	78	409	1,529	467	4,084	8,086
Gwent	1,727	89	465	1,739	596	3,133	7,749
North Wales*	2,046	106	2,262	0	0	0	4,414
South Wales	3,893	201	1,049	3,920	1,232	5,919	16,214
<b>Gross Expenditure</b>	<b>9,185</b>	<b>474</b>	<b>4,185</b>	<b>7,188</b>	<b>2,295</b>	<b>13,136</b>	<b>36,463</b>
Dyfed-Powys	(1,519)	(78)	(409)	(1,127)	(4)	(439)	(3,576)
Gwent	(1,727)	(89)	(465)	(1,282)	(6)	(337)	(3,906)
North Wales*	(2,046)	(106)	(2,262)	0	0	0	(4,414)
South Wales	(3,893)	(201)	(1,049)	(2,890)	(11)	(636)	(8,680)
<b>Total Income &amp; Grants</b>	<b>(9,185)</b>	<b>(474)</b>	<b>(4,185)</b>	<b>(5,299)</b>	<b>(21)</b>	<b>(1,412)</b>	<b>(20,576)</b>

## 12. Officers' remuneration

Senior employees - The remuneration paid to the Chief Constable's senior employees in 2019/20 was as follows:

	Year	From	To	Full-time equivalent salary as at 31.03.20 or end date £	Actual salary, including allowances £	Benefits in kind - lease cars (Note 1) £	Benefits in kind - relocation expenses £	Pay in Lieu of Notice / Exit Payment £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration including pension contributions £
Chief Constable	2019/20	01/04/2019	31/03/2020	<b>142,896</b>	144,817	0	0	0	<b>144,817</b>	43,848	<b>188,665</b>
T/Deputy Chief Constable (A)	2019/20	01/04/2019	27/04/2019	<b>116,718</b>	8,754	0	0	0	<b>8,754</b>	2,714	<b>11,468</b>
T/Deputy Chief Constable (B)	2019/20	03/04/2019	31/08/2019	<b>116,718</b>	49,029	0	0	0	<b>49,029</b>	14,875	<b>63,904</b>
Deputy Chief Constable	2019/20	01/09/2019	31/03/2020	<b>119,637</b>	71,251	0	0	0	<b>71,251</b>	21,634	<b>92,885</b>
T/Assistant Chief Constable (A)	2019/20	01/04/2019	31/03/2020	<b>103,023</b>	101,976	2,638	0	0	<b>104,614</b>	31,612	<b>136,226</b>
T/Assistant Chief Constable (B)	2019/20	08/12/2019	31/03/2020	<b>103,023</b>	33,123	5,644	0	0	<b>38,767</b>	10,045	<b>48,812</b>
Director of Finance/ Chief Financial Officer to the Chief Constable	2019/20	01/04/2019	31/03/2020	<b>90,201</b>	89,285	0	0	0	<b>89,285</b>	12,053	<b>101,338</b>
<b>Total 2019/20</b>					<b>498,235</b>	<b>8,282</b>	<b>0</b>	<b>0</b>	<b>506,517</b>	<b>136,781</b>	<b>643,298</b>

Note 1: The Chief Constable and Deputy Chief Constable are provided with vehicles, however no liability to income tax arises in respect of the benefit as these two officers are on call at all times. This is in accordance with Section 248A of the ITEPA, which states: "1) This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person's private use and b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances, 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit."

## Single Entity Statement of Accounts 2019/20

Senior employees - The remuneration paid to the Chief Constable's senior employees in 2018/19 was as follows:

	Year	From	To	Full-time equivalent basic salary as at 31.03.19 or end date £	Actual salary, including allowances £	Benefits in kind - lease cars (Note 2) £	Benefits in kind - relocation expenses £	Pay in Lieu of Notice / Exit Payment £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration including pension contributions £
Chief Constable	2018/19	01/04/2018	31/03/2019	139,410	141,645	0	0	0	141,645	33,462	175,107
Deputy Chief Constable	2018/19	01/04/2018	05/01/2019	116,718	94,875	0	0	0	94,875	9,231	104,106
Assistant Chief Constable – Welsh Government	2018/19	01/04/2018	31/12/2018	113,475	86,360	2,670	0	0	89,030	8,974	98,004
T/Deputy Chief Constable	2018/19	18/11/2018	31/03/2019	116,718	43,121	0	0	0	43,121	10,435	53,556
Assistant Chief Constable	2018/19	22/04/2018	17/11/2018	100,509	56,807	0	0	0	56,807	13,747	70,554
T/Assistant Chief Constable (A)	2018/19	18/11/2018	31/03/2019	100,509	37,132	1,002	0	0	38,134	8,986	47,120
T/Assistant Chief Constable (B)	2018/19	03/04/2018	31/03/2019	87,327	90,625	0	0	0	90,625	20,782	111,407
Director of Finance/ Chief Financial Officer to the Chief Constable	2018/19	01/04/2018	31/03/2019	86,106	86,420	0	0	0	86,420	11,667	98,087
<b>Total 2018/19</b>					<b>636,985</b>	<b>3,672</b>	<b>0</b>	<b>0</b>	<b>640,657</b>	<b>117,284</b>	<b>757,941</b>

Note 1: The Assistant Chief Constable was seconded to Welsh Government as the Assistant Chief Constable – Welsh Government. 50% of her costs while seconded were recharged to Welsh Government.

Note 2: The Chief Constable and Deputy Chief Constable are provided with vehicles, however no liability to income tax arises in respect of the benefit, as these officers are on call at all times. This is in accordance with Section 248A of the ITEPA, which states: "1) This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person's private use and b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances, 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit".



Other employees (excludes senior officers – itemised above)

The other Chief Constable employees receiving more than £60,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

2018/19 Number of employees		2019/20 Number of employees*
10	£60,000 - £64,999	12
6	£65,000 - £69,999	4
3	£70,000 - £74,999	3
3	£75,000 - £79,999	4
2	£80,000 - £84,999	7
2	£85,000 - £89,999	0
1	£90,000 - £94,999	1
0	£95,000 - £99,999	0

Ratio of Chief Constable Remuneration

The revision to the Accounts and Audit Regulations (Wales) in 2014 has added a new requirement to report the following remuneration ratio information.

- the remuneration of the body's Chief Constable during the year to which the accounts relate
- the median full-time equivalent remuneration of all the body's employees in post at 31 March 2020; and
- the ratio of the amount in sub-paragraph (a) to the amount in sub-paragraph (b);

Remuneration includes basic salary, overtime, allowances and benefits in kind.

The remuneration of the Chief Constable for 2019/20 was £144,817 (the Chief Constable received no benefits in kind in 2019/20, please refer to note 1 of the Officers' Remuneration table, above). The median full-time equivalent remuneration of all the Chief Constable's employees as at 31 March 2020 was £35,980. The ratio of the Chief Constable's remuneration to the median Chief Constable employee's remuneration was 4.02:1 (4.03:1 in 2018/19).

Members

The Scheme of Governance states that Members' expenses should be split equally between the Commissioner and Chief Constable. In 2019/20, allowances and expenses paid amounted to £5,000 in total (£3,000 in 2018/19). As 50% of this amount is not material, the costs have not been accounted for in the Chief Constable's accounts.

**13. External audit costs**

In 2019/20 the Commissioner and Chief Constable jointly incurred costs of £79k in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the force's external auditors (2018/19: £79k).

## **14. Related parties**

The Chief Constable is required to disclose material transactions with related parties, i.e. bodies or individuals that have the potential to control or influence the Chief Constable or to be controlled or influenced by the Chief Constable. Disclosure of these transactions allows readers to assess the extent to which the Chief Constable might have been constrained in his ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Chief Constable.

### Central Government

Central government has significant influence over the general operations of Dyfed-Powys Police/ the Commissioner; as it is responsible for providing the statutory framework within which Dyfed-Powys Police/ the Commissioner operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that Dyfed-Powys Police/ the Commissioner has with other parties. Grants received from government departments are set out in Note 30 of the Group Statement of Accounts, most of which have strict terms and conditions.

### Entities Controlled or Significantly Influenced by the Chief Constable

The Chief Constable and Chief Financial Officer to the Chief Constable are trustees of the "Safer Dyfed-Powys Diogel" trust. In 2019/20 The Chief Constable did not undertake any financial transactions with "Safer Dyfed-Powys Diogel" (2018/19: £0). Further information about the Trust is included in note 38 of the Group Statement of Accounts.

### Members

The total of Members' allowances paid in 2019/20 is shown in note 12.

None of the Members, or parties related to them, have undertaken any material transactions with the Chief Constable in 2019/20.

## **15. Leases**

### **Chief Constable as Lessee**

#### Finance Leases

The Chief Constable does not have any Finance Leases.

#### Operating Leases

The Chief Constable of Dyfed-Powys leases property from other property owners where appropriate and affordable, to provide suitable accommodation for operational policing and support. Dyfed-Powys also has operating leases for plant and equipment which includes photocopiers.

The future minimum lease payments due under non-cancellable leases in future years are:

31 March 2019 £'000		31 March 2020 £'000
148	Not later than one year	155
544	Later than one year and not later than five years	487
1,346	Later than five years	1,242
<b>2,038</b>	<b>Total</b>	<b>1,884</b>

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

2018/19 £'000		2019/20 £'000
187	Minimum lease payments	215
<b>187</b>	<b>Total</b>	<b>215</b>

## 16. Termination benefits

The number of exit packages per band, along with total cost of the departures agreed for 2019/20 and 2018/19 is set out in the table below:

Exit package cost band	2018/19 Number of departures agreed in each band	2018/19 Departure cost (including payment in lieu of notice) £'000	2019/20 Number of departures agreed in each band	2019/20 Departure cost (including payment in lieu of notice) £'000
£0 - £20,000	2.0	39	0	0
£20,001 - £40,000	12.7	477	0	0
£40,001 - £60,000	2.7	130	0	0
	<b>17.4</b>	<b>646</b>	<b>0</b>	<b>0</b>

### Flexible Retirement

The force has recently adopted this policy and during the year 1 police staff took up the option. Due to these flexible retirements, an actuarial strain has been applied to the Local Government Scheme which resulted in a cost of £27k being charged to the force.

## 17. Defined benefit pension schemes

### Participation in Pension schemes

As part of the terms and conditions of employment of its officers, the Chief Constable makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Chief Constable has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Chief Constable participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Carmarthenshire County Council – this is a funded defined benefit CARE (Career Average Revalued Earnings) scheme, meaning that the Chief Constable and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. It should be noted that all staff are employed by the PCC, however for the majority of staff direction and control lies with the Chief Constable. Costs have been apportioned to reflect this.
- The Police Officer Pension Scheme – this is an unfunded defined benefit CARE (Career Average Revalued Earnings) scheme, consequently the fund has no investment assets. Benefits payable are funded by contributions from employers and employees with any difference between benefits payable and contributions receivable being met by the top up grant from the Home Office via the Commissioner.

### Transactions Relating to Post-employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

These costs are reversed out of the Chief Constable's accounts into the Commissioner's accounts as the Chief Constable is not responsible for holding any reserves. This is shown on the next page as an intra-group transfer:

## Single Entity Statement of Accounts 2019/20

	Local Government Pension Scheme		Police Pension Scheme	
	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000
Comprehensive Income and Expenditure Statement				
Cost of services				
Current service cost	(6,646)	(7,925)	(23,230)	(27,900)
Past service cost (including McCloud)	(3,278)	(561)	(75,453)	(5,145)
Other	(116)	(96)	0	0
Financing and Investment Income and Expenditure				
Net interest cost	(868)	(1,159)	(30,577)	(32,657)
<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>(10,908)</b>	<b>(9,741)</b>	<b>(129,260)</b>	<b>(65,702)</b>
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement				
Re-measurement of the net defined benefit liability comprising				
Return on plan assets (excluding the amount included in the net interest expense)	4,500	(11,394)	0	0
Experience (gain)/loss	0	(13,214)	0	0
Re-measurement gains and losses arising on changes in demographic assumptions	0	5,538	0	21,207
Re-measurement gains and losses arising on changes in financial assumptions	(11,290)	(3,249)	(74,124)	(26,902)
<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>(17,698)</b>	<b>(32,060)</b>	<b>(203,384)</b>	<b>(71,397)</b>
<b>Commissioning Costs (intra-group transfer)</b>	<b>17,698</b>	<b>32,060</b>	<b>203,384</b>	<b>71,397</b>
<b>Net cost</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Movement in Reserves Statement				
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	0	0	0	0
Actual amount charged against the General Fund Balance for pensions in the year				
Employers' contributions payable to scheme	0	0	0	0

An intra-group transfer has been processed to the Chief Constable's accounts, as the Chief Constable is not responsible for managing reserves.

Pensions Assets and Liabilities recognised in the Balance Sheet

The majority of the employment costs are incurred by the Chief Constable, therefore assets and liabilities relating to post-employment benefits remain within the Chief Constable accounts.

The net liability arising from the defined benefit obligation:

2019/20	Local Government Pension Scheme £'000	Police Pension Scheme £'000	Total £'000
Present value of the defined benefit obligation	(211,858)	(1,362,997)	(1,574,855)
Fair value of plan assets	131,637	0	131,637
<b>Net liability arising from defined benefit obligation</b>	<b>(80,221)</b>	<b>(1,362,997)</b>	<b>(1,443,218)</b>

2018/19	Local Government Pension Scheme £'000	Police Pension Scheme £'000	Total £'000
Present value of the defined benefit obligation	(186,877)	(1,321,002)	(1,507,879)
Fair value of plan assets	136,722	0	136,722
<b>Net liability arising from defined benefit obligation</b>	<b>(50,155)</b>	<b>(1,321,002)</b>	<b>(1,371,157)</b>

The total liability recorded on the balance sheet in these accounts is £1,443.2m. Due to materiality the liability in the table above is not split between the Chief Constable and Commissioner. Therefore the figures stated in the table above are for the Group.

Reconciliation of the movements in the Fair value of Scheme (Plan) Assets:

	Local Government Pension Scheme		Police Pension Scheme	
	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000
<b>Opening fair value of scheme assets</b>	<b>126,534</b>	<b>136,722</b>	<b>0</b>	<b>0</b>
Interest income	3,448	3,455	0	0
Re-measurement gain / (loss)				
The return on plan assets, excluding the amount included in the net interest expense	4,500	(11,394)	0	0
Contributions from employer	3,240	3,399	29,475	29,402
Contributions from employees into the scheme	1,501	1,552	5,879	5,792
Benefits paid	(2,385)	(2,001)	(35,354)	(35,194)
Other (if applicable)	(116)	(96)	0	0
<b>Closing fair value of scheme assets</b>	<b>136,722</b>	<b>131,637</b>	<b>0</b>	<b>0</b>



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

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000
<b>Opening Balance at 1 April</b>	<b>(161,629)</b>	<b>(186,877)</b>	<b>(1,147,093)</b>	<b>(1,321,002)</b>
Current service cost	(6,926)	(8,280)	(23,230)	(27,900)
Interest cost	(4,352)	(4,666)	(30,577)	(32,657)
Contributions from scheme participants	(1,501)	(1,552)	(5,879)	(5,792)
Remeasurement gains / (losses)				
Remeasurement gains / losses arising from changes in demographic assumptions	0	5,538	0	21,207
Remeasurement gains / losses arising from changes in financial assumptions	(11,576)	(4,247)	(74,124)	(26,902)
Other (if applicable)	0	(13,214)	0	0
Past service cost (including McCloud)	(3,278)	(561)	(75,453)	(5,145)
Losses / gains on curtailment (where relevant)	0	0	0	0
Benefits Paid	2,385	2,001	35,354	35,194
<b>Closing balance at 31 March</b>	<b>(186,877)</b>	<b>(211,858)</b>	<b>(1,321,002)</b>	<b>(1,362,997)</b>

Local Government Pension Scheme assets comprised:

	Fair value of Scheme assets	
	2018/19 £'000	2019/20 £'000
Cash and cash equivalents	820	658
Equity instruments	94,475	96,372
Bonds	22,833	18,468
Property	18,594	16,139
<b>Total Assets</b>	<b>136,722</b>	<b>131,637</b>

**Basis for estimating Assets and Liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

Both the LGPS and Police Officer pension scheme liabilities have been estimated by Mercer Human Resource Consulting, an independent firm of actuaries, estimates for the LGPS Fund being based on the latest triennial valuation of the scheme as at 31 March 2018.

The significant assumptions used by the actuary have been:

	Local Government Pension Scheme		Police Pension Scheme	
	2018/19	2019/20	2018/19	2019/20
Mortality assumptions				
Longevity at 65 (60 for police scheme) for current pensioners				
• Men	23.0	23.0	26.5	26.3
• Women	25.7	24.9	28.4	28.4
Longevity at 65 (60 for police scheme) for future pensioners				
• Men	25.2	24.5	28.4	28.5
• Women	28.1	27.1	30.4	30.6
Other assumptions				
Rate of inflation	2.2%	2.1%	2.2%	2.1%
Rate of increase in salaries	3.7%	3.6%	3.7%	3.5%
Rate of increase in pensions	2.3%	2.2%	2.3%	2.2%
Rate for discounting scheme liabilities	2.5%	2.3%	2.5%	2.3%

The estimation of the defined benefit obligation is sensitive to actuarial assumptions set out in the table above.

The sensitivity analyses below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	Impact on the defined benefit obligation in the scheme	
	Increase in assumption £'000	Decrease in assumption £'000
<b>Local Government Police Scheme 2019/20</b>		
Longevity (increase or decrease by 1 year)	5,495	
Rate of inflation (increase or decrease by 0.1%)	4,642	
Rate of increase in salaries (increase or decrease by 0.1%)	963	
Rate for discounting scheme liabilities (increase or decrease by 0.1%)		4,542

	Impact on the defined benefit obligation in the scheme	
	Increase in assumption £'000	Decrease in assumption £'000
<b>Police Pension Scheme 2019/20</b>		
Longevity (increase or decrease by 1 year)	36,960	
Rate of inflation (increase or decrease by 0.1%)	27,497	
Rate of increase in salaries (increase or decrease by 0.1%)	5,748	
Rate for discounting scheme liabilities (increase or decrease by 0.1%)		26,902

### Local Government Police Scheme - Impact on Cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Group has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 3 years. The triennial valuation was completed on 31 March 2018 and details of the future employers' rates are shown below:

Year	Employer rate
2020/21	17.8%
2021/22	17.8%
2022/23	17.8%

### Police Pension Legal Challenge - Career Average Revalued Earnings (McCloud/Sargeant)

In June 2019 the Supreme Court passed judgment in the McCloud/Sargeant case that the transitional protection contained in the Judiciary and Firefighters Pension Regulations Reform gave rise to unlawful age discrimination. Subsequently the government announced that it accepted that the judgment applies to all the main public service pension schemes, including the Police Pension and Local Government Schemes.

Although it may well take until 2021 for a final remedy to be determined, an actuarial estimation of the financial impact has been included as a past service cost and the potential impact on the pension liability has been included in the Balance Sheet and the

Comprehensive Income and Expenditure Statement for the years ended 31 March 2019 and 31 March 2020.

In respect of the Local Government Pension Scheme for Police Staff, as part of the triennial valuation the employer's contribution rate was increased by 1.2% from April 2020 to take account of the anticipated additional costs. For the Police Officer's Scheme, the valuation process is being initiated in 2020 with changes to the police officer pension employer's rate not anticipated to be implemented until 2023/24.

### **Impact of Covid-19 on Police Staff and Officer Pensions**

In a newsletter dated 31<sup>st</sup> of March 2020, Mercer confirmed that actuarial assumptions were set shortly after the year end – which meant that the impact of the market turmoil that accompanied the Covid-19 pandemic has been incorporated in their assessment. In March 2020 there have been substantial falls in equity markets that has affected the value of assets held under the funded Local Government Pension Scheme. As an unfunded scheme, this does not affect the Police Pension Scheme.

Over the same month, the market falls have also extended to corporate bond yields with AA bond yields rising by around 0.5% per annum. The discount rate used in the calculations have reduced from 2.5% for 2018/19 to 2.3% in 2019/20 which reflects the market conditions as at 31<sup>st</sup> of March 2020 which will have increased the liability for both the Police Officer and Staff Pension Schemes.

In a newsletter issued by Carmarthenshire County Council (our pension administrators) on the impact of the pandemic it was reported that asset values for its schemes had fallen by around 14% between December 2019 and March 2020. The full longer term financial impact of this on contribution rates will not be felt on budgets until the next valuation date i.e. 2023. In the short term, it is estimated that the ratio of assets to costs will have reduced from 100% to around 90% to 95% based upon the latest Local Government Pension Fund newsletter.

The outbreak of the Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial and property markets. Due to these market conditions, a material valuation uncertainty has been included in a year end valuation report for the Dyfed Pension Fund's pooled property investment fund. The specific wording included in the report is "As at 31 March 2020, RICS (Royal Institute of Chartered Surveyors) have advised there is currently material valuation uncertainty of UK Real Estate Funds due to market conditions."

The total value of this fund as at 31 March 2020 is £296.3m and Dyfed Powys Police' share of this fund amounts to £16.3m (5.5%).

## **18. Contingent Liabilities**

### Undercover Policing Inquiry

The purpose of this inquiry is to investigate and report on undercover police operations conducted by English and Welsh police forces in England and Wales since 1968. The inquiry is examining the contribution undercover policing has made to tackling crime, how it was and is supervised and regulated, and its effect on individuals involved – both police officers and others who came into contact with them.

A liability has been established and along with 11 other forces, external solicitors are engaged to represent serving officer(s). There is an agreement for Dyfed-Powys Police to

meet a 5% share of generic preparation costs incurred by the legal firm and these have been reflected in the accounts. All other legal matters to date involving Dyfed-Powys Police have been dealt with in house.

At this stage, the inquiry is not far enough progressed to reliably estimate future costs and therefore no provision has been made in the 2019/20 Accounting Statements.

### Dedicated Source Handling Unit On-Call Allowance Claims

The Chief Constable of Dyfed-Powys along with other Chief Constables have had claims lodged against them in relation to "On Call Allowance" under Regulation 34 Annex U Police Regulations 2003. The claimants are serving, and/or retired police officers and are members of the "Dedicated Source Handling Unit (Covert Human Intelligence Sources)". They claim that their roles require them to answer mobile telephones and deal with those who wished to provide covert intelligence to the police. They also claim to have supervised source handlers and these tasks required them to monitor their phones on a daily basis.

At this stage, liability has not been established and therefore it would not be appropriate to make a provision in the 2019/20 Accounting Statements. In addition it is not possible to provide a reasonable estimate of liability at this stage.

### Concurrent Allowances

In November 2019 the Chief Constable received a number of claims from police staff in respect of claims for unsociable hours and night time allowances to be paid concurrently with overtime pay.

Staff are being represented by UNISON in this matter and no formal agreement on the existence of such entitlement has been reached. No liability has been established and no provision has been made in the 2019/20 Accounting Statements.

### Evans and Ashcroft Injury Pension Deductions

In October 2018 the Court of Appeal found in favour of Evans and Ashcroft in a case concerning deductions against pensions attached to injury on duty awards. Such an outcome may increase pension liabilities. The force is not making any pension payments where such a deduction may have been applied and as such no provision has been made in these statements.

**19. Nature and extent of risks arising from financial instruments**Credit Risk**Trade Receivables**

The following analysis summarises the Chief Constable's potential maximum exposure credit risk, based on the experience gathered over the last five financial years on the level of default on trade debtors, adjusted for current market conditions. As per the Code of Practice requirements, the disclosure below includes details only of debtors that have arisen as a result of trading activities. Balances and transactions arising from statutory functions (i.e. tax and NNDR payments) are excluded from this disclosure note, as they have not arisen from contractual trading activities.

Bad Debt Provision is calculated on a Group Level as the Chief Constable does not hold provisions. These figures are therefore for information only.

Group Gross Debtors £'000	Bad Debt Provision for the Group 2019/20 £'000	Bad Debt Provision for 2019/20 as a % of Group Trade Debtors
1,771	231	13.0



## Joint Annual Governance Statement 2019/20

### Introduction and Scope of Responsibilities

The Police and Crime Commissioner and the Chief Constable are responsible for ensuring their business is conducted in accordance with the law, to proper standards and that public money is safeguarded, properly accounted for and used effectively, efficiently and economically. They also have a duty to make arrangements to secure continuous improvement in the way in which their functions are exercised.

In discharging their overall responsibility, the Police and Crime Commissioner and the Chief Constable are also responsible for putting in place proper arrangements for the governance of their affairs and facilitating the exercise of their functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.

This Statement explains how the Police and Crime Commissioner and Chief Constable have complied with the Code of Corporate Governance, which reflect the principles in the Chartered Institute of Public Finance and Accountancy's guidance (CIPFA) *Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales 2016 Edition*. It also meets the requirements of the Accounts and Audit (Wales) Regulations 2014 (as amended), in relation to the statement of internal control and the publication of the annual governance statement. The approach taken this year differs to that of previous in that this document sets out evaluation findings to governance arrangements and is supported by a matrix of evidence detailing how the Police and Crime Commissioner and Chief Constable demonstrate the principles and behaviours of good governance.

### Principles of Good Governance

A joint Corporate Governance Framework <http://www.dyfedpowys-pcc.org.uk/media/9265/corporate-governance-framework-2020-21.pdf> comprises the systems, processes, culture and values by which both the Office of Police and Crime Commissioner and Dyfed-Powys Police will govern their activities, both jointly and separately. The Framework enables the Police and Crime Commissioner and Chief Constable to monitor achievement against the Police and Crime Plan and to consider whether they have led to the delivery of appropriate, cost effective services, including achieving value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot prevent all risk of failure to achieve policies, aims and objectives. It can only provide reasonable, rather than absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the organisations' aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

The CIPFA/Solace Framework *Delivering Good Governance in Local Government* that covers policing bodies sets out the seven principles which underpin effective governance arrangements to ensure that the intended outcomes are defined and achieved. This Statement provides an assessment against each of these principles.

## **Dyfed-Powys response to the Coronavirus Pandemic**

Whilst authoring this Statement the global pandemic of COVID-19 had reached the UK. The impact of the coronavirus pandemic on policing in Dyfed-Powys is at the time of writing this Statement, unclear. There is, however, an element of certainty that there will be significant cost implications to ensure that policing services continue to be delivered locally. Moreover, we must ensure that the service we provide meets reasonable public expectation as well as enforcing rapidly changing Welsh and British legislation to govern trade and commerce, retail and industry as well as general public movement.

### **Governance**

A Gold, Silver and Bronze governance structure has been implemented that ensures dialogue with both the regional and national structures.

The Gold, Silver and Bronze command structures work in tandem with a Strategic Command Group, Tactical Command Group and the Local Resilience Forum. The local structure is supported by a number of sub-groups and cells that ensure decisions are informed, risk is managed, welfare is supported and learning is captured. The structure created within Dyfed-Powys informs an All Wales structure supporting Welsh Government, UK Government, the Cabinet briefing room and other organisations such as the National Police Coordination Centre (NPoCC). The Welsh structure informs National Gold and Silver structures to which the Home Office are central.

Decisions and actions made within the local governance structures as outlined above, are recorded and saved to a dedicated Share-Point site. Finance department is represented on Gold and Silver operational groups to monitor budgets and facilitate appropriate reporting and escalation (if appropriate) into Chief Officer Group and Policing Board.

In addition, the force, in line with best practice, has established Organisational Learning and Recovery Cells to plan and to deal with the aftermath of the pandemic. This will encompass any lessons learned, working practices to be maintained, prioritise and plan for the resumption of strategic projects and on-going staff welfare considerations. All governance meetings benefit from (virtual) attendance by personnel from the Police and Crime Commissioner's Office enabling transparency, accountability and scrutiny as well as an acute focus on serving the public.

All of the above has meant that many of the meetings within the "Force Executive" governance structure have to all intents and purposes, been temporarily suspended as a result of the force's need to respond to the Pandemic. A small number of key meetings such as the Corporate Governance Group, Strategic Estates Group and Finance, Efficiencies and Futures have continued to meet to ensure critical decisions pertaining to business as usual managed. Furthermore, any other matters that require urgent attention have been channelled through the Chief Officer Group meetings to ensure appropriate authorisation and/or approval. Part of the role of police, as well as the NHS and other key public sectors is to respond to major incidents that over time have been planned for and tested. The need to urgently implement complex operational procedures to enable a national emergency response meant that the force's and partner resources were focussed solely on ensuring good governance that supported our approach to the Pandemic.

Compliance with Corporate Governance Framework has been maintained with minimal changes required. The only change of note was to aid the Force in overcoming the

challenges that all sectors across the UK faced with the sourcing and supply of Public Protective Equipment (PPE). Following a report to Policing Board, it was determined that the Force would adopt an emergency ordering procedure in relation to PPE and apply the Procurement Policy Notice 02/20 (PPN) in relation to emergency provisions including direct award and retrospective procurement authorisation for a limited number of supplies. In the main, PPE supplies have been bought through existing public sector frameworks. The Force has been following the National approach in terms of this supporting suppliers for example by making quicker payments of outstanding invoices e.g. through BACS or EFT in some instances which has meant payment in advance of receipt to support some sectors and guarantee supplies of PPE. This is in accordance with the PPN.

### **Public Engagement**

At the heart of policing and criminal justice are the communities we serve, the victims we support and the offenders we bring to justice. The manner in which we engage with people however, has inevitably had to change to ensure adherence to social distancing whenever possible. The Force took an approach that in so far as possible, sought to persuade people to observe social distancing and not to undertake unnecessary journeys. The approach of Dyfed-Powys Police can be summarised as:

- Engage with the public
- Explain why dispersal is vital to reduce the spread of the virus
- Encourage people to disperse and go home
- Enforce where necessary

Moreover, when on patrol or in double crewed cars, officers are required to observe social distancing themselves or to wear appropriate equipment to mitigate the risk of the spread of the virus.

To enable the PCC to hold the police to account on behalf of the public, it is important for him to listen to, and understand the issues communities and individuals are facing in these unprecedented times. As such, the PCC has held a 'Virtual Community Engagement Day' for the Pembrokeshire area. This will be repeated every 3 weeks in different counties to ensure residents have the opportunity to share their views directly with the PCC.

The Force and OPCC has continued to respond to all correspondence and complaints received. Following the implementation of the Coronavirus Act 2020, Dyfed-Powys Police Professional Standards Department received a significant number of Coronavirus related complaints. However this did not lead to an overall increase in complaints, as a reduction in non-coronavirus complaints offset the total number of complaints received. The content of correspondence received in the OPCC is used to shape the PCC's communication with the public and partners and is fed into the Chief Officer Team when appropriate to address any issues as they arise.

### **Risk Management**

The risk appetite upon which Corporate risks are assessed is currently set at 'Open'. This has not changed since the onset of the Pandemic. Information risks on the Information Risk Register are assessed within a more 'cautious' risk appetite. Risks associated with the coronavirus pandemic are managed within a new separate 'Op Talla' risk register. These risks are assessed using the BRAG assessment criteria.

Risks emerge from the Pandemic on a daily basis. These risks are dealt with at Gold, Silver and the 7 subordinate groups. Any of these risks could be addressed in as little as hours or days and activities to resolve, mitigate and manage are recorded within the actions of the Groups. The most significant risks are recorded in the 'Op Talla' risk register.

There is one risk on the Corporate Risk Register in relation to the coronavirus pandemic which *considers "the management of risks and uncertainties surrounding the coronavirus (COVID-19) and the consequential risk to the availability of policing resources required to deliver policing services in line with Police and Crime Plan priorities"*. This risk was mitigated by the establishment of the Coronavirus Gold Group and chaired by a Chief Officer.

In the first instance the Force worked with Public Health and other agencies to assist in mitigating the impact of the coronavirus pandemic on the communities of Dyfed-Powys. The following strategic objectives were established:

- Minimise the risk to the public by assisting Public Health to contain the spread of the virus and to support the contact tracing;
- Maximise, where practicable, the safety of our staff by providing advice and appropriate PPE where necessary;
- Ensure business continuity plans are in place to enable the police to continue to deliver a service to the public;
- To reassure the public by supporting Public Health guidance and Public Health messages;
- To ensure that community tension, information and intelligence is being effectively managed through existing structures
- To support Local Resilience partner agencies and the local communities of Dyfed Powys to mitigate the impacts of the virus.

The coronavirus pandemic has had an impact upon other Corporate risks, however these are carefully managed. Governance is provided by the Force Executive Board and Policing Board, with wider scrutiny from the Joint Audit Committee.

### **Business Continuity**

The safety and well-being of the workforce have been absolutely paramount in the policing response. The COVID-19 pandemic has required the workforce to respond in an agile, flexible and responsive way. Business continuity plans have been tested and some brought into fruition to ensure continued delivery of policing services in Dyfed-Powys. Much of the workforce in back office functions are working from home with only a few working in offices that enable social distancing. Steps have been taken to ensure business continuity, resilience and critical service delivery. A few examples include the Force Contact Centre being split between two sites, reprioritising and allocation of IT equipment to essential roles, and resources being pooled to meet changing demand.

To enable informed decision making, data has been required in much more urgent timescales than previous. To meet this need, analysts from the fields of Force Intelligence Bureau (FIB), Performance and Demand and Continuous Improvement have been pooled (virtually) to enable the provision of real time data to inform decision making and response.

Dashboards have been created and various scenarios modelled to enable preparation should the force experience high levels of abstraction or demand.

All of the above has accelerated the Force's agile working project as there have been numerous benefits identified in enabling so many personnel to work from home. Chief Officers and the Commissioner are working together to determine a Vision and supporting strategy that facilitates greater use of home and agile working whilst also benefitting from improved productivity both at an individual and organisational level.

A report outlining the likely financial impact of the coronavirus pandemic was considered by Policing Board in April 2020 and this highlighted potential increases in direct costs, some savings and income losses. The position on additional funding from Government remains unclear at a National Level at this time, however the Force is reporting its additional costs to the Home Office on a monthly basis. Locally, a reserve was set aside to meet potential cash flow implications whilst the position on funding at a National level becomes clearer. As outlined in the Statement of Accounts narrative report, the Force and PCC's Office will be evaluating the longer term impact of the outbreak on future settlements/budgets, ongoing PPE requirements and income over coming months and work is already underway to update the Medium Term Financial Plan and budget for 2021/22.

### **Demand and Response**

In terms of demand, in line with all other forces, Dyfed-Powys has experienced a statistically significant decrease in reported crimes. However, reports incidents of Anti-Social Behaviour had increased exponentially, primarily resulting from reports of breaches of lock down rules. To date, our ability to respond to these reports is good, particularly in view of the low levels of abstraction of our workforce. Ongoing monitoring of the position is reported through a variety of platforms to ensure sustained resilience to deal with demand. As lock down restrictions are eased, it is anticipated that police demand will resume to former levels recorded. Given the geography of Dyfed-Powys and the tourism industry that has thrived in previous years, it is also anticipated that this will require careful management and response, working in tandem with partners to meet expected increases to demand as the industry re-opens in Wales.

### **Strategic Planning**

Detail as to the Force's approach to the Force Management Statement is provided below. Every effort has been made to ensure strategic planning and related Duties are met within the timescales originally set. To the credit of the agile nature, flexibility and commitment of many of our workforce, financial planning and reporting, the Public Sector Equality Duty, Strategic Equality Plan were all delivered within targets that were set pre-Pandemic. However, as a result of the need for the Force to respond with urgency to the emergency Pandemic, the Force Management Statement will not be made available to HMICFRS until Autumn of this year. This is wholly accepted by HMICFRS and is a position that is consistent with most Forces nationally.

### **Assurance**

The requirement of workplace distancing inevitably impacted on internal audit as staff were sent to work from home and visitors kept away from site. The immediate reaction in March was to focus on business continuity and as such, audit activity was suspended. This

however became a reasonably short term arrangement and by late May, engagement with internal auditors had resumed. Audits have since been conducted remotely using screen sharing, telephone and skype calls and document exchange via email. The 19/20 programme was substantially complete at the time lockdown commenced and whilst responding to the final stages in audit reports has taken a little longer than previous years it has since been completed in early July.

The 2021 programme was rearranged in May so to target those business areas best equipped to a remote audit and two audits have already been done with a third in progress. All of the force, office of the police and crime commissioner and the internal auditors have adapted quickly to the requirements of remote working and do not foresee any adverse impact on delivery due to alternative audit conditions.

HMICFRS Inspection activity also was suspended in light of all Forces needing to prioritise their response to the Pandemic and establish arrangements to address the major incident. HMICFRS has recently outlined to Chief Officers that Inspection activity will resume in autumn 2020 and are consulting with Forces to ensure proposed approaches are understood.

### **A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Both Corporations Sole operate in an open and transparent way, with processes in place to support the core principle of ethics and integrity which are in accordance with the College of Policing's Code of Ethics. The Police and Crime Commissioner and the Chief Constable have policies and procedures in place that comply with the law and conform to appropriate ethical standards and standards of professional behaviour. Declarations of interests and registers of gifts and hospitality for both the Police and Crime Commissioner and Chief Constable are published and procedures are in place to enable any conflicts of interest to be recorded if required.

A review of police effectiveness, efficiency, legitimacy (PEEL) undertaken by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in 2018 highlighted Dyfed-Powys as being 'Good' at encouraging ethical decision-making, with leaders promoting the force's Code of Ethics and setting an ethical tone. Training is provided for leaders which includes ethical dilemmas.

The Police and Crime Commissioner and the Chief Constable have a whistleblowing policy in place and a newly implemented and widely accessible Fairness at Work policy and process. It also has a programme of random drug-testing against substance misuse.

The Ethics Committee which meets quarterly includes representatives from both the office of the Police and Crime Commissioner and the force and benefits from having an independent chair from academia. It gets referrals from the workforce through the force intranet, which can be made anonymously. When it receives the referrals, the committee decides whether a topic constitutes an ethical issue. If it does, it commissions further research and obtains legal advice, if needed, to determine the response with escalation to the Force's People Board if deemed appropriate.



However, overall HMICFRS assessed Dyfed-Powys Police's legitimacy as 'Requiring Improvement'. Areas for improvement (AFIs) outline the following:

- The limited capability and capacity for counter corruption to effectively and fully monitor all systems to proactively identify breaches and misuse.
- A requirement to improve access to and transparency of the fairness at work procedures,
- The need to establish processes to identify any disproportionality in recruitment, retention and progression of the workforce together with fair and accessible promotion processes.

The recommendations have been closely monitored through the HMICFRS Governance Board within the force's governance structure. Indeed, to ensure sufficient importance was paid to progressing areas for improvement as reported by HMICFRS, the meeting was elevated within the structure to become a Board meeting chaired by the Deputy Chief Constable. AFIs are assigned to individuals to progress and reports of such are made to the relevance governance meeting that has ownership of that business area. Once endorsed these are reported to HMICFRS Governance Board for consideration.

Dyfed-Powys was identified as a pilot force for the first tranche of PEEL inspections in 2020 albeit this has been postponed as a result of the coronavirus pandemic. It is hoped that the force's gradings will have improved since the last inspection in 2018 as much work has been undertaken to drive progress.

### **B. Ensuring openness and comprehensive stakeholder engagement**

Effective public engagement is a statutory responsibility of Police and Crime Commissioners, who must seek the views of the community in order to act as the bridge between policing and the public. This engagement informs local policing priorities set by the Police and Crime Commissioner as detailed within the Dyfed-Powys Police and Crime Plan 2017-2021, to which the Chief Constable is held to account.

The Police and Crime Commissioner and Chief Constable regularly publish information on the Commissioner and Chief Constable's work and achievements through the respective websites, social media and local and national news reports. This includes the publication of an Annual Report, the Commissioner's bi-monthly newsletters, papers and minutes of public meetings, as well as records of any decisions taken by the Police and Crime Commissioner.

Public consultation is undertaken on an on-going basis to inform decision-making and support the Police and Crime Commissioner's scrutiny activity. Targeted consultation takes place for specific decisions such as the public consultation on the council tax precept and for scrutiny of force activity such as the use of force and their approach to tackling the use of illegal drugs. The Police and Crime Commissioner is scrutinised by the Police and Crime Panel which consists of members from local authorities who also consult their local communities and offer feedback to the Police and Crime Commissioner. Two primary responsibilities of the Police and Crime Panel are to review the precept level sought as well as approve the appointment of the Chief Constable and statutory roles within the OPCC.

'Connecting with Communities' is a priority within the Police and Crime Plan and whilst there is evidence of good practice, there has historically been a lack of co-ordination between force and Office of the Police and Crime Commissioner activity. This has been addressed through the establishment of a "Connecting with Communities Group" within the governance structure. The meetings are jointly chaired by the Chief of Staff within the OPCC and the Deputy Chief Constable for the force. The scope and remit of the Group has been set out within a Terms of Reference. It is envisaged that the meetings will facilitate the alignment of the Police and Crime Commissioner's and the Chief Constable's engagement strategies.

### **C. Defining outcomes in terms of sustainable economic, social and environmental benefits**

The Police and Crime Plan is the five year corporate plan set by the Police and Crime Commissioner for delivery by the Chief Constable. In support of this, the Chief Constable developed a Delivery Plan, progress against which is reported to the Police and Crime Commissioner. The OPCC communicates activity to the public through the website and by various engagement activities such as the council tax leaflet which is sent to every household within the Dyfed-Powys area.

Improving the way it plans for the future is however an area for improvement for the force according to the HMICFRS PEEL inspection. There is a need for the force to have a better understanding of demand and what affects it, so that it can use its resources efficiently and plan for the future effectively. To that end, the force has revised its approach to producing the Force Management Statement (FMS) for 2020 to ensure it addresses some of the recommendations made by HMICFRS. The new approach to FMS has brought a centralised approach to the coordination of the document which is the force's strategic plan for the next year, with forecasted demand predicted for the forthcoming 4 years. The analysis of demand data both current and predicted is carried out centrally and business leads are required to apply professional judgement and expertise to the evidence base. The process is being overseen by a Chief Inspector within the Business Improvement Department of the force. It is anticipated that the approach taken this year will ensure more effective strategic planning that informs the Medium Term Financial Plan, Estates Strategy and Resource planning for the next few years. Vulnerabilities identified through this process will be monitored via the force governance structure and progress against each reported periodically.

In 2018, HM Government published two strategies, the first of which sought to tackle serious violence and subsequently a further strategy to tackle serious and organised crime. The Serious and Organised Crime strategy replaced the 2013 strategy which had introduced the Prevent, Protect, Pursue, Prepare (4xP) delivery framework. To meet with the requirements of the strategies, Dyfed-Powys Police launched its Serious Violence and Organised Crime Strategy 2019-21, named "Project Diogel". The multi-agency strategy sets out alignment of efforts to tackle serious violence and organised crime as one, cohesive system. The aim of the strategy is to tackle and reduce the level of Serious Violence and Organised Crime affecting the communities of Dyfed and Powys by working in collaboration to deliver better outcomes for our citizens. A key element of this strategy is to ensure a framework for connectivity between local delivery, intervention and strategic leadership. The Serious and Organised Crime Strategy requires Police and Crime Commissioners to develop Serious and

Organised Crime Partnership Boards in their area to lead multi-agency work to disrupt and minimise harm from organised criminal groups. In Dyfed-Powys, Serious Violence and Organised Crime (SVOC) Boards have been established at both force and local levels.

**D. Determining the interventions necessary to optimise the achievement of the intended outcomes.**

Detailed resource planning is carried out annually and published within the Medium Term Financial Plan. This assesses resource requirements based on appropriate assumptions to enable the Police and Crime Commissioner and Chief Constable to prioritise competing demands for services. This includes a 10 year Capital Programme that incorporates strategic investments in estates, fleet and IT.

Governance arrangements introduced during 2019/20 support robust decision making in order to achieve the required outcomes. The structure brings together a number of disparate meetings and provide a clear reporting line for decisions and actions to be taken.

Governance arrangements had been predominantly led by Chief Officers however, in distilling down the number of meetings, chairmanship and decision-making has been devolved in many meetings to enable flexible and responsive action and better outcomes.

Accountability is supported by the governance structure and processes in place.

Mechanisms for performance monitoring remain under review to support evidenced based decision-making.

Within the structure, risks are managed and progressed during meetings as depicted within the Corporate and Dynamic Risk Registers; recommendations borne out of HMICFRS thematic and ad hoc inspections; along with any actions arising from the annually produced and forward looking Force Management Statement (FMS).

Learning the lessons is a fundamental mechanism to ensure continuous improvement to the delivery of an efficient and effective service that is dynamic and responsive to community need. A review of the Code of Ethics Committee has resulted in a more streamlined approach to how reports of potential ethical dilemmas are dealt with. This has resulted in many reports being referred to a more appropriate mechanism to enable the Committee to solely focus on ethical dilemmas rather than more general dissatisfaction.

There is a formal business case process whereby projects are considered and project boards are in place which monitor the implementation and achievement of agreed initiatives and plans.

Demonstrable progress has been made to explore opportunities to work in collaboration with others to increase efficiency and provide better, more resilient services. However, concerns have been raised in relation to governance arrangements relating to some regional police based collaborative activity and work is progressing through the Wales Audit Office Value for Money study which is focussing on this area. The report will be submitted to the Joint Audit Committee and any actions arising will be progressed through the appropriate meetings within the governance structure. Furthermore, to maintain appropriate focus on establishing good governance and financial management of all collaborative arrangements, the Corporate Risk Register has been endorsed accordingly. Finally, the Police and Crime Commissioner became the Chairman for the All Wales Policing Group in 2019 and in so doing, introduced a focus on good governance in the collaborative arena.

The PCC's Commissioning Advisory Board, which includes a member of the Police and Crime Panel, a member of the Joint Audit Committee and representatives from the Commissioner's volunteering schemes, has embedded during the course of the year and plays an important role in focussing on scrutinising services and holding service providers to account. However, the Board have to date had little involvement in the awarding of grant funding or the tendering for services – an issue which has been highlighted by Internal Audit activity and will be addressed over the coming months. There has been more activity to evaluate commissioned services during 2019/20 and there is a plan in place to take this further in 2020/21, but this is yet to be a fully embedded process that ensures there is a clear understanding of the impact and return on investment of such services.

Most recently the force has undergone a procurement exercise for a new Records Management System (RMS) to address vulnerabilities within its internal IT infrastructure. Consideration has been given to the sustainability of the systems and opportunities to collaboration have been identified although not yet progressed. It is anticipated that the move to replace the existing infrastructure with a new RMS will require 18 months to 2 years before rollout will commence. Progress is reported within the force governance structure and given the considerable financial implications, overarching responsibility for authorisation rests with the Police and Crime Commissioner.

In order to improve the force response to reports of Domestic Abuse, an area identified by HMICFRS as needing improvement, a Vulnerability Desk was launched on 1 April 2019. Located within the Force Control Centre it is resourced by 5 police officers and 2 support staff working 24/7. An exponential increase in the identification of DA Incidents was experienced together with significant improvement to accurate recording of crimes thereby improving crime data integrity. This approach has ensured that victims are appropriately identified, safeguarded and signposted to receive the necessary support. Furthermore, it ensured that the organisation had a better understanding of demand within Domestic Abuse and this inform our response.

Resulting from the above increase in crime identified, was the number of referrals to the Multi Agency Risk Assessment Conference (MARAC) (+150%) which risked the service provided to victims. To address this, a Secondary Risk Assessment Unit' (SRAU) was launched on 25th November 2019 in line with White Ribbon Day, resourced with 4 Risk assessors, 2 admin officers and MARAC Coordinator. The SRAU undertake a secondary, multi-agency risk assessment on all Domestic Abuse cases within a 24 – 48 hour period and will ensure that referrals to MARAC are appropriate and process Claire's Law applications in timely fashion. This is achieved through multi-agency 'Daily Discussions' conducted on Tuesday, Wednesday and Friday at specified times in each of the four Local Authority areas of Dyfed and Powys.

#### **E. Developing the entity's capacity, including the capability of its leadership and individuals within it**

The Police and Crime Commissioner and the Chief Constable have defined structures and roles within the organisations to enable effective leadership. This is supported by the Corporate Governance Framework which sets out the roles and responsibilities and is critical to enable delivery of the strategies and plans in place.

The Development Assessment Profile (DAP) replaced a previous performance system which was no longer meeting organisational needs. It was trialled in 2018 for part of the year and was formally launched in April 2019. Early indications suggest that many individuals have engaged with the new process with a completion rate of above 85% of the workforce is anticipated. This is a significant improvement on engagement with former systems and processes. A small number of refinements will be made to the DAP in preparation for April 2020 to further enhance the capabilities of it. It has been used in four promotion boards in the force to date and there are plans to build on this further. Embedding an efficient and effective process for individuals to record their evidence of work and for the force to be able to utilise this is an organisational benefit and can only increase over time with additional functionality and value.

The Organisational Transformational Leadership programme has supported a culture shift towards a coaching style and continuous improvement approaches within the force and office of the Police and Crime Commissioner. The continued roll out of this programme will ensure all officers ranked inspector and above and police staff equivalents receive training to further embed the ethos of transformational leadership.

Improved demand analysis, strategic workforce planning and future forecasting will enable recruitment and training to be undertaken so that the force's capacity remains appropriate and sustainable to meet future demand. The approach to FMS further supports this and brings together the assessment of demand, workforce planning, budget setting and estates strategy to ensure robust strategic planning.

In 2019/20 the Force's Professional Standards Department (PSD) has continued to perform well in respect of complaint handling, particularly with regard to timeliness. This follows a pattern of continuous improvement over the last few years. In respect of the time taken to record complaint cases and to finalise cases by way of local resolution and local investigation, the latest data from the Independent Office for Police Conduct highlights that the force's performance is better than both the Most Similar Force (MSF) and national averages.

It is worth noting that on 1 February 2020 the Phase 3 Reforms to the police complaints and misconduct regime under the Policing and Crime Act 2017 came into effect. As well as simplifying the complaints system, the changes mean that Police and Crime Commissioners will have a greater role to increase independence and improve complaints handling. From 1 February 2020, if a complaint has been recorded under Schedule 3 of the Police Reform Act 2002 and an individual is unhappy with the outcome or handling of their complaint, they can submit an application for a review to the Police and Crime Commissioner for Dyfed-Powys. The review will consider whether the outcome of the handling of their complaint is reasonable and proportionate. In order to assist with undertaking such reviews, on a collaborative basis with North Wales and Gwent OPCCs, the PCC has engaged an external company to consider any reviews in the first instance who will then make recommendations for his consideration. Furthermore and finally, an entirely new Independent Office for Police Conduct (IOPC) performance framework is in the process of development.

The Professional Standards Department hold bi-annual meetings with the IOPC liaison officer during which, the force is held to account for performance in relation to complaint and conduct handling. In 2019/20 there were no significant recommendations from the IOPC.



## **F. Managing Risks and Performance through Robust Internal Control and Strong Public Financial Management**

There is an embedded risk management culture across both organisations and at all levels, with robust processes in place to ensure that risks are identified and monitored via corporate and dynamic risk registers. The consideration of risk is a standing agenda item on all boards across the force, and they are regularly reviewed both at Force Executive Board and Policing Board. The Joint Audit Committee oversees risk management arrangements and provides advice and guidance on a regular basis.

Force assurance arrangements comprise of the three lines of defence. The first line of defence being supervisory responsibility; the second line of defence being dip sampling and quality assurance checks carried out by management and internal audit; and the third line being independent assurance through scrutiny at the governance boards, Office of the Police and Crime Commissioner, and external audit and other inspectorates.

The system of internal control is a significant part of the Corporate Governance Framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives. It can only provide reasonable, and not absolute, assurance of effectiveness. Findings of the annual review of the system of internal control are considered by the Commissioner and Chief Constable and independently reviewed by the Joint Audit Committee (JAC).

Financial management leadership training has been provided to all non-finance managers to enhance arrangements to robust budget management, ensuring cost effective decision making at the most local level. The action was part of a package of measures to improve financial management practices across the force. External training was evaluated but not deemed cost effective. Instead an in-house programme was created which amounted to a 2.5 hour presentation in a class room setting. Between May and September 2019 all Superintendents, Assistant Directors, selected senior managers including personnel from the OPCC and selected Chief Inspectors have been trained. Benefits realised are that the force is not overspent this year. Up to February 2020 the overtime budget, which was the source of much of the overspend previously, was significantly underspent and in control. This approach, in combination with new style monthly budget reports, has arguably allowed for greater control of costs and more effective budget management.

Governance arrangements support timely and targeted performance and financial management monitoring at various levels of the organisations. In discharging his statutory responsibilities, the Police and Crime Commissioner publically holds the Chief Constable to account for force performance at the quarterly Policing Accountability Board, where he constructively challenges and encourages debate on operational performance.

As a result however, of the coronavirus pandemic, the force's "business as usual" governance meetings have been suspended as a governance structure in support of police response to the pandemic was established. Business as usual meetings were postponed or rearranged and indeed many were cancelled owing to a lack of need for them to be held. This however, provided opportunity for a review of the governance arrangements to bring greater synergy with the Op Talla (pandemic) governance structure as well as improve efficiency and communication between meetings when they resume fully.



HR and financial data is reported to monthly Policing Board meetings whereby the Police and Crime Commissioner can ensure organisational performance is satisfactory, and hold the Chief Constable to account where improvement is required.

In addition to these arrangements, the Police and Crime Panel hold the Police and Crime Commissioner to account for discharging his statutory responsibilities on a quarterly basis. The force and OPCC have worked closely to ensure the products developed to service each of the Commissioner's Boards are fit for purpose and provide him and Chief Constable with sufficient information to understand force performance both organisationally and operationally.

Most recently, the force has been faced with a backlog of Data Protection work. This is of concern as some of the requests for information are subject to legislative timeframes, some are associated with safeguarding matters, some are subject to direction of courts such as CAFCASS and Court Orders etc. The backlog has arisen as a consequence of a number of factors. In order to alleviate the situation an action plan has been set in place. The action plan includes reviewing processes, establishing whether it would be more appropriate for some requests to be dealt with elsewhere. Updates in respect of this Plan will be made to the Policing Board regularly.

Furthermore, as part of the programme of Internal Audit, two reports were received in the period that received Limited assurance. These related to Grievance Reporting and Management and Data Assurance – MOPI & PNI. The Grievance Reporting recommendation represents a lack of documentation to evidence processes and procedures, as well as a lack of ongoing internal quality assurance. The data assurance recommendations were focussed around the volume of MOPI data and the duplication and inconsistencies identified therein. Significant corrective action is in progress to address the issues known and identified. Root cause solution to the recommendation is a single records management system which RMS once in being, will address. All recommendations have been accepted and practices improved. Ongoing monitoring and scrutiny of progress will be carried out by the Audit Governance Group.

Whilst arrangements are in place to monitor performance, it was identified in the last AGS and also through HMICFRS inspection activity that there was scope to improve our understanding of business benefits. In order to bring together the examples of good practice within business realisation plans and to embed these throughout the organisation, thus ensuring that decisions are made based on accurate and robust information, a Business Benefits Officer has been appointed. The individual commenced in post in March 2020 and it is anticipated that this will ensure a coordinated approach to benefits realisation is adopted force wide.

### **G. Implementing good practices in transparency reporting and audit to deliver effective accountability**

The Police and Crime Commissioner and the Chief Constable ensure that decision-makers involved in service delivery are accountable to them through the governance arrangements in place in both organisations. Both of their websites publish information which is pertinent to the public and stakeholders in line with legislation. For the second year running, the Commissioner has been awarded the Transparency Quality Mark by Comparing Police and Crime Commissioners (CoPaCC), a national organisation which monitors police governance, in recognition for the level and breadth of information contained on the website.

Decisions made by the Police and Crime Commissioner are published on his website in a timely manner and publically reported to the Police and Crime Panel for their scrutiny on a quarterly basis.

The Joint Audit Committee advises on the annual programme of internal audit and produces an annual report summarising key findings of all audit activity and outcomes.

Recommendations for service improvements are acted upon and reported to the Committee, although there remains concern in relation to the timeliness of progressing actions.

Arrangements have been in place for Internal Audit activity findings to be monitored by a joint group within the governance structure however, as the meeting's remit was to also oversee business as usual auditing/quality assurance, the scope and remit of the Group has been reviewed. The remit of the newly launched Audit Governance Group will be to monitor progress against Internal Audit Recommendations (TIAA) only for the first 12 months.

Following this, the scope of the Group will be reviewed again and should the requirement be to extend the remit to other internal quality assurance, it will be considered. The Group remains a jointly chaired meeting by the Chief of Staff within the OPCC and Assistant Director of Finance within the force. It is anticipated that this will bring enhanced accountability to the progression of actions.

Inspection and audit activity from external scrutiny bodies including the Wales Audit Office and HMICFRS continue to drive business improvement. Recommendations are duly considered and implemented where appropriate. HMICFRS outputs are monitored through the HMICFRS Governance group Chaired by the Deputy Chief Constable. This approach has resulted in a number of recommendations being discharged by HMICFRS.

Finally, the Joint Audit Committee have brought added value in discharging their responsibility of independent scrutiny and opinion on reports received from Wales Audit Office, HMICFRS Recommendations and Risk Identification and Management.

### **Review of Effectiveness**

The Chief Constable and Commissioner have responsibility for conducting, at least annually, a review of the effectiveness of their governance framework including the system of internal control. The review of effectiveness is informed by the work of the Corporate Governance Group, senior managers within the organisations who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report and also by comments made by the external auditor and other review agencies and inspectorates. The Corporate Governance Group is predominantly responsible for the review of governance, with actions being reviewed by the Joint Audit Committee. The Chair of the Joint Audit Committee sits within the Corporate Governance Group.

The Corporate Governance Group met four times in the last year to collate evidence and assess progress against a matrix of evidence designed to demonstrate the Policing Services' compliance with the Core Principles. This matrix forms the evidence base for this Annual Governance Statement.

In the most recent meeting in February 2020, the Corporate Governance Group met to review governance arrangements and during this meeting it was determined that the timeliness of progressing Internal Audit recommendations should be placed within the remit of the Audit Governance Group.

In accordance with regulation, the Police and Crime Commissioner and the Chief Constable, having noted the advice of the JAC, have reviewed the effectiveness of its internal audit service. The service has complied with all Public Sector Internal Auditing Standards (PSIAS).

The primary role of Internal Audit is to give an assurance to the Commissioner and Chief Constable on the effectiveness of the controls in place to manage risks. To this end the internal auditor delivers an annual opinion of the effectiveness of the controls reviewed by the internal audit team during the year. This annual opinion, set out in the annual report of the Internal Auditor, is one of the key sources of evidence in support of the Annual Governance Statement. The Head of Internal Audit's Annual Opinion for 2019/20 is as follows:

*TIAA is satisfied that, that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of The Police and Crime Commissioner's and the Chief Constable's risk management, control and governance processes. In my opinion, The Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives for the areas reviewed during the year.*

*This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Office of the Police and Crime Commissioner for Dyfed-Powys and the Chief Constable Dyfed-Powys Police from its various sources of assurance.*

The Wales Audit Office issued unqualified audit opinions in respect of the 2018/19 accounts to both the Commissioner and Chief Constable, and were satisfied that the Commissioner and Chief Constable had appropriate arrangements in place in the year to secure economy, efficiency and effectiveness in their use of resources. The WAO will be conducting the audit of the Statements in the coming months and the overall opinion will be provided once complete.

Both the Police and Crime Commissioner and Chief Constable have complied with the new statutory requirement for closure of accounts to be finalised by the end of July. The reduced deadline has significantly impacted timescales for the production of the statement of accounts and annual governance statement, however these have been adequately prepared for and delivered against.

A summary of the actions that have been completed or discharged, as were listed within the Annual Governance Statements for 2017/18, 2018/19 and 2019/20 is provided below:

	<b>Actions 17/18</b>	<b>Progress</b>
1.2	Complete the Historic Areas for Improvement included in HMICFRS Police Efficiency Effectiveness and Legitimacy (PEEL) inspections to improve	Complete: The force 17 historic recommendations relating to undercover policy. These cannot be discharged until a further ROCU inspection is carried out. None of these present a risk to the force. Close scrutiny and oversight of all HMICFRS recommendations is maintained by the HMIC

	the grading across the four strands.	Governance Board Chaired by the DCC mitigating the requirement for this Annual Governance Statement to retain these as an action.
1.3	Establish and publish a plan of our own audit of processes and systems and compliance testing. Link corporate governance action plan to risk register.	Discharge (amalgamated 1.3, 2.1 and 3.9 in Next steps below): A review of the jointly chaired Audit Governance Group has resulted in distilling of the Terms of Reference for the Group to solely focus on progress against Internal Audit Recommendations. After 12 months the scope of the Group will be revisited to incorporate risk and wider audit and compliance if deemed appropriate.
<b>Actions 2018/19</b>		
2.1	Establish and consistently embed audit and quality assurance mechanisms to drive up data quality and improve the force's approach to information management	<p>Discharge (amalgamated 1.3, 2.1 and 3.9 in Next steps below): Niche RMS is being procured by the force and this will bring enhanced data quality across police systems. Processes to quality assure will form part of the rollout of Niche and will be considered at an appropriate time.</p> <p>A systematic approach to nominal matching is underway to improve data quality and prepare for migration to Niche RMS.</p> <p>The revised Terms of Reference for the Audit Governance Group will bring focussed accountability to Internal Audit Recommendations.</p>
2.2	Improve financial management arrangements to ensure early identification of financial pressures to facilitate robust mitigation plans.	Complete: The Finance Gold Group has been dis-established and all responsibility brought into the Finance, Efficiency and Futures Board within the organisational governance structure. All actions resulting from the Gold Group were completed. FMS will further support the organisation's ability to identify pressures in terms of demand at an earlier opportunity thus enhancing the ability to forecast financially for this.
2.3	Undertake a review of governance structures to ensure effectiveness and robust accountability and communication.	Complete: following an input to the Force Executive Board where agreement was reached of the amendments to be made to the governance structure following a detailed review, these have been implemented and will now be subject to ongoing review as part of business as usual.
2.4	Establish and embed assurance mechanisms to compliment and support force	Complete: Scrutiny deep dives and scrutiny panels are embedded. Public feedback is used to focus future scrutiny themes. An enhanced scrutiny framework has

	audit and assurance activity, providing independent, public focussed scrutiny of performance	increased the OPCC's variety of assurance mechanisms, involving wider stakeholders including the public.
	<b>Actions 19/20</b>	
3.7	Embedding of the Development Assessment Profile (DAP) within the organisation	Complete - The current DAP reporting year was due to end on 31 March 2020, but has been extended owing to operational pressures arising from COVID-19. Many individuals have engaged with the new process. The completion rate for the interim review stage was reported as 84%. DAP will continue for the year April 2020 to March 2021, with some minor refinements and improvements.
3.9	Timeliness of actioning Internal Audit recommendations	Discharge (amalgamated 1.3, 2.1 and 3.9 in Next steps below): A review of the jointly chaired Audit Governance Group has resulted in distilling of the Terms of Reference for the Group to solely focus on progress against Internal Audit Recommendations. After 12 months the scope of the Group will be revisited to incorporate risk and wider audit and compliance if deemed appropriate.
3.11	Purdah for elections of Police and Crime Commissioner – relationship management and ensuring fairness and equity.	Complete: PCC elections have been postponed until 2021, mitigating the requirement to keep this as an action for 19/20.

A summary of the actions that remain in progress within the Annual Governance Statements for 2017/18, 2018/19 and 2019/20 is provided below:

	<b>Actions 17/18</b>	<b>Progress</b>
1.1	Consider sustainable development principles for all key developments as part of a new front door process for ideas, business cases and future planning	In progress: As part of the review of governance arrangements, a Change and Transformation Group was established to bring together the remit of a number of former governance meetings. It is expected that this Group will act as the front door to all new ideas that bring changes to process, innovate or collaborate. The Group is in its infancy and it is expected that over the course of 2020/21, it will work in tandem with the outputs of FMS to improve efficiency of our organisations.
	<b>Actions 19/20</b>	
3.1	Capability and capacity to counter corruption effectively and fully monitor systems to proactively identify breaches and misuse	In progress: An action plan to drive improvement was developed. Many actions are complete. In recognition of the level of demand placed on ACU, the Chief Officer Group agreed for an uplift in the Unit. This will consist of one or two staff member/police officers. Furthermore, increased use of the internal referral system "Bad Apple" demonstrate a growing confidence in the system. Finally improved partnership working with outside agencies has ensured improved methods of identifying and addressing misuse.
3.2	Accessibility and transparency of a number of HR processes	In progress: A new force policy template will align policy content to organisational objectives, which will in turn lead to a consistent approach to decision making. Work is underway to update all existing policies and to create new guidance documents to accompany the policies. It is envisaged that it will be complete during Summer 2020.
3.3	Co-ordination of engagement activity between the Office of the Police and Crime Commissioner and force	In progress: The governance structure has been revised and introduced a Connecting with Communities Board that is jointly chaired by the force and OPCC. As part of the Group's remit, it will seek to identify all existing touch points for community contact with police and further develop these to a coordinated approach to community engagement.
3.4	Improved understanding of current and future demand to support future planning and inform organisational strategy	In progress: A revised approach to the Force Management Statement has been taken to ensure a better understanding of demand to our organisation, both current and predicted. This evidence base and analysis will be combined with professional judgement to form the basis of a more robust strategic planning tool that will inform financial and workforce planning.



3.5	A more structured and consistent approach to learning from problem solving, mistakes and lessons learned.	In progress: A Problem Solving Steering Group was established to increase accountability for problem plans. A POP Coordinator was appointed. Platforms to cascade the learning have been created. POP on a page is being developed in order to share practice. ARDAL is able to store crime prevention initiatives that have been used and evaluated. Joint problem solving training is being arranged with partners. There are 28 Problem Solving SPOCs across the force area.
3.6	Governance and financial management of collaboration arrangements.	In progress: WAO review will report to All Wales Policing Group in March followed by consideration by the JAC.  Financial governance arrangements need to be revisited. Timely and financial reporting requires improvement.
3.8	Improved understanding of business benefits	In progress: A Business Benefits Officer has been appointed and commenced in role on 9th March 2020. It is anticipated that after a period of embedding, this role will ensure the central coordination, identification and recording of business benefits particularly aligned to FMS and strategic planning.
3.10	Evaluation of commissioned services	In progress: Plans are in place to undertake further evaluation activity during 2020/21 which needs to become a fully embedded process that ensures there is a clear understanding of the impact and return on investment of such services. This further supports the work undertaken through the OPCC Commissioning Board which provides a greater level of scrutiny of commissioned services.



**Next steps**

	<b>Actions 20/21</b>	<b>Owner</b>
4.1	Monitor operational response to the coronavirus pandemic locally with specific focus on impact to delivery of services and costs associated.	ACC
4.2	Establish and monitor a recovery plan in order to identify new and improved organisational and operational delivery of services and to understand lessons learnt from our response to the coronavirus pandemic.	ACC
4.3	Monitor strategy and approach taken to reintroduce and implement ongoing and new strategic projects as determined on the Capital Plan	DOF/CFO
4.4	Set out the process by which the Business Improvement and Information Management Department carries out its audit functions which aim to drive improvement to data integrity. Ensure that where gaps are identified through HMIC inspections, Force deep-dive activity and the FMS, these are monitored and addressed through the appropriate mechanisms.	Ch Supt Business Improvement and Information Management
4.5	Undertake a review of governance arrangements, ensuring synergy between the “business as usual” governance structure and the Op Talla governance structure as well maximising opportunity to bring greater efficiency, flow of communication and authorisation in line with the Corporate Governance Framework.	DCC
4.6	Purdah for 2021 elections of Police and Crime Commissioner – relationship management and ensuring fairness and equity.	COS, OPCC

**Opinion**

No statement of internal control can provide absolute assurance against material loss; this statement is intended to provide reasonable assurance.


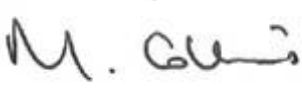
On the basis of the review of the sources of assurance set out in this statement, we are satisfied that the Police and Crime Commissioner and Chief Constable had in place satisfactory governance arrangements, including appropriate systems of internal control and risk management which facilitate the effective exercise of functions.




**Conclusion**

The review of governance arrangements for the Police and Crime Commissioner and Chief Constable over the last year has identified a number of areas of Policing Services that, if

achieved, would demonstrate enhanced accountability, transparency and effective working arrangements as well as strengthening further the governance arrangements in place.

The Commissioner and Chief Constable are committed to a process of continual improvement of governance and will take steps to address the areas for improvement identified. These are identified within the actions listed above and will continue to be monitored throughout 2020/21 as they remain valid and of concern. The monitoring of their implementation and operation will form part of the next annual review.

	
Signed	Signed
Dafydd Llywelyn	Mark Collins
Police and Crime Commissioner	Chief Constable
Date: 2 <sup>nd</sup> September 2020	Date: 2 <sup>nd</sup> September 2020

		
Signed	Signed	Signed
Edwin Harries	Beverley Peatling	Carys Morgans
Director of Finance	Chief Financial Officer, OPCC	Chief of Staff and Monitoring Officer
Date: 2 <sup>nd</sup> September 2020	Date: 2 <sup>nd</sup> September 2020	Date: 2 <sup>nd</sup> September 2020