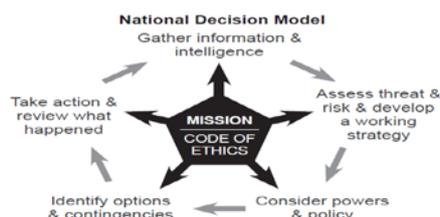




## Annual Governance Statement and Financial Statements 2018/19

<b>Required for:</b>	Joint Audit Committee (JAC) meeting
<b>Security Classification:</b>	<b>Official</b>
<b>Handling information if required:</b>	n/a
<b>Suitable for publication:</b>	No
<b>Title:</b>	Annual Governance Statement & Financial Statements 2018/19
<b>Version:</b>	1
<b>Purpose:</b>	To present the audited Annual Statement of Accounts and Annual Governance Statement for 2018/19 for both the Police and Crime Commissioner (PCC) and the Chief Constable (CC) for review by the Audit Committee.
<b>ACPO / Strategic Lead:</b>	Ian Perkin, Treasurer
<b>National Decision Model compliance:</b>	Yes
<b>Date created:</b>	2 July 2019
<b>Date to be reviewed:</b>	

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### What are the Policing Principles?

Accountability	<input checked="" type="checkbox"/>	Fairness	<input checked="" type="checkbox"/>	Honesty	<input checked="" type="checkbox"/>
Integrity	<input checked="" type="checkbox"/>	Leadership	<input checked="" type="checkbox"/>	Objectivity	<input checked="" type="checkbox"/>
Openness	<input checked="" type="checkbox"/>	Respect	<input checked="" type="checkbox"/>	Selflessness	<input checked="" type="checkbox"/>

**Introduction:**

This report contains the audited Annual Statement of Accounts and Annual Governance Statement for 2018/19 for both the Police and Crime Commissioner (PCC) and the Chief Constable (CC) for review by the Audit Committee.

**Detail:**

The PCC and CC as separate corporation sole entities are required to prepare individual Statement of Accounts, the consolidated position for the PCC Group is included within the PCC's Statement of Accounts.

The Annual Statement of Accounts and Annual Governance Statement for both the PCC and the CC have to be prepared as soon as possible after the end of the financial year and approved by the PCC and the CC respectively no later than 31 July 2019.

The 2018/19 PCC and CC Statement of Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, based on International Financial Reporting Standards, issued by the Chartered Institute of Public Finance & Accountancy.

Contained within each of the Statement of Accounts are the PCC's and CC's Annual Governance Statement. These statements are intended to provide assurance that both corporation soles have in place governance frameworks that cover the systems, processes, culture and values through which each organisation manages its activities. The preparation of the Annual Governance Statement is a requirement of the Accounts and Audit (England) Regulation 2015 which is also reflected in the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

Following the external audit of both the PCC & CC financial statements minor amendments have been made to the accounts as detailed in the Audit Findings Report.

**Changes to Draft Accounts issued on 30 May 2019:**

Following publication of the draft accounts on 30 May 2019 the Annual Statement of Accounts for both Police and Crime Commissioner (PCC) and the Chief Constable (CC), revisions to the accounts were required in respect of revised pension figures. Revised IAS19 pension reports were requested from the Actuaries to reflect the pensions McCloud and GMP equalisation (Guaranteed Minimum Pension) issues following the landmark supreme court ruling on Thursday 27 June, where the court upheld the ruling that changes made by the government to pensions were unlawful on the grounds of age discrimination.

The published draft (unaudited) versions of the Annual Statement of Accounts included a contingent liability to reflect the uncertainty of the McCloud judgement. Since then it has been determined that a constructive obligation arises from the legal judgements and that there is sufficient basis to make a reasonable estimate.

The final (audited) versions of the Annual Statements of Accounts therefore include provision for the McCloud judgement instead of being noted as a contingent liability.

**Recommendation:**

In accordance with the PCC's governance arrangements, committee members are asked to recommend to the PCC and CC that they sign their respective 2018/19 Annual Statement of Accounts (with revised IAS19 figures) and Annual Governance Statement.