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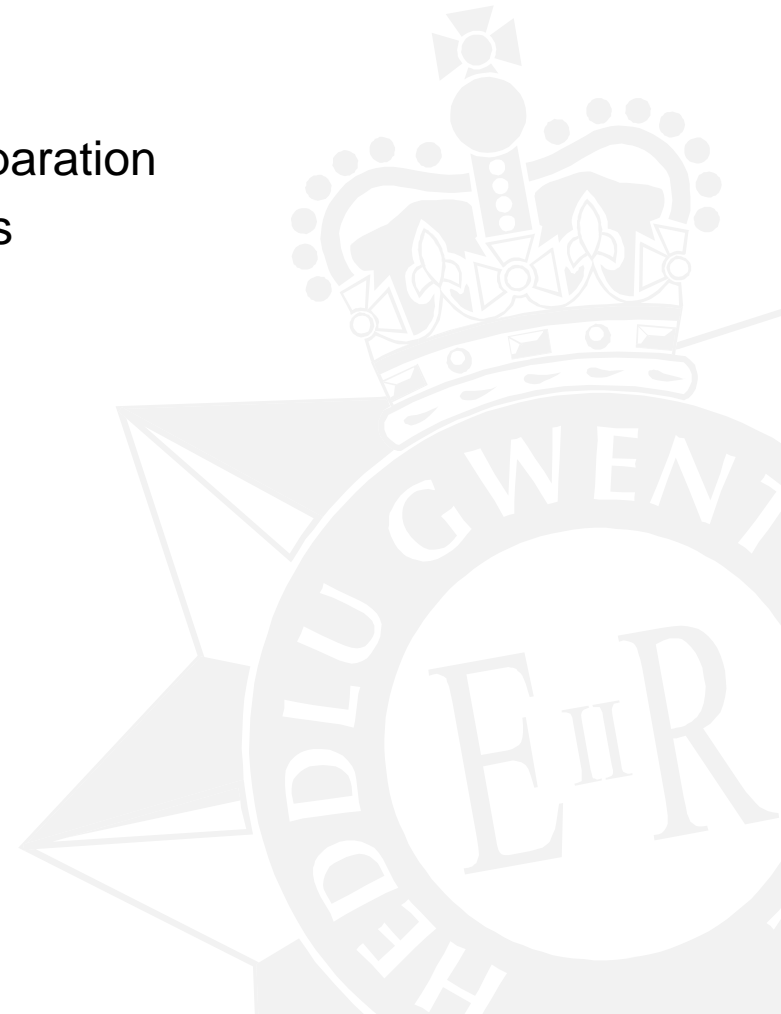
Police and Crime Commissioner's Financial Accounts 2020/21 presentation

10th June 2021

Amddiffyn a Thawelu Meddwl | Protecting and Reassuring

Financial Accounts 2020/21 - Presentation

- Progress against 2019/20 action plan
- 2020/21 Financial statements - status of preparation
- 2020/21 Financial Statements – major events
- 2020/21 Financial Statements - draft out-turn
- Plan for completion
- Questions



Progress against 2019/20 improvement plan

All key actions completed:

- ✓ Continuous review of open orders/GRNI/unapproved invoices throughout the year and open orders/GRNI/unapproved invoices cleared down before year end
- ✓ Collaboration information received from South Wales Police in line with the earlier timetable to meet management accounts closedown deadline.
- ✓ Closedown task list reviewed and updated for changes in responsibility and timing of P14 adjustments in May 2021.
- ✓ AGS updated and self assessment carried out against the requirements of the CIPFA Financial Management Code.
- ✓ Meetings have been held with AW team leader to demonstrate how BRB works and audit requirements for working papers clarified. Each working paper reviewed, the layout updated, and a 'cover' sheet added to provide a clearer trail between ledger and accounts
- ✓ BRB licence procured for further 12 months to cover 2020/21 financial statements.
- ✓ Accounts format reviewed and changed for consistency with other Welsh forces.

Financial Statements – Status of preparation

- PCC Group and Chief Constable unaudited accounts were produced and published on Friday 28th May 2021.

Action	Date to be completed by	Date completed	Status
Detailed closedown timetable	31/12/2020	19/12/2019	Complete
Internal closedown timetable briefing to Finance team	15/01/2021	15/01/2021	Complete
WAO planning meeting	28/01/2021	28/01/2021	Complete
WAO interim audit (part 1)	31/01/2021	20/01/2020	Complete
BRB mapping updated	31/01/2021	12/2020 & 02/2021	Complete
Internal guidance on accounts processes issued to OPCC & Force	12/02/2021	16/02/2021	Complete
WAO interim audit (part 2)	01/03/2021	01/03/2021	Complete
Year end – Finance team last working day	31/03/2021	31/03/2021	Complete
2020/21 management accounts closedown	21/04/2021	30/04/2021	Complete
Draft accounts for ACOR/CFO review	24/05/2021	CC – 21/05/2021 PCC – 27/05/2021	Complete
Draft accounts signed and published online	31/05/2020	28/05/2021	Complete
WAO final audit visit	01/06/2021	01/06/2021	Complete

Financial Statements – major events

- **McCloud/Sargeant Pension issue**

- No appeal has been made by the Home Office so Tribunal ruling stands.
- Two elements are still to be resolved nationally first –
 1. compensation to claimants: tribunal hearing due December 2021 and this has been treated as a contingent liability, disclosed as part of the pension notes; and
 2. remedy approaches to recalculate revised pension positions for all serving/non-serving officers/staff are expected to be finalised in autumn 2021.
- Expected conclusion is 2022 but may take longer.
- Current position and actuary's estimated impact fully disclosed in 2018/19, 2019/20 and 2020/21 accounts.

- **Covid19 costs**

- Majority of Covid19 costs fell into the 2020/21 financial year and the impact has been included in the narrative reports.
- Excess funding received in 2020/21 has been ring fenced in reserves to cover ongoing costs in 2021/22.



Financial Statements – draft out-turn

Headline messages from the unaudited accounts:

- **CIES outturn against budget**
 - before accounting and funding adjustments, PCC Group recorded a small surplus of £0.222m against a revenue budget requirement of £138.991m, which will be transferred to usable reserves
- **Reserves**
 - Usable (cash backed) reserves have decreased by £4.3m to £41.8m
 - Unusable (notional) reserves have increased by £222.9m due to changes in actuarial pension valuations of police/local government pension schemes
- **Long term assets**
 - increased by £12.7m due primarily to £15.9m tangible/intangible asset additions (including £2.9m of assets under construction for the new HQ) offset by £3.2m of depreciation/amortisation
- **Net current assets**
 - decreased by £4.6m due to reduced investments to pay for capital programme and movements in working capital balances
- **Long term liabilities**
 - Increased by £222.9m to £1,670.4m due to actuarial movements on pension liabilities

Financial Statements – CIES draft out-turn

Comprehensive Income and Expenditure Statement position (on a funding basis) for the PCC Group is a small surplus of £0.222m against the original budget requirement of £138.991m, which will be taken to usable reserves.

Comprehensive Income and Expenditure Statement 2020/21 (accounting basis)	CC £000	PCC Group £000
Net Cost of Services	163,527	154,402
Other operating expenditure	0	(18,935)
Financial and investment income and expenditure	32,580	32,392
Intra- group adjustment	(196,107)	0
Taxation and non-specific grant income	0	(139,624)
(Surplus)/Deficit on provision of services	0	28,235
Re-measurement on pension net liability	184,746	186,090
Intra group adjustment	(184,746)	0
Total comprehensive income/expenditure	0	214,325

Financial Statements – Balance Sheet draft out-turn

Balance Sheet for the PCC Group shows net liabilities of £1,582,848m. Usable (cash backed) reserves total £41.8m (2019/20: £46.1m, 2018/19: £55.3m)

Balance Sheet for the year ended 31 March 2021	CC £000	PCC Group £000
Long term assets (property plant and equipment, intangible assets, assets held for sale, long term debtors and long term investments)	1,665,644	47,792
Current assets (short term investments, inventories, debtors and cash)	13,279	56,482
Current liabilities (short term borrowing, creditors and provisions)	(13,279)	(16,768)
Net current assets	0	39,714
Long term liabilities (pension liability, creditors)	(1,665,644)	(1,670,354)
Net liabilities	0	(1,582,848)
Usable Reserves (general fund, earmarked reserves, capital reserves)	0	(41,808)
Unusable reserves (revaluation reserve, capital adjustment account, pension reserve, accumulated absences account)	0	1,1624,656
Net reserves	0	1,582,848

Financial Statements - plan for completion

- Outstanding information:
 1. Final IAS19 GAD report – data submission issues mean GAD needs to provide a second revised IAS19 report for the final accounts
 2. Outstanding internal audit opinion and reports summary for final Annual Governance Statement (now received)
- Timetable for completion:

	Original
WAO audit commences	01/06/2021
Audit completion	by 22/07/2021
Final wash up meeting	22/07/2021
Final agreed adjustments to accounts	w/c 19/7/2021
ACO-R/CFO final accounts review	by 26/07/2021
Joint Audit Committee meeting	28/07/2021
2020/21 audited accounts signed by Commissioner, Chief Constable, ACOR and CFO, and published online	by 31/07/2021

Note: the audit opinion and certificate of closure will only be issued once the Call of Audit day has been successfully concluded.

Questions?

