

WYCC – Briefing / Decision template

From: Sophie Abbott, Interim CFO
Mark Reeves, Financial and Project Accounting Manager

Date: 24 June 2014

Circulation list: Nigel Brook
Ruth Langley
Wendy Scatchard
Julie Edwards
Sophie Abbott

Timing:	Urgent - Required for preparation of the 2013/14 Draft Statement of Accounts, statutory deadline 30.6.14.
Purpose:	To approve the format of the 2013/14 Statement of Accounts
Cleared by:	Nigel Brook

SUBJECT OF ADVICE: FORMAT OF THE CHIEF CONSTABLES 2013/14 ACCOUNTS

Summary: This is the second year since the Police Reform and Social Responsibility Act 2011 that the final accounts will have been prepared on a group accounting basis.

The Chartered Institute of Public Finance and Accountancy (CIPFA) through its Local Authority Accounting Panel (LAAP) have issued LAAP bulletins 98, Closure of Accounts and related matters and 98a – Single Entity Financial Statements of Police and Crime Commissioner and Chief Constable. These documents have guided the preparation of the accounts for 2013/14.

After the first year of accounting for the Police Service as a group there was a significant amount of uncertainty around presentation, particularly of the Chief Constables account. The accounts for 2013/14 are to be prepared on the same basis as 2012/13 except for the following recommendations.

Recommendation 1

That the nil balance Comprehensive Income and Expenditure Statement (CIES) is replaced with a CIES that includes the full cost of policing. It will also include a line showing the intra group funding from the PCC to meet the cost of policing bringing the net cost of services to nil. The appropriate pensions costs and income will be reflected in the Chief Constables account below the Net Cost of Services.

Recommendation 2

Note 4 to the Chief Constables accounts will still include a table showing a subjective income and expenditure analysis but the service expenditure analysis will be removed as it is included in the statement referred to in recommendation 1.

Recommendation 3

The Chief Constables Balance Sheet will include the following;

- Short Term Creditor for accumulated absences;
- Long Term liability for Pension Liability;
- Financing half of the balance sheet;
- Accumulated Absences Account;
- Pension Reserve.

These balances are calculated pro-rata to headcount (PCC and CC).

Recommendation 4

A cash flow statement with nil balances will be included with an appropriate narrative stating that all cash transactions are held by the PCC.

Recommendation 5

The CC accounts will include a Movement in Reserves statement which will include a General Fund, Pensions Reserve and an Accumulated Absences Account.

Recommendation 6

Regional activities will be accounted for as a jointly controlled operation only to 31st August.

The CC will show his share of the regional income and expenditure within the service expenditure analysis apportioned under the relevant headings within his single entity accounts. This will also be shown within the Group Accounts

As West Yorkshire acts as the lead for finance, Memorandum Regional Accounts will be included within the CC s single entity accounts and the group accounts.

Recommendation 7

Regional activities under the lead Force model and NPAS running costs will be accounted for directly as a function of the CC.

Consideration: That recommendations 1 to 7 are approved.

Affordability: There will be an additional resource requirement resulting from the need to produce, and audit, separate accounts and there is an additional workload resulting from the hosting of NPAS and Lead Force collaborations.

Handling: The normal arrangements for publication of the accounts including the requirements for public inspection will continue to apply.

Risks/Legal Opinion: Preparation of the accounts in accordance with proper accounting practice is a statutory requirement. Failure to achieve the deadlines or to comply with the Code of Practice is a reputational risk and may result in the external auditor qualifying the audit opinion.

Supporting and dissenting views: The accounting treatment set out above has been discussed and agreed with the external auditor.