



Annual Accounts 2012/2013

Dorset Police



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AUDIT OPINION

Independent auditor's report to the Dorset Police Chief Constable

We have audited the financial statements of the Dorset Police Chief Constable for the year ended 31 March 2013 on pages 4 to 22. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012-13.

This report is made solely to the Chief Constable in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Chief Finance Officer and auditor

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Chief Constable's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Chief Finance Officer;
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Explanatory Foreword and the Annual Governance Statement to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2013 and of the Chief Constable's expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012-13.

AUDIT OPINION

Matters on which we are required to report by exception

- the Code of Audit Practice 2010 for Local Government Bodies requires us to report to you if:
- the annual governance statement which accompanies the financial statements does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
- the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- any matters have been reported in the public interest under section 8 of Audit Commission Act 1998 in the course of, or at the conclusion of, the audit; or
- any recommendations have been made under section 11 of the Audit Commission Act 1998; or
- any other special powers of the auditor have been exercised under the Audit Commission Act 1998.

We have nothing to report in respect of these matters.

Other matters on which we are required to conclude

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are also required by the Audit Commission's Code of Audit Practice to report any matters that prevent us being satisfied that the audited body has put in place such arrangements.

We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission, we have considered the results of the following:

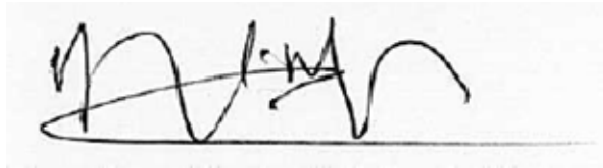
- our review of the annual governance statement;
- the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and
- our locally determined risk-based work on

As a result, we have concluded that there are no matters to report.

Certificate

We certify that we have completed the audit of the financial statements of the Dorset Chief Constable in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for Local Government Bodies issued by the Audit Commission.

AUDIT OPINION

A handwritten signature in black ink, appearing to read 'H. Mears', is written over a horizontal line.

Harry Mears
For and on behalf of KPMG LLP, Appointed Auditor
Chartered Accountants
Dukes Keep, Marsh Lane
Southampton

30 September 2013

FOREWORD TO THE ACCOUNTS

Introduction

On 15 September the Police Reform and Social Responsibility Act 2011 received Royal Assent in Parliament representing a significant shift in the way the police in England and Wales are governed and held accountable.

From midnight on the 21st November 2012 Dorset Police Authority ceased to exist as the legal entity responsible for Policing in Dorset. The successor organisation is the Police and Crime Commissioner for Dorset (PCC Dorset) and the Chief Constable has also become a legal entity, responsible for the Dorset Police Service. All assets, liabilities and staff transferred from the Police Authority to the Police and Crime Commissioner on the 22 November 2012.

The primary function of the Police and Crime Commissioner is to secure the maintenance of an efficient and effective police force in Dorset, and to hold the Chief Constable to account for the exercise of operational policing duties under the Police Act 1996.

These are the first Statutory Accounts to be prepared under the new arrangements. All the financial transactions incurred during 2012-13 for policing Dorset have been recognised and recorded within the Police and Crime Commissioner for Dorset Group Statement of Accounts, which sets out the overall financial position of PCC Dorset and Group accounts incorporating the Chief Constable for the year ended 31 March 2013. The Group position 'PCC Dorset Group' reflects the consolidated accounts of the Police and Crime Commissioner for Dorset and its subsidiary Chief Constable accounts. Where the Group position differs from PCC Dorset position this is made clear in the statements and notes. These are the separate accounts for the Chief Constable.

This Foreword provides an overview of the new accounting arrangements and outlines the financial performance of PCC Dorset and PCC Dorset Group during 2012-13.

The Statement of Accounts

The 2012-13 Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2012-13.

The accounts reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

- The Accounts and Audit (England) Regulations 2011;
- The Police Reform and Social Responsibility Act 2011 (the Act);
- The Home Office Financial Management Code of Practice for the Police Service of England and Wales 2012;
- Scheme of Delegation between the Police and Crime Commissioner for Dorset and the Chief Constable;
- PCC Dorset Financial Regulations – Police and Crime Commissioner and Chief Constable;
- PCC Dorset Standing Orders on Contracts - Police and Crime Commissioner and Chief Constable.

The accounts also reflect the Government's intention to phase in the reforms over a number of years. The accounting arrangements between PCC Dorset and the Chief Constable during the first phase of the transition are such that PCC Dorset is responsible for the finances of the whole Group and controls the assets, liabilities and reserves which were transferred from

FOREWORD TO THE ACCOUNTS

the Dorset Police Authority on 22 November 2012. PCC Dorset receives all income and funding and makes all the payments for the Group from the Police Fund. In turn the Chief Constable fulfils its functions under the Act within an annual budget set by PCC Dorset in consultation with the Chief Constable. A scheme of delegation is in operation between the two bodies determining their respective responsibilities during this first phase, as well as local arrangements in respect of the use of PCC Dorset assets and staff. The second stage is planned for 1 April 2014 and will consider the most appropriate division of assets, liabilities and staff between PCC Dorset and the Chief Constable.

Basis of Transition

The transition has been accounted for in line with the CIPFA code of Practice for Local Authority Accounting 2012-13 and Police LAAP bulletin 95 Accounting for the impact of Police Reform – the accounting arrangements for the transfer of functions to the Police and Crime Commissioner. Following the guidance included in FRS 6 – acquisitions and mergers, the creation of the PCC Group on the 22 November 2012 has been accounted for using merger accounting principles. These assume that the new corporate entities came into existence at the start of the year in which the transfer was made. As such the PCC Dorset Accounts and Chief Constable's accounts cover the period 1 April 2012 to 31 March 2013 with comparators for the 2011-12 financial year.

Operating Cost Statement

The Chief Constable (CC) is not the legal employer of any officers or staff nor have they entered into any financial transactions. However, when applying substance over form it is considered that the CC does have delegation and control of officers and staff. As such an operating cost statement has been included in the CC's accounts to reflect the staff costs of policing, supplies and services consumed together with a charge in respect of the assets used. The Operating Cost Statement shows the net cost of providing police services in line with SeRCOP definitions and excluding the costs of administering the PCC. The net costs of providing police services are met by an intergroup transfer from the PCC who receives all funding and controls all financial reserves including the general fund. This transfer is made to meet the cost of resources consumed by the CC in meeting operational policing responsibilities and results in a net nil cost of policing for the CC.

Balance Sheet

The accounting recognition of assets, liabilities and reserves during the first period of transition reflects the powers and responsibilities of the PCC as designated by the 2011 Police Reform and Social Responsibility Act 2011 and the Home Office Financial Management Code of Practice for the police service in England and Wales 2012. On the transition date of 22 November 2012 all the assets, liabilities and reserves of the former Police Authority were transferred directly to the PCC and pending the formal agreement of any transfers to the CC are deemed to rest under the PCC's control. As such the CC currently holds no assets, liabilities or reserves and does not receive any government funding or income from other sources. All payments for the group are made by the PCC and no cash movements are made between the PCC and CC. The PCC has the responsibility for managing the financial relationship with third parties and has the legal responsibility for discharging the contractual terms and conditions of suppliers.

Revenue Budget

In February 2012 the Police Authority (now Office of the PCC) set the revenue budget for 2012-13 at £117.6 million. As part of efforts to tackle the national deficit, the Government announced significant spending cuts in October 2010 in its Comprehensive Spending Review

FOREWORD TO THE ACCOUNTS

(CSR). As a result, Government funding for the police service in Dorset for 2012-13 was cut by £4.4 million, representing a reduction on the previous years police funding of 6.4%. Over the CSR to 2014-15 this will result in the need to reduce costs by £18 million from an annual budget of £117.6 million. The Band D council tax remained at £180.00 due to the Authority receiving a council tax freeze grant of £1.6M equivalent to an increase of 3% of council tax. The Police Force share of the average council tax bill for the year was about 11%.

Comparison of Actual Expenditure with Budget

Actual spending for the year was £117M compared to an estimate of £117.6M after £1.7M was used to fund the deficit on the Capital Programme leaving the surplus of £0.617M being transferred to general balances.

Savings were achieved during the year in respect of employee costs due to the recruitment freeze, strict financial controls on all spending and additional income.

The main variations were:

- Employee costs were lower than budgeted by £515k. As anticipated the officer pay budgets have significantly underspent by £1.25M but this has been offset by overspends of £735k on staff pay and other employee costs.
- Throughout the year the procurement budgets were rigorously reviewed and renegotiated by the centralised procurement team. This resulted in a significant underspend of £473k in contract cleaning; stationery, interpreters; detained persons costs and cost of feeding and maintaining police dogs.
- Estates have delivered savings of £182k on utilities costs, particularly at PFI sites, following pro active initiatives to reduce usage.

Overall, the revenue outturn position shows an underspend of £617k, which results in an increase in general balances.

This small variance from the original budget (0.52%), as amended during the year by the PCC, indicates sound financial management within the Force during a difficult financial year.

These Accounts have been audited by the External Auditor, and his opinion will be shown on pages 2-4. I confirm that the Statement of Accounts presents a true and fair view of the financial position of the Chief Constable as at 31 March 2013, and its income and expenditure for that year.



John Jones CPFA
Chief Finance Officer to the Chief Constable

30 September 2013

ACCOUNTING POLICES

1. Introduction

These accounts have been prepared in accordance with the principles recommended in the Code of Practice on Local Authority Accounting (The Code) and the Service Reporting Code of Practice (SERCOP), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). In complying with The Code, these Financial Statements also comply with International Financial Reporting Standards (IFRS) as they apply to Local Authorities in England.

2. Accounting Conventions

The Financial Statements of the CC are prepared on the basis of historic cost except where disclosed otherwise in Accounting Policies or notes, where required by IFRS. Areas where there is divergence from the historic cost convention typically include the revaluation of property, plant and equipment; inventories and certain financial assets and liabilities. The CC hold no assets or liabilities as these are shown in the PCC's accounts.

The financial statements have been prepared with due regard to the pervasive accounting concepts of accruals, going concern and primacy of legislative requirements.

3. Change of Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting Financial Statements. An entity is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the Financial Statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flows.

If a change in accounting policy is required by a change in reporting standards, the change is accounted for as required by that new pronouncement. If the new pronouncement does not include specific transition provisions, then the change in accounting policy is applied retrospectively. Retrospective application means adjusting the opening balance of each affected component for the earliest

prior period presented, along with other comparative amounts disclosed for each prior period presented, and restating them as if the new accounting policy had always been applied.

Additionally, any accounting changes required by a new standard that have been issued but not adopted by 1 January prior to the

Balance Sheet date must be covered by a disclosure note, setting out the impact of the change.

4. Prior Period Adjustments

Prior period adjustments are material adjustments applicable to prior periods arising from either changes in accounting policies, or the correction of material errors.

Prior period adjustments are accounted for by restating the comparative figures for each prior period presented in the primary statements and notes and adjusting the opening balances for the current period for the cumulative effect.

5. Events after the Balance Sheet Date

These are defined as events, which could be favourable or unfavourable, that occur between the end of the reporting period and the date that the Financial Statements are authorised for issue.

An adjusting event is an event that provides evidence of conditions that existed at the end of the reporting period, including an event that indicates that the going concern assumption in relation to the whole or part of the enterprise is not appropriate. An adjusting event is one where the Financial Statements are adjusted to reflect the event.

A non-adjusting event is an event that is indicative of a condition that arose after the end of the reporting period. Non-adjusting events are disclosed in the Financial Statements if it is considered that non-disclosure would affect the ability of users to make proper evaluations and decisions, but the Financial Statements themselves are not adjusted to include the financial impact of it.

6. Grants and Third Party Contributions

All grants and contributions are realised in the Comprehensive Income & Expenditure Statement once there is reasonable assurance that any conditions applying to the income will be fulfilled.

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7. Interest

Interest receivable on temporary investments is reported in the Comprehensive Income & Expenditure Statement in the period to which it relates. Interest payable on external borrowing is fully accrued in order that the period bears the full cost of interest related to its actual borrowing.

8. Investments

The CC holds no investments in companies or marketable securities. Short-term cash surpluses are invested with other Local Authorities, banks and building societies in accordance with the CIPFA Code on Treasury Management as detailed in the notes to the Financial Statements.

9. Overheads

Support Services are corporate activities of a professional, technical and administrative nature that are carried out in support of the direct service provision of the PCC. The Best Value Accounting Code of Practice requires Authorities to adopt consistent policies when allocating the costs of these services to users. These activities are fully allocated over all services on the basis of use.

10. Pensions

Officer pensions are funded by flat rate employee and employer contributions, and a Home Office top-up grant. Any deficit or surplus is adjusted by claiming additional grant from, or refunding excess to, the Home Office.

Liabilities in relation to retirement benefits were recognised only when employer's contributions became payable to the pension fund. IAS19 better reflects our commitment in the long term to increase contributions to make up any shortfall in attributable net assets in the pension fund.

The overall amount to be met from Government grants and local taxpayers remains unchanged, but the costs reported for individual services are adjusted by the difference between the employer's contributions and the current service costs defined under FRS17. This

adjustment is reversed in the Movement in Reserves Statement.

The attributable liabilities of both pension schemes are measured on an actuarial basis using the projected unit method.

The current service costs are included within the 'Net Cost of Services' and the net total of interest cost and expected return on assets is included in 'Net Operating Expenditure' in the Comprehensive Income & Expenditure Statement, in respect of the County and Police scheme. Actuarial gains and losses arising from new valuations or revaluations are also recognised in the Comprehensive Income & Expenditure Statement. The independent actuary has determined these amounts in accordance with the FRS and government regulations.

The costs of 'added years' awarded to ex-staff are charged centrally as non-distributed costs.

11. Reserves

A number of earmarked reserves have been established to meet future expenditure. These include capital reserves relating to particular projects and reserves to smooth irregular expenditure. New reserves have also been established with the transition to IFRS, due to the change in accounting policy for grants and other contributions. The CC holds no Reserves.

12. Cash and Cash Equivalents

Cash is defined as cash in hand and deposits with any financial institution repayable without penalty or notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

13. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the CC's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on

ACCOUNTING POLICES

historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

14. Critical Judgements in Applying Accounting Policies

The critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the entity's accounting policies are disclosed in the individual notes to the accounts, where appropriate.

15. Key Sources of Estimation Uncertainty

The main assumption concerning the future, and other key sources of estimation uncertainty at the Balance Sheet date, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Provisions: Provisions are made for known about 'live cases' which are still ongoing under the review and appeal processes. Provisions are made based on a list of the known cases as at 31 March each year.

Other: All other key sources of estimation and uncertainty are disclosed as appropriate within the notes to the Financial Statements.

STATEMENT OF RESPONSIBILITIES

The Chief Finance Officer is responsible for: -

- ◆ the preparation of the Chief Constable's statement of accounts so as to present fairly the financial position at the accounting date, and its income and expenditure for the year;
 - ◆ selecting suitable accounting policies and applying them consistently;
 - ◆ making reasonable and prudent judgments and estimates;
 - ◆ complying in all material aspects with the Code of Practice on Local Authority Accounting in Great Britain;
 - ◆ ensuring that proper, up to date, accounting records are kept, and
 - ◆ taking reasonable steps for the prevention and detection of fraud and other irregularities.
-

FURTHER INFORMATION

This report concentrates on the financial aspect of the Chief Constable. Details of organisational and operational matters are contained in the free newspaper 'A Safer Dorset', published annually in the summer and distributed to most households in Dorset. Copies can be obtained from the Chief Constable, Police HQ, Winfrith, Dorset, DT2 8DZ, or viewed in most public libraries in Dorset. The Force's Corporate Governance Policy, the Annual Policing Plan, and Best Value Review reports are all available on the Dorset Police web-site, which can be visited at www.dorset.police.uk

The Annual Report and Accounts of the Dorset County Pension Fund, which Police Support Staff are eligible to join, can be obtained from the Director for Corporate Resources, County Hall, Dorchester, Dorset DT1 1XJ.

Access to Information Act 1985

The public and press are able to attend all meetings of the Dorset Police and Crime Commissioner and most of its committees, and to have access to reports and background papers, subject to the exemptions and confidentiality provisions of the Local Government Act 1972.

Questions and Comments

Any questions or comments about the Dorset Police and Chief Constable, or requests for further information, should be directed either to the Chief Executive and Monitoring Officer of the Police and Crime Commissioner, Police HQ, Winfrith, Dorset, DT2 8DZ, or to the Chief Constable at the same address or by e-mail to council.tax@dorset.pnn.police.uk

Complaints

Persons who consider they have a justified complaint against the conduct of Officers of the Dorset Police Force should submit their complaint to the Deputy Chief Constable, Police HQ, Winfrith, Dorset, DT2 8DZ. Resulting enquiries are reviewed by the Independent Police Complaints Commission.

CHIEF CONSTABLES'S COMPREHENSIVE INCOME AND EXPENDITURE ACCOUNT

This page shows the Comprehensive Income and Expenditure Account of the Chief Constable

The figures for the Cost of Service section are allocated in the format required under the Service Reporting Code of Practice (SERCOP).

2011-12 Net Spending £'000		Gross Spending	Income £'000	2012-13 Specific Grants £'000	Net Spending £'000
	Division of Service				
0	Local Policing	0	0	0	0
0	Dealing with the Public	0	0	0	0
0	Criminal Justice Arrangements	0	0	0	0
0	Road Policing	0	0	0	0
0	Specialist Operations	0	0	0	0
0	Intelligence	0	0	0	0
0	Specialist Investigation	0	0	0	0
0	Investigative Support	0	0	0	0
0	National Policing	0	0	0	0
0	Corporate and Democratic Core	0	0	0	0
0	Non Distributed Costs	0	0	0	0
0	Deficit on Provision of Service	0	0	0	0
	Other Operating Income & Expenditure				
0	Net (gain) / loss on disposal of non-current assets				0
0	Trading Account Deficit / (Surplus)				0
0	Impairment Icelandic Banks				0
	Financing & Investment Income & Expenditure				
0	Interest Payable				0
0	Interest and Investment Income				0
0	Pensions Interest Cost & Expected Return on Assets				0
0	Net Operating Expenditure				0
	Taxation & Non-Specific Grant Income				
0	Home Office Grant				0
0	Revenue Support Grant				0
0	Non Domestic Rates				0
0	Council Tax Precept				0
0	Capital Grants				0
0	Total Finance				0
0	Deficit for the year				0
0	Revaluation (Gains)				0
0	Actuarial Loss on Pension Fund Assets & Liabilities				0
0	Total Comprehensive Income & Expenditure				0

CHIEF CONSTABLE'S BALANCE SHEET

This Balance Sheet is a record of the financial position of the Chief Constable as at 31 March 2013, with comparative figures for 31 March 2012. The Chief Constable does not own any assets, liabilities or hold any reserves at the year end as these are accounted for in the Police and Crime Commissioner financial statements.

31 March 2012			<u>31 March 2013</u>	
£'000	£'000	Notes	£'000	£'000
0		Intangible Assets	0	
		Tangible Fixed Assets		
		Operational Assets		
0		Land & Buildings	0	
0		Vehicles, Plant & Equipment	0	
		Non-operational Assets		
0		Surplus assets, held for disposal	0	
	0			0
		Current Assets		
0		Inventories	0	
0		Debtors & Payments in advance	0	
0		Temporary Investments	0	
0		Cash and Cash Equivalents	0	
0			0	
		Current Liabilities		
0		Creditors & Receipts in advance	0	
0			0	
0		Net Current Assets		0
	0	Total Assets less Current Liabilities		0
0		Long Term Liabilities		0
0		Provisions		0
0		Pensions Asset / (Liability)		0
0		Total Net Assets / (Liability)		0
		Financed by :-		
		Unusable Reserves		
0		Capital Adjustment Account		0
0		Revaluation Reserve		0
0		Collection Fund Adjustment Account		0
0		Accumulated Absences Account		0
0		Pensions Reserve		0
		Usable Reserves		
0		Capital Grants Unapplied Account		0
0		Usable Capital Receipts Reserve		0
0		Specific Reserves		0
0		Revenue Balances		0
0				0

CHIEF CONSTABLE'S MOVEMENT IN RESERVES STATEMENT

General Fund Balance	Specific Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Change in Total Usable Reserves	Collection Fund Adjustment Account	Revaluation Reserve	Pensions Reserve	Capital Accumulated Absences Account	Change in Total Unusable Reserves	Change in Total Reserves
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
0	0	0	0	0	0	0	0	0	0	0
Balance as at 31 March 2011										
Movement in reserves during 2011-12										
0				0						0
(Surplus) / Deficit on Provision of Services										
Other Comprehensive Income & Expenditure										
						0				0
Revaluation Losses / (Gains)										
Actuarial Loss / (Gain) on Pension Fund Assets & Liabilities										
0	0	0	0	0	0	0	0	0	0	0
Adjustments between accounting basis and funding basis under regulations										
0				0		0		0		0
Charges for depreciation & impairment of non-current assets										
0		0		0				0		0
Net Gain / (Loss) on disposal of non current assets										
Reversal of items relating to retirement benefits charged in the										
Comprehensive Income & Expenditure Statement										
0				0			0			0
Amount by which Council tax income in the Comprehensive Income &										
Expenditure Statement differs from statutory requirements										
0				0	0					0
Statutory provision for financing of capital investment										
0				0				0		0
Voluntary provision for repayment of debt										
0				0				0		0
Capital Expenditure charged to the General Fund Balance										
0				0				0		0
Employer's pensions contributions and direct payments to pensioners payable in the year										
0				0			0			0
Usable Capital Receipts funding revenue income from finance leases										
0				0				0		0
Transfer Capital Grants to Capital Adjustment Account										
0				0				0		0
Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis differs from statutory requirements										
0				0				0		0
0	0	0	0	0	0	0	0	0	0	0
Total Adjustments										
0	0	0	0	0	0	0	0	0	0	0
Transfer to Capital Grants Unapplied Reserves										
0	0			0						0
Net transfer to / (from) Earmarked Reserves										
0		0		0						0
Other transfers										
0	0	0	0	0	0	0	0	0	0	0
Transfer between Capital Reserves and Earmarked Reserves										
0	0	0	0	0	0	0	0	0	0	0
Total Transfers										
0	0	0	0	0	0	0	0	0	0	0
(Increase) / Decrease in year										
0	0	0	0	0	0	0	0	0	0	0
Balance as at 31 March 2012										

CHIEF CONSTABLE'S MOVEMENT IN RESERVES STATEMENT

	General Fund Balance	Specific Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Change in Total Usable Reserves	Collection Fund Adjustment Account	Revaluation Reserve	Pensions Reserve	Capital Accumulated Absences Account	Change in Total Unusable Reserves	Change in Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 31 March 2012	0	0	0	0	0	0	0	0	0	0	0
Movement in reserves during 2012-13											
(Surplus) / Deficit on Provision of Services	0				0					0	0
Other Comprehensive Income & Expenditure											
Revaluation Losses / (Gains)							0	0		0	0
Actuarial Loss / (Gain) on Pension Fund Assets & Liabilities							0	0		0	0
Adjustments between accounting basis and funding basis under regulations											
Charges for depreciation & impairment of non-current assets	0				0		0		0	0	0
Net Gain / (Loss) on disposal of non-current assets	0		0		0				0	0	0
Reversal of items relating to retirement benefits charged in the Comprehensive Income & Expenditure Statement	0				0			0		0	0
Amount by which Council tax income in the Comprehensive Income & Expenditure Statement differs from statutory requirements	0				0					0	0
Statutory provision for financing of capital investment	0				0				0	0	0
Voluntary provision for repayment of debt	0				0				0	0	0
Capital Expenditure charged to the General Fund Balance	0				0					0	0
Employer's pensions contributions and direct payments to pensioners payable in the year	0				0			0		0	0
Usable Capital Receipts funding revenue income from finance leases	0				0				0	0	0
Transfer Capital Grants to Capital Adjustment Account	0				0				0	0	0
Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis differs from statutory requirements	0				0					0	0
Total Adjustments	0	0	0	0	0	0	0	0	0	0	0
Transfer from Capital Grants Unapplied to CAA					0					0	0
Net transfer to / (from) Earmarked Reserves	0	0			0					0	0
Other transfers					0					0	0
Transfer between Capital Receipts Reserve and Capital Adjustment Account			0		0				0	0	0
Transfer between Capital Reserves and Earmarked Reserves		0	0	0	0		0	0	0	0	0
Total Transfers	0	0	0	0	0	0	0	0	0	0	0
(Increase) / Decrease in year	0	0	0	0	0	0	0	0	0	0	0
Balance as at 31 March 2013	0	0	0	0	0	0	0	0	0	0	0

CHIEF CONSTABLE'S CASH FLOW STATEMENT

2011-12		39	2012-13	
£'000	£'000		£'000	£'000
Operating Activities				
Cash Outflows				
0		Cash paid to or on behalf of employees	0	
0		Other operating costs	0	
	0			0
Cash Inflows				
0		Precept - Council Tax income	0	
0		Non-Domestic Rate income	0	
0		Revenue Support Grant	0	
0		Home Office Grants	0	
0		Cash received for goods and services	0	
	0			0
	0	Operating Activities Net Cash Flow		0
Servicing of Finance				
Cash Outflows				
0		Interest paid	0	
Cash Inflows				
0		Interest received	0	
	0			0
Investing Activities				
Cash Outflows				
0		Purchase of fixed assets	0	
Cash Inflows				
0		Sale of fixed assets	0	
0		Capital Grants received	0	
	0			0
Management of liquid resources				
0		Short Term Lending	0	
0		Short Term Loans Repaid	0	
Financing				
0		Short Term Borrowing	0	
0		Short Term Borrowing Repaid	0	
	0			0
	0	Net cash inflow / outflow		0
Other Movements				
	0	Transfers		0
	0	Net (increase) / decrease in cash		0

NOTES TO THE CORE FINANCIAL STATEMENTS

1. GENERAL

The general principles adopted in compiling the accounts of the DPCC are in accordance with the recommendations of CIPFA. They accord with CIPFA's Code of Practice on Local Authority Accounting 2012-13, the Service Reporting Code Practice (SeRCOP) 2012-13 and the Accounts and Audit Regulations 2003 and are based on the following standards:

Following the introduction of the Police Reform and Social Responsibility Act 2011 and the Home Office guide to financial management code of practice for the police service for England and Wales, Dorset Police Authority was replaced by two corporate entities being the Police and Crime Commissioner for Dorset (PCC) and the Dorset Police Chief Constable (DPCC). Both entities have prepared a statement of accounts for the year 1 April 2012 to 31 March 2013 based on consistent accounting policies.

2. COST RECOGNITION

All expenditure is currently funded by and recognised in the accounts of the PCC Group. This includes the salaries and wages of both police officers and staff. There are no actual cash transactions between the PCC and the DPCC. Costs that are recognised within the DPCC accounts reflect the use of resources and the economic benefit in providing a service to the PCC.

3. REVENUE TRANASCTIONS

Revenue transactions are recorded on an accruals basis. This means that income is recorded in the accounts when it becomes due, rather than when it is received, and the outstanding amounts are included as debtors. Expenditure is included in the accounts when the goods or services are received or supplied and any outstanding amounts are included as creditors.

4. VAT

The OCC does not submit a Value-Added Tax return to HMRC as this is submitted as a single return for the group by the PCC. Expenditure and income in the DPCC's operating cost statement excludes VAT

5. PENSION BENEFITS

There are different pension arrangements for police officers and for police staff. In both cases pensions and other benefits are paid to retired staff which relate to the individual's length of service.

Until 31 March 2006 retired police officers were paid their pensions from the contributions received each year. However, from 1 April 2006, although the PCC makes the payments and collect the contributions, responsibility for the cost of these payments has transferred to the Government.

Police staff including PCSO's are part of the Local Government Pension Scheme, in which case, the PCC and the staff in the scheme pay into the pension fund at agreed rates. When an individual retires the fund pays all the usual benefits. However, occasionally, extra costs have to be met when an employee retires early or retires due to ill health. These costs are charged to the operating cost statement.

Long term pension liabilities have been included fully within the balance sheet of the PCC as the liability to pay these costs is with the PCC. This is a requirement under IAS 19 – Employee benefits. The police pension fund account and disclosures are shown in both the PCC and DPCC accounts.

NOTES TO THE CORE FINANCIAL STATEMENTS

6. OPERATING COST STATEMENT

The operating cost statement shows the resources consumed by the Chief Constable in undertaking operation policing activities. These costs have been funded through the Police and Crime Commissioner through and intra group adjustment.

2011-12 Net Spending £'000	Division of Service	2012-13 Net Spending £'000
45,810	Local Policing	44,032
10,513	Dealing with the Public	14,575
13,462	Criminal Justice Arrangements	11,334
5,983	Road Policing	2,919
10,186	Specialist Operations	8,517
5,026	Intelligence	5,836
17,934	Specialist Investigation	21,210
5,510	Investigative Support	5,310
2,211	National Policing	3,225
0	Corporate and Democratic Core	0
0	Non Distributed Costs	91
116,635	Total financial resources of the PCC utilised at the request of the Chief Constable	117,049
(116,635)	Intra Group adjustment	(117,049)
0	Net Cost of Service	0

7. STAFFING STATEMENT

The staff numbers for Police Officers, Police Staff and Community Support Officers are expressed as whole time equivalents, while the number for the Special Constabulary and Volunteers are the number of individuals.

2011-12 In post		2012-13 In post
1,357	Police Officers	1,286
913	Police Staff	892
153	Community Support Officers	138
2,423		2,316
249	Special Constabulary	209
95	Volunteers	100

NOTES TO THE CORE FINANCIAL STATEMENTS

8. REMUNERATION OF SENIOR STAFF

The PCC is required, under Part 3 of the Accounts & Audit (England) Regulations 2011 [SI 2011 No 817], to report the numbers of staff with remuneration in excess of £50,000 per annum, in multiples of £5,000. The figures below represent the amounts paid in each year taking account of starting and leaving dates where retiring staff have been replaced during the year, and include officers seconded to other Forces. The figures derive from gross pay and do not include employers pensions contributions.

2011-12		2012-13
82	£50,000 - £54,999	71
47	£55,000 - £59,999	64
8	£60,000 - £64,999	9
3	£65,000 - £69,999	2
1	£70,000 - £74,999	2
7	£75,000 - £79,999	6
5	£80,000 - £84,999	5
3	£85,000 - £89,999	2
2	£90,000 - £94,999	4
0	£95,000 - £99,999	0
0	£100,000 - £104,999	0
0	£105,000 - £109,999	0
1	£110,000 - £114,999	1
1	£115,000 - £119,999	1
0	£120,000 - £124,999	0
0	£125,000 - £129,999	1
0	£130,000 - £134,999	0
0	£135,000 - £139,999	0
0	£140,000 - £144,999	0
0	£145,000 - £149,999	0
0	£150,000 - £154,999	0
0	£155,000 - £159,999	0
1	£160,000 - £165,000	0

Police salary scales and conditions of service are negotiated and agreed at national level. The slight increase in 2012-13 was due to officers/staff working extra hours due to the Olympic Security operations in Weymouth and Portland.

SENIOR OFFICERS AND RELEVANT POLICE OFFICERS EMOLUMENTS WHERE SALARY IS £150,000 OR MORE PER YEAR (ENGLAND) 2011-12

Post Holder Information	Salary (including fees and allowances)	Bonuses	Expenses Allowances	Benefits in Kind (Car Allowances)	Total Remuneration Excluding Pensions Contributions	Pensions Contributions	Total Remuneration
	£	£	£	£	£	£	£
Chief Constable Mr Martin Baker	142,533	13,169	0	4,309	160,011	0	160,011

SENIOR OFFICERS AND RELEVANT POLICE OFFICERS EMOLUMENTS WHERE SALARY IS £150,000 OR MORE PER YEAR (ENGLAND) 2012-13

Post Holder Information	Salary (including fees and allowances)	Bonuses	Expenses Allowances	Benefits in Kind (Car Allowances)	Total Remuneration Excluding Pensions Contributions	Pensions Contributions	Total Remuneration
	£	£	£	£	£	£	£
Chief Constable Mr Martin Baker (until 30/09/2012)	114,865		1,878		116,743	0	116,743
Chief Constable Miss Debbie Simpson (from 01/10/2012)	69,462		1,132		70,594	16,580	87,174

NOTES TO THE CORE FINANCIAL STATEMENTS

SENIOR OFFICERS AND RELEVANT POLICE OFFICERS EMOLUMENTS WHERE SALARY IS BETWEEN £50,000 AND £150,000 PER YEAR (ENGLAND) 2011-12

Post Holder Information	Salary (including fees and allowances) £	Bonuses £	Expenses Allowances £	Benefits in Kind (Car Allowances) £	Total Remuneration Excluding Pensions Contributions £	Pensions Contributions £	Total Remuneration £
Assistant Chief Constable	109,947			6,438	116,385	25,764	142,149
Assistant Chief Constable	109,335			2,025	111,360	25,615	136,975
Chief Superintendent	86,590	3,932	1,170		91,692	19,030	110,722
Director of Finance	89,973			2,108	92,081	14,036	106,117
Chief Superintendent	85,680				85,680	19,030	104,710
Chief Superintendent	84,769	625	1,268		86,662	18,003	104,665
Chief Superintendent	80,133		663		80,796	19,030	99,826
Director of Human Resources	81,906			3,602	85,508	12,777	98,285
Chief Superintendent	67,085				67,085	14,426	81,511
Deputy Chief Constable	63,660			911	64,571	13,210	77,781
Deputy Chief Constable	55,839			6,170	62,009	13,284	75,293
Chief Superintendent	17,460		250		17,710	4,070	21,780
Chief Superintendent	6,553				6,553	0	6,553
	938,930	4,557	3,351	21,254	968,092	198,275	1,166,367

SENIOR OFFICERS AND RELEVANT POLICE OFFICERS EMOLUMENTS WHERE SALARY IS BETWEEN £50,000 AND £150,000 PER YEAR (ENGLAND) 2012-13

Post Holder Information	Salary (including fees and allowances) £	Bonuses £	Expenses Allowances £	Benefits in Kind (Car Allowances) £	Total Remuneration Excluding Pensions Contributions £	Pensions Contributions £	Total Remuneration £
Chief Superintendent (Crime and Criminal Justice)	88,660	1,000		4,130	93,790	19,278	113,068
Chief Superintendent (Territorial Policing)	87,667	500		3,625	91,792	19,280	111,072
Assistant Chief Constable (from 14/05/2012)	88,407			1,597	90,004	20,651	110,655
Chief Superintendent (Olympics)	88,181	500		0	88,681	19,030	107,711
Assistant Chief Officer	89,973			3,296	93,269	14,036	107,305
Chief Superintendent (Operational Support)	80,134	1,000		2,322	83,456	19,030	102,486
Director of Human Resources	81,906			4,190	86,096	12,777	98,873
Deputy Chief Constable (until 31/09/2012)	55,839			1,132	56,971	16,580	73,551
Deputy Chief Constable (from 01/10/2012)	56,634			853	57,487	12,966	70,453
Assistant Chief Constable (until 31/09/2012)	54,668			853	55,521	4,269	59,790
Chief Superintendent (Territorial Policing from 14/01/2013)	16,321			266	16,587	3,871	20,458
Assistant Chief Constable (until 10/05/2012)	12,050			642	12,692	2,823	15,515
	800,440	3,000	0	22,906	826,346	164,591	990,937

9. EXIT PACKAGES & TERMINATION BENEFITS

The revised Code requires the PCC to disclose details of the number and value of exit packages agreed in the bandings shown below in the table and to distinguish these by compulsory redundancies and other departures. Retirements on the grounds of health are not required to be disclosed.

Value of exit package	Number of Packages		2012-13 £'000
	Compulsory redundancies	Other departures	
Up to £20,001	0	6	57
£20,000 to £40,001	1	1	56
Total	1	7	113

NOTES TO THE CORE FINANCIAL STATEMENTS

10. AUDIT FEES

Fees payable to the CC's external auditors, KPMG for 2012-13 relating to the year of account are as follows.

2011-12 £'000		2012-13 £'000
0	External Audit Services	20
0		20

PENSION FUND ACCOUNT

This account collects all the costs relating to retired police officer pensioners, the income from current contributors and any transfer values. The balance is recharged to the Comprehensive Income and Expenditure Account where it is funded by Home Office top-up grant.

PENSION FUND ACCOUNT		
2011-12		2012-13
£'000		£'000
(12,962)	Employers flat rate contribution	(12,588)
(5,609)	Employees contributions	(5,909)
(270)	Transfer values in	(342)
-	Recharges To Other Account Heads	-
-	Interest Receivable	-
(18,841)	Contributions Receivable	(18,839)
24,378	Pension Payments	26,611
5,892	Retirement Grants	7,964
130	Transfer Values out	276
-	Interest Payable	-
30,400	Benefits Payable	34,851
11,559	Net Deficit	16,012
(11,559)	Recharged To I & E Account	(16,012)
-	Net Expenditure	-

NET ASSETS STATEMENT		
2011-12		2012-13
£'000		£'000
	Current Assets and Liabilities	
2,112	Debtors and Payments in Advance	2,302
-	Creditors and Receipts in Advance	-
2,112	Net Assets as at 31 March	2,302

NOTES TO THE PENSION FUND ACCOUNT

(i) The police officer pension scheme is unfunded, which means that there are no investment assets to provide for future pensions.

(ii) From 2006-07, the cost of these pensions is met each year by a combination of contributions from current employees, the new employer's flat rate contribution and Home Office top-up grant. The account is balanced to zero each year by recharging any deficit or surplus to the Income & Expenditure Account. The Home Office top-up grant is also credited to the Comprehensive Income & Expenditure Account, and additional top-up grant is claimed in respect of a deficit, or any surplus repaid, as appropriate.

(iii) These financial statements do not take account of liabilities to pay pensions and other benefits after the end of the 2012-13 year.

(iv) The payment in advance shown in the Net Assets Statement relates to pensions paid on 31st March 2013 which relate to April 2013.

ANNUAL GOVERNANCE STATEMENT



This is a joint statement on behalf of the Police and Crime Commissioner for Dorset and the Chief Constable

Position as at 31 March 2013 including plans for the financial year 2013-14

1. SCOPE OF RESPONSIBILITIES

The Police and Crime Commissioner is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Police and Crime Commissioner also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Police and Crime Commissioner is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its 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.

The Police and Crime Commissioner has adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. The Code of Corporate Governance is updated annually to reflect amendments to this statement. A copy of the code has been published on our website www.dorset.pcc.police.uk or is available from the Chief Executive to the Police and Crime Commissioner. This statement explains how the Police and Crime Commissioner has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values by which the Dorset Police is directed and controlled and its activities through which it accounts to and engages with the community. It enables the Police and Crime Commissioner to monitor the achievement of his strategic objectives and to consider whether those objectives 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 eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not 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 Police and Crime Commissioner's policies, aims and objectives, to evaluate the likelihood of those risks

ANNUAL GOVERNANCE STATEMENT

being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

This Annual Governance Statement has been written in two parts; Part One to reflect the governance arrangements up to the 21 November 2012 when the Dorset Police Authority was abolished and Part Two to reflect the change in governance arrangements with the appointment of the Police and Crime Commissioner.

Part One – 1 April 2012 to 21 November 2012

3. THE GOVERNANCE FRAMEWORK

Under the previous Police Authority arrangements, the Chief Constable was responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Force. The Authority was required to hold the Chief Constable to account for the exercise of those functions and those of the persons under their direction and control. It therefore followed that the Police Authority satisfied itself that the Force had appropriate mechanisms in place for the maintenance of good governance, and that they operated in practice. The key elements of the systems and processes that comprised the governance arrangements in place for the Authority and Force were:

Identifying and communicating the Authority's vision of its purpose and intended outcomes for citizens and service users:

- The Force Strategic Assessment, supported by the Community Threat Assessment and the Capability Assessment, was the key element for informing and developing the Annual and Strategic Policing Plan and formed part of the business planning cycle. The Force's priorities were also determined against the background of a National Strategic Assessment and Government policing requirements.
- Additionally, in conjunction with the Force, the Police Authority undertook an extensive consultation survey that was sent to 12,000 people to inform policy, decision-making and the planning and development of policing services. This was supported by the Police Authority's community engagement programme, further consultation processes including Partners and Communities Together (PACT) forums, Community Safety Partnership surveys, consultation with community groups, and feedback from Independent Advisory Groups (IAG).
- Monitoring of the Crime Survey in England and Wales (CSEW) provided a further mechanism for consultation as well as for monitoring performance at a high level.
- The Police Authority agreed the three year Strategic Plan and the Annual Policing Plan, which in turn were supported by more detailed Command and Departmental service plans which ensured that high level priorities were translated into direct working plans.
- The plan was launched through a series of briefings by the Chief Constable to all Managers and cascaded to staff. Police Authority members also attended these briefings. Use was made of internal and external publicity material including brochures for stakeholders and the publication of the full plan and a summary version on the Force and Police Authority websites. Copies in other languages and formats were available on request.

ANNUAL GOVERNANCE STATEMENT

- The annual precept leaflet set out details of the budget, council tax and the financial context. This was available on the Dorset Police Authority website.
- The Force operated an active stakeholder management strategy, which included 15,756 registered recipients of the electronic community messaging system, Ringmaster.
- Committees of the Authority regularly reviewed specific policy areas and performance across the full range of its business areas (e.g. human resources, audit, community engagement etc). The Strategic Planning Working Group comprising Force and Authority officers and members played an important role in the development of the annual and strategic policing plan. Members' Seminars were held twice yearly and provided opportunities for members to identify and discuss specific issues that may have affected the Authority. Further opportunities arose from the presence of members on a number of Force Boards.

Reviewing the Authority's vision and strategy and its implications for governance arrangements:

- The Force's Corporate Governance Policy outlined the business cycle, decision-making processes, meeting structures and standard, policy making arrangements and corporate records management.
- Each Force Board and meeting of the Force had specific terms of reference linking back to the principal objectives of the Force. The Corporate Governance Policy and the Force's internal governance structures had been reviewed as part of the One Team change programme.
- The Strategic Planning Working Group provided an additional opportunity for the vision and strategy elements of the policing plan to be discussed and reviewed.
- At the Authority's Annual General Meeting the full Police Authority agreed which members were to sit on particular Committees and undertake particular roles. This also provided an opportunity for members to review its governance structure to reflect developments and changing business needs.
- Individual Committees, in conjunction with the Chief Executive, were reviewed for ongoing effectiveness and were also able to recommend changes in their terms of reference and delegations to ensure they remained fit for purpose and reflected relevant developments and changes.

Setting objectives and targets outlined in the Annual Policing Plan, including decision making structures:

- Led by a Chief Officer and as a sub-set of the Force Executive Board through the One Team programme, Dorset Police was reviewing all aspects of its business to meet the needs of our communities and the organisation within a significantly reduced funding environment. The One Team programme would achieve a reshaped Force by everyone identifying the things it is in their power to improve; getting it right first time; acting appropriately and quickly; avoiding duplication; and by pulling together to make sure that Dorset Police was the best that it could possibly be. External validation of this process took place in 2011 at the request of the Police Authority through the National Police Improvement Agency (NPIA) Gateway Review

ANNUAL GOVERNANCE STATEMENT

- The Force Strategic Assessment enabled the setting of priorities within the Annual Policing Plan and the Police Authority set annual and long-term targets for the achievement of those priorities.
- The Authority was required to produce and publish an Annual Policing Plan that set out the policing priorities for the year ahead. The plan was produced in conjunction with the Chief Constable and informed by community and stakeholder views. It was then used to direct and monitor the Force's activities.
- The Policing Plan also set out details of the expected financial resources and their proposed allocation, linked to the approved financial strategy. It set out relevant performance targets, key performance indicators and other statutory information as well as a summary of audit and inspection findings and responses.
- Contained within the Policing Plan was the Value for Money Statement written in accordance with the Policing Plan (Amendment) Regulation 2010.
- The overall Policing Plan was supported by key resourcing plans and strategies such as the medium term financial strategy, workforce plan, the information systems and estates strategies. It was also supported by individual Command and Departmental service plans each of which contained local performance targets.
- Decision-making structures for the Force were set out in the Force's Corporate Governance Policy. For the Authority they operated through meetings of the full Police Authority and its Committees, supported by meetings of the Strategic Planning Working Group.

Monitoring performance against operational, financial and other strategic plans, including how key issues are identified and tasked:

- The Force and the Authority operated comprehensive performance monitoring arrangements.
- The Police Authority held the Chief Constable and Force to account through quarterly meetings of the full Authority when the Chief Constable presented a report on current performance.
- The Chief Constable held responsible Managers to account for performance at monthly meetings of the Force Executive Board and through separate Command and Department performance meetings.
- The Strategic Tasking and Co-ordination Group reviewed quarterly performance figures to enable strategic prioritisation.
- The Force Dorset Management Information System (DorMIS) was an intranet based framework that provided performance and organisational data at strategic, tactical, operational and personal levels to support all performance processes
- The publication of the Her Majesty's Inspector of Constabulary (HMIC) Value for Money profile provided useful comparative performance information.
- The One Team Board ensured that the process of performance assessment and fundamental reviews were continuously developed.

ANNUAL GOVERNANCE STATEMENT

- The Governance structure ensured that key performance indicators were reported and communicated between the Operational level and the Police Authority.
- A Financial Strategy was in place to provide a framework for resource allocation and control. A full review of revenue reserves was undertaken in tandem with the review of the financial strategy. Budget monitoring information and projected year end spend was presented to the Force Executive Board monthly and financial management was tested by the Chief Constable as part of the performance review process with Commands and Departments.
- The achievement of Force objectives was closely monitored by the full Police Authority and the Audit, Resources and Continuous Improvement Committee. The Authority scrutinised comprehensive performance reports from the Force on a quarterly basis that included key performance indicators, management information, corporate risks and comparative performance data. Arrangements also operated at Command level for members to receive updates on performance. Specific Committees received performance monitoring reports quarterly across the full range of the Authority's business areas. This included comprehensive reports or performance packs for human resources, complaints, contact management, citizen focus etc.
- In conjunction with the Chief Constable the Authority set the annual budget, which was fully aligned to the policing plan and subjected to regular monitoring by members.
- Nationally Her Majesty's Inspector of Constabulary was the overarching body responsible for the oversight of Police Service performance though it is recognised that the work of other national bodies and agencies such as the National Policing Improvement Agency and the Audit Commission were also relevant. The Home Office Police Crime Standards Directorate (PCSD) also produced performance monitoring information that was benchmarked against 'Most Similar Forces'.

Measuring the quality of services for users, to ensure they are delivered in accordance with the Authority's objectives and represent the best use of resources:

- Her Majesty's Inspectorate of Constabulary provided oversight of Force performance and gave independent assurance of Force compliance with established policies, procedures, laws and regulations. This included value for money profile reports and performance indicators.
- The Authority's External Auditors recorded an opinion on value for money within the Force, drawing on information and assurance previously provided by the Use of Resources evaluation. Her Majesty's Inspector of Constabulary also provided a Value for Money conclusion for the Force and other external and internal audit reviews provided additional assurance.
- The Police Authority (Community, Engagement and Membership) Regulation 2010 set out the provision for obtaining the views of the community.
- User satisfaction surveys were undertaken quarterly focusing on victims of particular categories of crime such as anti social behaviour, burglary and vehicle crime, which informed the development of services.

ANNUAL GOVERNANCE STATEMENT

- There was proactive engagement with the community through the Community Safety Survey. This was conducted quarterly and generated annual sampling of 12,000 people, which provided important statistically valid feedback to the Force and Police Authority, about local concerns, local policing services and about the perception of how well the Force and Authority were listening to and addressing local needs.
- A range of other surveys, contacts and groups were used to provide additional feedback. These included Force contact surveys and staff surveys, deliberate community experience survey, and community surveys. The Police Authority also operated its own community engagement programme involving road shows, meetings and attendance at some public events.
- The Safer Neighbourhood teams across the County provided an important additional opportunity for engaging with communities and identifying local policing priorities and objectives utilising Partners and Communities Together team meetings and smaller meetings, such as 'street corner meetings'.
- The Police Authority had a Safer Neighbourhood protocol in place that provided the opportunity for Members to hear first hand the issues that were most important to local people and gained assurance about the effectiveness of the Force's Neighbourhood Policing arrangements.

Risk management processes by which key risks are identified and mitigated in the Force and Authority:

- The Head of Governance had specific responsibilities for overseeing the Force's insurance and risk management arrangements, audit liaison and the Annual Governance Statement.
- There was a designated member of the Police Authority with specific responsibility for Risk Management.
- A Risk Management Board operated as a forum to monitor corporate risks and Command and Departmental risk registers, and therefore discussed and promoted risk management initiatives and issues. A Chief Officer chaired the Board with representation from key operational and support disciplines. The Police Authority and the Authority's Insurers and Brokers also attended.
- A comprehensive insurance programme was in place in accordance with arrangements approved by the Treasurer and the Police Authority.
- Processes were in place for the continuous monitoring of sickness and accident data, and to provide feedback to relevant Commands and Departments.
- Health and Safety risk assessments and training were embedded across the Force.
- The Capability Assessment was undertaken annually which was linked to the review of the Policing Plan. This process informed the ongoing identification of new and emergent risks to be monitored via the Corporate Risk Register.
- A quarterly Community Threat Assessment was undertaken that identified, evaluated and monitored emergent risks to the Force. This allowed priorities to be ranked according to their relative level of threat to the community.

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- Corporate risks formed part of the balanced scorecard of data used to assist with the achievement and monitoring of corporate objectives.
- Command and Departmental risk registers were in place and informed by the corporate plan and local service plans.
- There was a separate risk register for Olympic planning that reported to the Force Risk Management Board as well as to the Olympic Planning Board and the National Olympic Security Directorate.
- The Police Authority risks were incorporated within the Corporate Risk Register.
- The Risk Management Board monitored the Corporate Risk Register and the Command and Departmental Risk Registers.
- Day-to-day operational risks were managed via dynamic risk assessments and supported by specific risk profiles of beat areas and operational orders for planned operations and major operational events.
- The Risk Management Board reported to the Force Executive Board.
- The Force reported details of the high risks recorded on the Corporate Risk Register on a quarterly basis to the Audit, Resources and Continuous Improvement Committee, and the full risk register to the June seminar of the Police Authority.
- The Professional Standards and Diversity Committee of the Police Authority monitored the Force's corporate governance arrangements and its arrangements for the maintenance of professional standards.

Defining and documenting the roles and responsibilities of the Authority and Force and the senior members and officers within each, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinising Force activity:

- The Police Authority and Chief Constable had statutory roles.
- All police officers, police staff, volunteers, Police Authority members and officers had role descriptions.
- All police officers and staff had performance development reviews and objectives, linked to Force and Command objectives.
- Regular Command Team meetings were held by Chief Officers to discuss tactical co-ordination and performance.
- Police Authority members attended annual review meetings with the Chairman and a Personal Development Review (PDR) system for Authority officers was in place.
- A scheme of delegation was in place that was reviewed and approved by the Police Authority.
- The Police Authority had a clear Committee and reporting structure with embedded arrangements for the Chief Constable to present reports at Authority Committee

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meetings including performance reporting and monitoring. This was supported by the attendance of members on a significant number of Force Boards.

Developing, communicating and embedding standards of professional behaviour, for members, officers and staff:

- For the Force, Police Regulations including the Home Office Standards of Professional Behaviour defined the standards for police officers and Special Constables. The National Police Staff Council's Standards of Professional Behaviour outlined the standards required by members of police staff. All members of the volunteer scheme signed a commitment to the values of the Force upon appointment.
- The Force's Vision and Values and Rights and Responsibilities reinforced these standards.
- The Force Values, Standards of Dress/Appearance policy, Disciplinary policy, Dignity at Work and Grievance Procedure, Drug, Alcohol and Substance Misuse policy and Data Protection/Computer Standards policies were communicated as part of the induction process, which applied to police officers and police staff.
- The Professional Standards Department investigated all complaints against police staff and police officers below the rank of Chief Officer. The Police Authority operated arrangements to deal with complaints about the conduct of Chief Officers.
- The Professional Standards Department was also responsible for overseeing and monitoring a range of additional arrangements focused on upholding high standards of conduct and behaviour. These included the Business Interests register, Gifts and Hospitality register and the Association policy and register.
- The Force operated a policy to support officers reporting wrongdoing and provided a confidential email system for this purpose. A confidential phone line service was available through the Independent Police Complaints Commission.
- All Members were subject to a members' code of conduct that had been formally adopted by the Authority and was in line with the model code recommended by the Standards Board for England.
- The Authority monitored the Force's overall arrangements in respect of professional standards and diversity, including oversight of the Force's complaints handling arrangements, through its Professional Standards and Diversity Committee. Members' standards, including adherence to the members' code of conduct were monitored through the Standards Committee.
- A Member's Handbook was circulated to all members that was regularly reviewed and updated. The Handbook set out the standards of conduct and behaviour required of Police Authority members and included reference to the Members Code of Conduct and the register of Members' interests.
- New members received advice on the importance of adhering to the members' code of conduct and upholding ethical standards as part of their induction.
- Protocols were in place defining the relationship between the Force and Members in certain areas. These included the Patrol Observers Scheme and the Neighbourhood Policing Protocol.

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Reviewing and updating standing orders, standing financial instructions, a scheme of delegation, contract/procurement regulations, and supporting procedures notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks:

- The Force was compliant with the Financial Management Code of Practice, Police Act 1996.
- The Authority's Procedural Standing Orders, Financial Regulations and Standing Orders on Contracts were all updated and approved in September 2009.
- The medium term financial strategy and reserve levels were set with regard to a financial risk assessment and were approved by the Authority.
- An approved scheme of delegation was in place. The Force Financial Manual set out the details of the scheme along with financial instructions and procedures. This was available to all users electronically on the Force intranet. Work was in progress to update the Force Financial Manual, in line with changes arising from the One Team Review and the introduction of a new financial system from 1st April 2012.

Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committee – Practical Guidance for Local Authorities:

- The Authority's Audit, Resources and Continuous Improvement Committee undertook all of the requirements of an audit committee, as identified in the Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committee – Practical Guidance for Local Authorities.
- The effectiveness of the Committee was subject to annual review, which included a review of the Committee's terms of reference to ensure they remained relevant and fit for purpose.
- Ensuring compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful:
- Appropriately qualified staff were recruited for key roles throughout the Force such as, Finance, Procurement, Estates Management, Human Resources, Risk Management, and Information Systems.
- Qualified accountants and finance staff undertook the Force's budgetary monitoring and control.
- Internal Audit inspection provided independent assurance to the Police Authority on the effectiveness and adequacy of systems of internal control.
- External Audit inspections and reports provided additional assurance to the Police Authority.
- The Treasurer was responsible for maintaining an adequate and effective internal audit function and had overall responsibility for the proper administration of the Authority's financial affairs. An annual Quality Assurance Programme was in place to review systems and processes at a tactical level across the Force.

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- The specific role of the Chief Executive for ensuring compliance was set out in the Authority's Financial Regulations and Standing Orders on Contracts. The Chief Executive was also the Authority's appointed Monitoring Officer.
- A comprehensive service of legal advice was available to the Force through a solicitor supported by specialist legal resources.

Reporting wrongdoing and for receiving and investigating complaints from the public and handling citizen and other redress:

- The Police Authorities (Particular Function and Transitional Provisions) (Amendment) Order 2010 allowed the Police Authority to challenge and if necessary intervene where the Force response to complaints outside of the Police Reform Act, appeared to be unsatisfactory. Procedures were in place for the Police Authority to monitor complaints of this nature and thereby provided independent and transparent assurance of compliance.
- The Professional Standards Department ensured compliance with laws, internal policies and procedures.
- The Professional Standards Department oversaw all complaints against police officers and staff ensuring compliance with the Police Reform Act 2002. The Force's complaints handling arrangements were subject to Police Authority scrutiny under the business of the Professional Standards and Diversity Committee.
- The Force had an intelligence led Anti Corruption Unit, previously known as the Integrity Unit. Part of the Complaints and Misconduct Unit within the Professional Standards Department, it covertly investigated corruption or criminality within the organisation. Complaints from members of the public and overt investigations were conducted within the wider remit of the Complaints and Misconduct Unit.
- There was an overarching Anti Fraud, Theft and Corruption Policy which pulled together a number of different policies designed to prevent, identify and mitigate all acts of fraud and corruption perpetrated against the Force and Police Authority.
- The Authority and Force participated in the Audit Commission National Fraud Initiative.
- The Force confidential e-mail system and the 'Confide in Us' service were managed by the Professional Standards Department and monitored by the Professional Standards Board.
- In accordance with the Police Reform Act 2002, the Police Authority was the appropriate authority for receiving, recording and arranging investigations in the event of a complaint about the conduct of a Chief Officer.
- Employer and Public liability claims were investigated by the Civil Litigation Unit and overseen by the Head of Governance and Professional Standards Departments respectively.

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Determining the conditions of employment and remuneration of officers and staff:

- The Police Authority determined the remuneration for Chief Officers and agreed the terms and conditions of appointment for Police and Police Staff Chief Officers that may fall to be determined by the Authority.
- Police Regulations determined the conditions of employment and remuneration for police officers.
- Police Staff conditions of employment were negotiated nationally and supported by local policy.
- Force job evaluation procedures determined the pay grade attached to a police staff job description.
- Police Staff pay awards were negotiated nationally via Unison
- Consultation mechanisms with the staff associations were in place.

Identifying and developing needs of members and senior officers in relation to their strategic roles, supported by appropriate training:

- All staff and officers had a professional responsibility to maintain continuous professional development. Individuals also had an obligation to maintain their professional development as part of membership to external professional bodies.
- Performance appraisals were carried out annually, including 360 degree appraisal for supervisory roles, which allowed for development needs to be identified and addressed.
- The Integrated Competency framework was being phased out with the introduction of The Policing Professional Framework which provided the Service with the standards of professional competence against which all officers and staff could be assessed. In addition, the framework provided the basis for the development of overarching professional arrangements for Policing, including a set of common and consistent qualifications, accreditation and recognition.
- The leadership development programme provided the opportunity for the development of future leaders.
- Senior Leadership and Middle management seminars were held to continuously improve leadership skills and provided the opportunity for further leadership development.
- A coaching scheme was in place and provided the opportunity for supervisors and managers to improve and enhance their leadership skills. The Force mentoring scheme also provided the ability for individuals to develop and reach their potential. Both schemes promoted a culture of continuous improvement.
- Twice yearly Police Authority members' seminars took place, including Members training e.g. diversity, performance management, risk management etc.
- Member reviews were undertaken annually and training needs assessments were in place .

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Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation:

- Implementation of the Safer Neighbourhood Policing Model.
- Community Consultation Surveys.
- Partners and Communities Together panels, other Safer Neighbourhood meetings and neighbourhood watch/home watch meetings. A Police Authority Safer Neighbourhoods Protocol was developed which, together with member attendance at regular command team meetings, provided feedback to members on issues and priorities identified by Safer Neighbourhood teams/meetings.
- Use of the 101 telephone number for non-emergency calls. Use of contact cards and publication of contact details for making contact with Safer Neighbourhood teams.
- The Force was represented on all Community Safety Partnerships and the Police Authority was represented by nominated members
- Command and Section level consultation with community groups.
- Feedback from User Surveys and Force Contact Surveys.
- Feedback from strategic police consultation groups and reference groups.
- A comprehensive member's engagement pack was introduced to assist in developing the Authority's community engagement activities.
- An Operational Briefing Day was held.
- The Force website included details of Safer Neighbourhood team meetings, on-line surveys, how to complain etc.
- The Police Authority website included member details, meetings, community engagement activities, etc.
- Targeted media briefings on specific issues.

Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships and reflecting these in the Authority's overall governance arrangements:

- Recommendations from the continuous improvement review of partnership working have been implemented.
- Force Partnership policy and guidance that included a partnership risk assessment.
- A Partnership database was in place, which provided a register of partnerships.
- Internal audits of Force and Police and Crime Commissioner partnership arrangements were set up for when the PCC came into office.

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- The Strategic Planning Manager together with the Head of the Community Safety Team provided strategic coordination to partnership work.

Part Two – 22 November 2012 – 31 March 2013

4. THE GOVERNANCE FRAMEWORK

The Chief Constable is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Force, the Police and Crime Commissioner is required to hold them to account for the exercise of those functions and those of the persons under their direction and control. It therefore follows that the Police and Crime Commissioner must satisfy himself that the Force has appropriate mechanisms in place for the maintenance of good governance, and that these operate in practice.

The key elements of the systems and processes that comprise the governance arrangements that have been put in place for the Office of the Police and Crime Commissioner and Force are:

Identifying and communicating the Police and Crime Commissioner's vision of its purpose and intended outcomes for citizens and service users.

- The Force Strategic Assessment, supported by the Community Threat Assessment and the Capability Assessment, is the key element for informing and developing the Police and Crime Plan and forms part of the business planning cycle. The Commissioner's priorities for the Force are also determined against the background of a National Strategic Assessment and Government policing requirements including the Strategic Policing Requirement.
- Additionally, in conjunction with the Force, the Police and Crime Commissioner undertakes an extensive consultation survey that is sent to 12,000 people to inform policy, decision-making and the planning and development of policing services. Plans to introduce Police and Crime Commissioner community and victim forums and surgeries, and road shows including on-line engagement are in development. This is supported by, further consultation processes including Partners and Communities Together (PACT) forums, Community Safety Partnership surveys, consultation with community groups, and feedback from Police Consultation Groups.
- Monitoring of the Crime Survey in England and Wales (CSEW) provides a further mechanism for consultation as well as for monitoring performance at a high level.
- The Police and Crime Commissioner writes the Police and Crime Plan in consultation with the Force with the resulting Plan approved by the Police and Crime Panel. The Plan is informed and supported by more detailed Command and Departmental service plans and priority delivery plans which ensure that the high level priorities are translated into appropriate operational activity.
- The plan is launched through a series of briefings by the Police and Crime Commissioner and the Chief Constable to all Managers and Supervisors and then cascaded to all staff. Use is made of internal and external publicity material including brochures for stakeholders and the publication of the full plan and a summary version on both the Force and the Commissioner's websites. Internally the Force intranet includes a dedicated site to the police and crime plan to cascade information about

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the plan to all staff and includes video clips from police and crime plan launch events. Copies in other languages and formats are available on request.

- The on-line annual precept leaflet sets out details of the budget, council tax and the financial context.
- The Force operates an active stakeholder management strategy, which includes 15,756 registered recipients of the electronic community messaging system, Ringmaster.
- Force Boards which are attended and sometimes jointly chaired by the Police and Crime Commissioner regularly review specific policy areas and performance across the full range of its business areas (e.g. human resources, audit, community engagement etc). The Police and Crime Panel plays an important role in the development of the Police and Crime Plan and is consulted on it. A Members' Seminar held in December provides opportunities for members of the Panel to identify and discuss specific issues.

Reviewing the Police and Crime Commissioner's vision and strategy and its implications for governance arrangements:

- The Single Governance Model Policy and Procedure (Force's Corporate Governance Policy) outlines the business cycle, decision-making processes, meeting structures and standard, policy making arrangements and corporate records management.
- Each Force Board and meeting of the Force has specific terms of reference linking back to the principal objectives of the Force. The Single Governance Model Policy and Procedure and the Force's internal governance structures have been reviewed as part of the transition arrangements for the Police and Crime Commissioner.
- The Joint Independent Audit Committee, reviews the Governance Policy which is then formally adopted by the Police and Crime Commissioner and the Chief Constable.

Setting objectives and targets outlined in the Police and Crime Plan, including decision making structures:

- Led by a Chief Officer and as a sub-set of the Force Executive Board through the One Team programme, Dorset Police is reviewing all aspects of its business to meet the needs of our communities and the organisation within a significantly reduced funding environment. The One Team programme will achieve a reshaped Force by everyone identifying areas within their power to improve; getting it right first time; acting appropriately and quickly; avoiding duplication; and by pulling together to make sure that Dorset Police is the best that it can possibly be. Initial external validation of this process took place through a National Police Improvement Agency Gateway Review. Since December 2012 the National Police Improvement Agency has been known as the College of Policing. A further Gateway Review to be conducted by the College of Policing and focused on benefit realisation was recommended by the outgoing Police Authority.
- The Force Strategic Assessment enables the setting of priorities within the Police and Crime Plan and the Police and Crime Commissioner together with the Force sets annual and long-term targets for the achievement of those priorities, which are then approved by the Police and Crime Panel as part of the Plan.

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- The Police and Crime Commissioner is required to produce and publish a Police and Crime Plan that sets out the policing priorities for the year ahead and the longer term. The plan is produced in conjunction with the Chief Constable and informed by community and stakeholder views. It is then used to direct and monitor the Force's activities.
- The Plan also sets out details of the expected financial resources and their proposed allocation, linked to the approved financial strategy. It sets out relevant performance targets, key performance indicators and other statutory information as well as a summary of audit and inspection findings and responses.
- The overall Police and Crime Plan is supported by key resourcing plans and strategies such as the medium term financial strategy, workforce plan, the information systems and estates strategies. It is also supported by individual Command and Departmental service plans and priority delivery plans each of which contain local performance targets.
- Decision-making structures for the Force are set out in the Single Governance Model Policy and Procedure. The Police and Crime Commissioner is represented on Boards and jointly chairs some of the Force Lead Boards.

Monitoring performance against operational, financial and other strategic plans, including how key issues are identified and tasked:

- The Force and the Police and Crime Commissioner operate comprehensive performance monitoring arrangements.
- The Police and Crime Commissioner holds the Chief Constable and Force to account through Force Board meetings including Force Executive Board and the Strategic Performance Board meetings where performance is reviewed.
- The Chief Constable holds responsible Managers to account for performance at monthly meetings of the Force Executive Board, the Strategic Performance Board and through separate Command and Department performance meetings.
- The Force Strategic Assessment is reviewed on a quarterly basis as part of the Strategic Performance Board. Actions are tasked to the Strategic tasking and Co-ordinating Group meeting chaired by the Assistant Chief Constable.
- The Force Dorset Management Information System (DorMIS) is an intranet based framework that provides performance and organisational data at strategic, tactical, operational and personal levels to support performance processes.
- The publication of the Her Majesty's Inspectorate of Constabulary Value for Money profile provides useful comparative performance information and is reviewed through the Value for Money Board chaired by the Assistant Chief Officer, as well as being incorporated in data presented to the Strategic Performance Board when applicable.
- The One Team Board ensures that the process of performance assessment and fundamental reviews are continuously developed.

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- The Governance structure ensures that key performance indicators are reported and communicated between the Operational level and the Office of the Police and Crime Commissioner.
- A medium term Financial Strategy to be formally approved by the Police and Crime Commissioner will provide a framework for resource allocation and control. A full review of revenue reserves is undertaken in tandem with the review of the financial strategy. Budget monitoring information and projected year end spend is presented to the Force Executive Board monthly and financial management is tested by the Chief Constable as part of the performance review process with Commands and Departments.
- In conjunction with the Chief Constable the Police and Crime Commissioner sets the annual budget, which is fully aligned to the policing plan and subject to regular monitoring by Force Chief Financial Officer and the Treasurer to the Police and Crime Commissioner.
- Nationally Her Majesty's Inspectorate of Constabulary is the overarching body responsible for the oversight of Police Service performance though it is recognised that the work of other national bodies and agencies such as the College of Policing (CoP) and the Audit Commission are also relevant. The Home Office Police Crime Standards Directorate (PCSD) also produces performance monitoring information that is benchmarked against 'Most Similar Forces'
- The Police and Crime Panel monitors the achievements of the Police and Crime Commissioners priorities and outcomes as set out in the Police and Crime Plan.

Measuring the quality of services for users, to ensure they are delivered in accordance with the Authority's objectives and represent the best use of resources:

- Her Majesty's Inspectorate of Constabulary provides oversight of Force performance and gives independent assurance of Force compliance with established policies, procedures, laws and regulations. This includes value for money profile reports and performance indicators.
- The External Auditors record an opinion on value for money within the Force, drawing on information and assurance previously provided by the Use of Resources evaluation. Her Majesty's Inspectorate of Constabulary also provides a Value for Money conclusion for the Force and other external and internal audit reviews provide additional assurance.
- User satisfaction surveys are undertaken quarterly focusing on victims of particular categories of crime such as anti social behaviour, burglary and vehicle crime, which informs the development of services.
- There is proactive engagement with the community through the Community Safety Survey. This is conducted quarterly and generates annual sampling of 12,000 people, which provides important statistically valid feedback to the Force and Police and Crime Commissioner, about local concerns, local policing services and about the perception of how well the Force and Police and Crime Commissioner are at listening to and addressing local needs.
- A range of other surveys, contacts and groups are used to provide additional feedback. These include force contact surveys and staff surveys, deliberate

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community experience surveys, inputs from the strategic Police Consultation Groups, Critical Incident Advisory Group and community surveys.

- The Office of the Police and Crime Commissioner is developing a series of Police and Crime Commissioner Surgeries for individual meetings with members of the public as well as Police and Crime Commissioner and victim forums with the wider community.
- The Safer Neighbourhood teams across the County provide an important additional opportunity for engaging with communities to identify local policing priorities and objectives utilising Partners And Communities Together meetings and smaller meetings, such as 'street corner meetings'.
- Risk management processes by which key risks are identified and mitigated in the Force and Office of the Police and Crime Commissioner
- The Head of Governance has specific responsibilities for overseeing the Force's insurance and risk management arrangements, audit liaison and the Annual Governance Statement.
- A Strategic Risk Management Board operates as a forum to monitor corporate risks and Command and Departmental risk registers, and therefore discuss and promote risk management initiatives and issues. A Chief Officer chairs the Board with representation from key operational and support disciplines, the Office of the Police and Crime Commissioner and the Police and Crime Commissioner's Insurers and Brokers.
- A comprehensive insurance programme is in place in accordance with arrangements approved by the Treasurer to the Police and Crime Commissioner.
- Processes are in place for the continuous monitoring of sickness and accident data, and to provide feedback to relevant Commands and Departments.
- Health and Safety risk assessments and training are embedded across the Force.
- The Capability Assessment is undertaken annually which is linked to the review of the Police and Crime Plan. This process informs the ongoing identification of new and emergent risks to be monitored via the Corporate Risk Register.
- A quarterly Community Threat Assessment is undertaken that identifies, evaluates and monitors emergent risks to the Force. This allows priorities to be ranked according to their relative level of threat to the community.
- Corporate risks form part of the balanced scorecard of data to assist with the achievement and monitoring of corporate objectives.
- Command and Departmental risk registers are in place and informed by the corporate plan and local service plans.
- The Office of the Police and Crime Commissioners risks are incorporated within the Corporate Risk Register.
- The Risk Management Board monitors the Corporate Risk Register and the Command and Departmental Risk Registers.

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- Day-to-day operational risks are managed via dynamic risk assessments and supported by specific risk profiles of beat areas and operational orders for planned operations and major operational events.
- The Risk Management Board reports to the Force Executive Board via the Resource Board.
- Each Lead Board and Board meeting are responsible for the management of the risks relevant to their area of work.
- The Force reports details of the high risks recorded on the Corporate Risk Register on a quarterly basis to the Joint Independent Audit Committee.
- The Joint Independent Audit Committee has specific responsibilities in relation to risk management including the consideration of the overall effectiveness of those arrangements.
- The Professional Standards Board is co-chaired by the Chief Constable and the Police and Crime Commissioner and monitors its arrangements for the maintenance of professional standards.
- Through their role on the Force Executive Board the Treasurer reviews and contributes to risk management and is represented on the Strategic Risk Management Board.

Defining and documenting the roles and responsibilities of the Office of the Police and Crime Commissioner and Force and the senior members and officers within each, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinising Force activity:

- The Office of the Police and Crime Commissioner and Chief Constable have statutory roles.
- The Chief Constable is held to account for performance by the Police and Crime Commissioner.
- The Police and Crime Commissioner is subject to the scrutiny of the Police and Crime Panel.
- All Force personnel and members of the Office of the Police and Crime Commissioner have role descriptions.
- All police officers and staff have performance development reviews and objectives, linked to Force and Command objectives.
- Regular Command Team meetings are held by Chief Officers to discuss tactical co-ordination and performance.
- A scheme of delegation is in place that is reviewed and approved by the Joint Independent Audit Committee.
- Members of the Joint Independent Audit Committee are subject to an annual performance review.

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Developing, communicating and embedding standards of professional behaviour, for members, officers and staff:

- For the Force, Police Regulations including the Home Office Standards of Professional Behaviour define the standards for police officers and Special Constables. The National Police Staff Council's Standards of Professional Behaviour outline the standards required by members of police staff. All members of the volunteer scheme sign a commitment to the values of the Force upon appointment.
- The Force's Vision and Values and Rights and Responsibilities reinforce these standards.
- The Force Values, Standards of Dress/Appearance policy, Disciplinary policy, Dignity at Work and Grievance Procedure, Drug, Alcohol and Substance Misuse policy and Data Protection/Computer Standards policies are communicated as part of the induction process, which are applicable to all Force personnel.
- The Professional Standards Department are responsible for all complaints against police staff and police officers below the rank of Chief Constable, although arrangements exist for independent investigation support to conduct Association of Chief Police Officers misconduct/complaints enquiries from other Forces. The Police and Crime Commissioner operate arrangements to deal with complaints about the conduct of Chief Constable.
- The Professional Standards Department is also responsible for overseeing and monitoring a range of additional arrangements focused on upholding high standards of conduct and behaviour. These include the Business Interests register, Gifts and Hospitality register and the Association policy and register. These have all been subject to rigorous review and reflect national policy.
- The Force operates a policy to support officers reporting wrongdoing and provides a confidential email system for this purpose. A confidential phone line service is available through the Independent Police Complaints Commission.
- The Police and Crime Commissioner is subject to an agreed code of conduct embracing the Nolan principles, the seven principles of public life.
- The Professional Standards Board monitors the overall arrangements in respect of professional standards and diversity, including oversight of the complaints handling arrangements. Work has commenced to create an Ethics sub committee of the Joint Independent Audit Committee to provide independent oversight of these arrangements and report to the Professional Standards Board.

Reviewing and updating standing orders, standing financial instructions, a scheme of delegation, contract/procurement regulations, and supporting procedures notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks:

- The Force is compliant with the new Financial Management Code of Practice, pursuant to the Police Act 1996 and Police Reform and Social Responsibility Act 2011.

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- The Office of the Police and Crime Commissioner's procedural Standing Orders, Financial Regulations and Standing Orders on Contracts have been updated and approved. These are contained within the overall Corporate Governance Framework which was reviewed by the Joint Independent Audit Committee, presented to the Force Executive Board and approved by the Police and Crime Commissioner and the Chief Constable.
- The medium term financial strategy and reserve levels are set with regard to a financial risk assessment and will be reviewed by the Joint Independent Audit Committee and approved by the Police and Crime Commissioner.
- An approved scheme of delegation is in place. The Force Financial Manual sets out the details of the scheme along with financial instructions and procedures. This is available to all users electronically on the Force intranet. Work is in progress to update the Force Financial Manual, in line with changes arising from the One Team Review and the introduction of a new financial system from 1st April 2012. All changes will be ratified by the Police and Crime Commissioner and Treasurer.

Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committee – Practical Guidance for Local Authorities:

- The Joint Independent Audit Committee undertakes all of the requirements of an audit committee, as identified in the Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committee – Practical Guidance for Local Authorities.
- The effectiveness of the Joint Independent Audit Committee is subject to annual review, which includes a review of the Committee's terms of reference to ensure they remain relevant and fit for purpose.

Ensuring compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful:

- Appropriately qualified staff are recruited for key roles throughout the Force such as, Finance, Procurement, Estates Management, Human Resources, Risk Management, and Information Systems ensuring statutory compliance to legislation.
- Qualified accountants and finance staff undertake the Force's budgetary monitoring and control.
- Internal Audit inspection provides independent assurance to the Joint Independent Audit Committee, the Chief Constable and the Police and Crime Commissioner on the effectiveness and adequacy of systems of internal control.
- External Audit reports provide additional assurance to the Joint Independent Audit Committee and the Police and Crime Commissioner.
- The Treasurer is responsible for maintaining an adequate and effective internal audit function and has overall responsibility for the proper administration of the Police and Crime Commissioner's financial affairs. An annual Quality Assurance Programme is in place to review systems and processes at a tactical level across the Force.

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- The specific role of the Chief Executive for ensuring compliance is set out in the Police and Crime Commissioner's Financial Regulations and Standing Orders on Contracts. Statute requires that the Chief Executive is also the Police and Crime Commissioner's appointed Monitoring Officer.
- A comprehensive service of legal advice is available to the Force and the Police and Crime Commissioner through a solicitor supported by specialist legal resources.

Reporting wrongdoing and for receiving and investigating complaints from the public and handling citizen and other redress:

- The Police and Crime Commissioner has no general remit to consider or investigate complaints about operational policing or the conduct of police officers and staff, but the Police and Crime Commissioner is responsible for handling complaints about the conduct of the Chief Constable. However, under the Police Reform and Social Responsibility Act 2011, Police and Crime Commissioners have a clear role in terms of the oversight and scrutiny of the Force's complaints handling arrangements. Procedures are therefore in place for the Police and Crime Commissioner to monitor all complaints against officers and staff through the Professional Standards Board which the Police and Crime Commissioner co-chairs. It is proposed that scrutiny and monitoring will be underpinned by the creation of an Ethics and Appeals sub-committee which will also undertake dip sampling of complaints and monitor the handling of in-house appeals. Under the Act the Police and Crime Commissioners also have the ability to direct a Chief Officer to deal with a complaint in accordance with the legislation if they have not complied with their obligations.
- The Professional Standards Department ensures compliance with laws, internal policies and procedures.
- The Professional Standards Department oversees all complaints against police officers and staff below the rank of Chief Constable, ensuring compliance with the Police Reform Act 2002. The Force's complaints handling arrangements are subject to oversight by the Police and Crime Commissioner including audit and dip checking processes and are under the scrutiny of the Professional Standards Board. In house appeals will be subject to scrutiny by the proposed Ethics sub-committee.
- The Force has an Anti Corruption Unit, previously known as the Integrity Unit. Part of the Complaints and Misconduct Unit within the Professional Standards Department, it covertly investigates corruption or criminality within the organisation. Complaints from members of the public and overt investigations are conducted within the wider remit of the Complaints and Misconduct Unit.
- There is an overarching Anti Fraud, Theft and Corruption Policy which pulls together a number of different policies designed to prevent, identify and mitigate all acts of fraud and corruption perpetrated against the Force and Office of the Police and Crime Commissioner.
- The Office of the Police and Crime Commissioner and the Force participate in the Audit Commission National Fraud Initiative.
- The Force confidential e-mail system and the 'Confide in Us' service are managed by the Professional Standards Department and monitored by the Professional Standards Board.

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- In accordance with the Police Reform and Social Responsibility Act 2011 the Chief Constable is the appropriate authority for receiving, recording and arranging investigations in the event of a complaint about the conduct of a Chief Officer or member of Force personnel. It is the responsibility of the Police and Crime Commissioner to investigate any complaints relating to the conduct of the Chief Constable.
- Employer and Public liability claims are investigated by the Civil Litigation Unit and overseen by the Head of Governance and Professional Standards Departments respectively.

Determining the conditions of employment and remuneration of officers and staff:

- The Police and Crime Commissioner determine the remuneration for the Chief Constable having regard to relevant regulations and policies.
- The Chief Constable determines the remuneration of other Chief Officers in consultation with the Police and Crime Commissioner and having regard for relevant regulations and policies.
- Police Regulations determine the conditions of employment and remuneration for police officers.
- Police Staff conditions of employment are negotiated nationally and supported by local policy.
- Force job evaluation procedures determine the pay grade attached to a police staff job description.
- Police Staff pay awards are negotiated nationally via Unison
- Consultation mechanisms with the staff associations are in place.

Identifying and developing needs of members and senior officers in relation to their strategic roles, supported by appropriate training:

- All staff and officers have a professional responsibility to maintain continuous professional development. Individuals will also have an obligation to maintain their professional development as part of membership to external professional bodies.
- Performance appraisals are carried out annually, including 360 degree appraisal for supervisory roles and this allows for development needs to be identified and addressed.
- The Integrated Competency framework is being phased out and replaced with the Policing Professional Framework which provides the Service with the standards of professional competence against which all officers and staff can be assessed. In addition the framework provides the basis for the development of overarching professional arrangements for Policing including a set of common and consistent qualifications, accreditation and recognition.
- Leadership development programme provides the opportunity for the development of future leaders.

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- The Senior Leadership and Middle Management seminars are held to continuously improve leadership skills and provide the opportunity for further leadership development.
- A coaching scheme is in place and provides the opportunity for supervisors and managers to improve and enhance their leadership skills. The Force mentoring scheme also provides the ability for individuals to develop and reach their potential. Both schemes promote a culture of continuous improvement.

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation:

- Implementation of the Safer Neighbourhood Policing Model.
- Community Consultation Surveys.
- Partners And Communities Together panels, other Safer Neighbourhood meetings and neighbourhood watch/home watch meetings. A Safer Neighbourhoods Protocol has been developed which, together with member attendance at regular command team meetings, provide feedback to members on issues and priorities identified by Safer Neighbourhood teams/meetings.
- Use of the 101 telephone number for non-emergency calls. Use of contact cards and publication of contact details for making contact with Safer Neighbourhood teams.
- The Force is represented on all Community Safety Partnerships and the Police and Crime Commissioner is also represented.
- Command and Section level consultation with community groups
- Feedback from User Surveys and Force Contact Surveys.
- Feedback from strategic police consultation groups and reference groups.
- A stakeholder engagement day is held annually.
- The Force website includes details of Safer Neighbourhood team meetings, on-line surveys, how to complain etc.
- The Police and Crime Commissioner website includes details of meetings, surgeries community engagement activities, as well as e-communications opportunities etc.
- Targeted media briefings on specific issues.

Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships and reflecting these in the Police and Crime Commissioner's overall governance arrangements:

- Recommendations from the continuous improvement review of partnership working are being implemented.
- Force Partnership policy and guidance that includes a partnership risk assessment.

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- A Partnership database is in place, which provides a register of partnerships.
- Internal audits of our partnership arrangements.
- The Strategic Planning Manager together with the Head of the Community Safety Team provides strategic coordination to partnership work.
- The appointment of a Partnership and Commissioning Manager to the Office of the Police and Crime Commissioner.
- An internal audit of partnership arrangements has resulted in a number of recommendations that are being taken forward by the Force and Office of the Police and Crime Commissioner through the Partnership and Commissioning Manager.

5. REVIEW OF EFFECTIVENESS

The Force and the Office of the Police and Crime Commissioner have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including:

- the system of internal audit
- the system of internal control

These reviews have been completed and informed by the work of the Annual Governance Statement Working Group, internal auditors, and also managers within the Office of the Police and Crime Commissioner who have the responsibility for the development and maintenance of the governance environment. In addition, comments made by review agencies and inspectorates have informed the review.

It is the role of the Police and Crime Commissioner to make sure that the local police force is efficient and effective and to seek to improve policing performance and standards. The Police and Crime Commissioner provides opportunities for local people to have a say in how they are policed. He appoints and holds the Chief Constable to account for the services the Force provides to local people. The Police and Crime Commissioner also sets the Force budget and decides how much money to raise toward the cost of policing through the local council tax.

The Joint Independent Audit Committee has responsibility for monitoring and reviewing the arrangements for securing the efficient and effective management of all resources including land, property, finance and personnel, including oversight of continuous improvement. The Committee is responsible for keeping under review the effectiveness of the systems of internal control and internal audit as well as reviewing its own effectiveness. This includes reviewing the Committee's terms of reference annually to ensure that they remain fit for purpose.

The Joint Independent Audit Committee's terms of reference and delegated powers are as follows:

Financial and Treasury Management

- Review the Annual Statement of Accounts and seek assurance that the appropriate accounting policies have been applied.

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- Comment on the budget planning and budget setting process.
- Consider and keep under review the Medium Term Financial Strategy.
- Consider any policy or strategy regarding reserves.
- Consider any policy or strategy regarding loans, investments or borrowing.
- Consider any policy or strategy regarding asset management.
- Consider any policy or strategy regarding fees or charges for services, sponsorship, commissioning or the giving of grants.
- Review of Chief Officer Expenses.

Governance

- Approve the Annual Governance Statement for inclusion in the Statement of Accounts.
- Approve any Code of Corporate Governance for the Force or the Police and Crime Commissioner.
- In conjunction with the Chief Finance Officers and the Chief Executive, undertake an annual review of the effectiveness of the Audit Committee, to include a review of the Committee's terms of reference.

Internal Control

- Consider the Police and Crime Commissioner / Force Financial Regulations, Standing Orders on Contracts and Scheme of Consent (including powers to enter into contracts and acquire or dispose of property).
- Keep under review the anti-fraud and anti-corruption arrangements, including 'whistle blowing'.
- Keep under review the effectiveness of internal control systems and seek assurance regarding such systems.
- Commission assurance work e.g. specialist advice or audit.
- Consider and comment upon the assurance framework.
- Review compliance with policies relating to declarations of interest, gifts and hospitality.

Corporate Risk Management

- Consider the effectiveness of the Police and Crime Commissioner / Force risk management policy and risk management arrangements.
- Seek assurance that organisational risks are being managed effectively.

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- Comment on and monitor the insurance programme, insurance and broker appointment/renewal processes and the arrangements for risk financing.
- Seek assurance as to the continuing effectiveness of the Police and Crime Commissioner's and Force's business continuity arrangements.

Internal Audit

- Comment on any proposals affecting the provision of the internal audit service.
- Approve (but not direct) the annual Internal Audit Plan and monitor performance against the plan.
- Receive and review internal audit reports and monitor the progress of implementing recommendations.
- Consider the Annual Internal Audit Report.
- Comment on any proposals affecting the provision of the internal audit service.
- Keep under review the effectiveness of internal audit.
- Seek assurance that there are effective working relationships between internal and external audit.

External Audit

- Comment on any proposed appointment of external auditors.
- Consider the proposed annual audit fee.
- Approve the External Audit Plan and monitor performance against the plan.
- Receive and review the External Auditor's reports including the annual audit letter, audit opinion etc and monitor management action in response to any issues raised.
- Keep under review the effectiveness of external audit.
- Seek assurance that there are effective working relationships between external and internal audit.

Other

- Consider any other internal or external review or inspection report that has relevance to governance and financial matters, risk management and the internal control environment.
- Seek assurance as to the financial effectiveness of change or continuous improvement projects/programmes, including benefits realisation.
- Any other duties as appropriate and agreed, eg. Police Staff Appeals if required.

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The Chief Constable and Chief Officers provide decisions at an executive level and give direction to the Force. They discharge their responsibilities through the following:

- A personal portfolio of responsibilities that collectively, cover all functions of the Force, including formal delegations from the Police and Crime Commissioner.
- They chair boards and groups relevant to their portfolio, some lead Boards being jointly chaired with the Police and Crime Commissioner.
- Conduct regular performance inspections on Commands and Departments.
- The Force Executive Board sets and monitors progress in relation to the corporate aims, objectives and performance.
- Attendance at Regional and National meetings and through Regional Collaboration.

The Ethics Committee

A new Ethics Committee is being created as a sub-committee of the Joint Independent Audit Committee to provide independent scrutiny to the work of the Professional Standards Board and to replace certain functions previously carried out by the Police Authority in so far as they relate to complaints, professional standards and appeals.

The draft terms of reference are shown below:

The primary purpose of the Ethics Sub-Committee is to support the Police and Crime Commissioner and Chief Constable through challenge and scrutiny in the delivery of a Policing Service that is transparent in its work and upholds the principles of good governance.

It will achieve this by:

- Dip sampling of all Complaints.
- Keeping under review all 'in-house' complaints appeals.
- Review of Political Restriction of Posts Policy, determinations and appeals.
- Review of Business Interests Register of applications and decisions, and Determination of Appeals relating to Chief Officers.
- Review of Gifts and Hospitality declarations.
- Review of Pecuniary interest declarations of staff and officers.
- Review of Masonic Declarations.
- Review of disclosures and declarations under the Police and Crime Commissioner Code of Conduct.
- Determination of police staff appeals against dismissal.

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- Consider relevant reports and policy documents e.g. Her Majesty's Inspector of Constabulary, Independent Police Complaints Commission.
- Ad hoc reviews as may be requested from time to time by the Police and Crime Commissioner, Chief Constable, Monitoring Officer or Treasurer.
- Such additional activities as may be determined by the Police and Crime Commissioner, Chief Constable, Monitoring Officer or Treasurer.

Internal Audit

The Internal Auditors undertake an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisations objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

The Treasurer is appointed in accordance with Section 151 of the Local Government Act 1972 that requires the Police and Crime Commissioner to appoint a suitably qualified officer responsible for the proper administration of its financial affairs. The Treasurer has a legal duty to submit a section 114 report on unlawful expenditure, any loss or deficiency, or an unlawful item of account as a result of the exercise of executive functions, to the executive, and must send copies of the report the external auditor. The Chief Executive and Monitoring Officer provides strategic advice to the Police and Crime Commissioner to enable them to meet their statutory roles and responsibilities. The role of the Monitoring Officer is to report on likely contraventions of law under the Local Government and Housing Act 1989 and to provide and maintain high standards of conduct in accordance with the Local Government Act 2000 and other relevant enactments.

Key activities provided by the internal auditors are as follows:

- To review the audit needs assessment to confirm that all significant financial and non-financial risks are incorporated into the strategic and annual audit plans.
- The Terms of Reference and roles and responsibilities for the Internal Auditors (the South West Audit Partnership) are reviewed annually and approved by the Joint Independent Audit Committee.
- To provide an annual audit plan for consideration by the Treasurer, in consultation with the Chief Constable's Chief Financial Officer. This plan is reviewed annually and reported to the Joint Independent Audit Committee for members' approval.
- To undertake the audit reviews as specified in the approved annual audit plan and to report to the Treasurer and the Chief Constable on the adequacy of the systems and controls in place at the conclusion of each audit.
- To report quarterly to the Joint Independent Audit Committee on audit reviews, including assurances, any risks identified and on progress against the plan.
- To provide an opinion on the overall adequacy and effectiveness of the organisations internal control environment and disclose any qualifications to that opinion, together with the reasons for the qualification.

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- To draw attention to any issues the Group Audit Manager judges particularly relevant to the preparation of the Annual Governance Statement and to investigate financial irregularities as required by the Treasurer.
- Internal and External audit report independently to the Chief Constable and the Police and Crime Commissioner.

Other explicit external review and assurance mechanisms are:

- Her Majesty's Inspector of Constabulary inspections.
- Lessons learnt from the Home Office Professional Standards Unit.
- The Health and Safety Executive inspections and reviews in respect of reportable accidents.
- Lessons Learnt and reports from the Independent Police Complaints Commission .

Further internal review and assurance mechanisms are provided through:

- The Professional Standards Department investigations into complaints and misconduct.
- The review and monitoring of risk by the Risk Management Board.
- The audit and quality assurance programme managed by the Governance Department.
- Local quality assurance, audits and checks within individual commands and departments, such as call handling, data quality and child protection.
- The external audit on the financial statements by KPMG report directly to the Police and Crime Commissioner in the ISA 260 report.

We have been advised on the implications of the results of the review of the effectiveness of the governance framework by the Joint Independent Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

6. SIGNIFICANT GOVERNANCE ISSUES

Using the definition provided in guidance to support compliance with the Accounts and Audit Regulations 2003, Dorset Police and the Office of the Police and Crime Commissioner have judged the following to be control issues appropriate for comment:

Financial Context - Reductions in public sector funding nationally means there is a continued need for prudence and an increasing requirement to identify cashable savings within the police service. The One Team programme has enabled significant cash savings to be achieved, primarily through reduced recruitment, but it is clear that significant further reductions will be required across the next five years. National initiatives, including the Winsor and Hutton reviews, have also had to be accounted for within the medium and long term financial strategies. It is however essential that the Force remains fit for purpose within these funding constraints.

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Action: Since 2009 the Force has initiated a significant review of all police functions to ensure that in 2010 and each of the following years savings continue to be identified whilst delivering the necessary level of service. This programme of work, called “One Team”, is the mechanism by which the majority of cost savings to meet the anticipated funding reductions is identified. This programme is focused primarily on workforce structures and has already resulted in a significant reduction in police staff and police officer numbers. The requirement for, and level of non staff budgets is challenged annually as part of the budget setting process with the aim of driving further savings out. Financially viable technological solutions are being used to further support the ongoing need for efficiency. However the Force ability to capitalise on the latest IS technology in the future is likely to be significantly curtailed through anticipated future cuts.

One Team Change Programme - The One Team Change Programme is a major change programme affecting the whole Force, aimed at maintaining service delivery with significantly reduced resources. The programme consists of a co-ordinated number of individual projects that cover the entire range of functions carried out by the Force, ensuring that changes in one area are taken account of in others. Due to the scale of the funding reductions to date and the further anticipated reductions, this continues to be a challenging programme to deliver. The current phase of the programme is delivering a structure for 2015 that is scalable to fit the anticipated level of funding. The associated reduction in service provision could potentially affect public confidence and their perception of feeling safe within their communities, and confidence levels are therefore closely monitored. The internal governance arrangements for the Force have been revised to ensure they remain robust and fit for purpose and are subject to ongoing monitoring.

Action: The One Team Programme is being managed using the Prince 2 methodology in project management. This work has been supported by an external ‘Gateway’ review in early 2011 at the request of the Police Authority to ensure independent and external quality assurance. The Police Authority recommended that a further ‘Gateway’ review be undertaken at a later stage of implementation to provide continuing external assurance of the programme, with a particular focus on validating progress and benefit realisation. Benchmarking of services takes place primarily using the “Value for Money Profiles” published annually by Her Majesty’s Inspectorate of Constabulary, to inform the direction of the One Team programme. All business cases prepared as part of the programme make reference to the relevant “profiles” as the drivers for change. The Force is currently implementing a structure for 2015 to fit with the anticipated levels of funding. These measures will be further tested by the internal audit programme.

The Regional Collaboration Programme - The Police Authority was represented on the Regional Police Authority Joint Committee (PAJC), a statutory body with representatives from all five Police Authorities in the South West. They had signed up to a Regional Collaboration Programme with a number of work streams, each led by a Chief Office.

The change in governance that occurred with the appointment of the Police and Crime Commissioners has not lessened the motivation or commitment to collaboration and whilst a formal governance structure has yet to be established, a programme of regional meetings of the Police and Crime Commissioners, Chief Executives and Chief Constables has been established to continue the work already started, and identify further opportunities.

The collaboration programme for Dorset Police extends beyond the Regional boundaries and will continue to do so. Currently there are workstreams that involve collaboration on a national level, cross border with other police forces and continued collaborative activities with local authorities in Dorset.

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The internal governance adopts the same protocols as used for the Force's internal review team, with individual leads identified for the particular collaborative work streams and proposals being formally presented through a business case to the Executive Board for sign off by the Chief Constable and / or Police and Crime Commissioner as appropriate.

The five South West Office of Police and Crime Commissioners have commenced a high level review of all existing collaborative work and are currently in the process of identifying further opportunities

Action: Dorset Police continues to review and identify opportunities for collaboration based on the optimum value this will bring to the Force which will encompass collaboration with forces in addition to those in the South West.

Any decisions on collaboration will be fully reported through the internal governance process and decisions of the Police and Crime Commissioner will be published on the intranet.

Partnership working - Force partnership arrangements continue to be an opportunity and a risk to the Force, particularly in light of the significant and ongoing constraints on all public sector budgets. The Force works closely with public sector partners, who are suffering from similar constraints on their budgets that will increase the pressure to reduce contributions to partnership funding. Last year's statement identified the recommendation to review partnerships working. This took place as part of the One Team Programme, to create a better understanding of the resources provided to partnership working and to identify opportunities to rationalise our engagement without adversely affecting their contribution to the achievement of our corporate objectives. Partnership working arrangements were also subject to an audit by the South West Audit Partnership. This resulted in a number of recommendations that are now being progressed by the Partnership and Commissioning Manager and the Force Strategic Planning Manager.

The newly appointed Police and Crime Commissioner has responsibility for Partnership and Commissioning and new arrangements including the appointment of a Partnership and Commissioning Manager have been put in place.

Action: To continue to engage at all levels with our partners and monitor the implementation and ongoing management of the Partnership arrangements.

The Commissioning and Partnership Manager will set out a Commissioning and Partnership Strategy to be agreed by autumn 2013.

The Strategy will consider the partnership landscape, how it can currently support future commissioning work or be reshaped in light of national and local changes to support that work.

It will provide a more detailed plan of work against current and future funded services to meet the priorities of the Police and Crime Plan.

Policies and Procedure - As part of the transition arrangements to the Police and Crime Commissioner all policies were subject to review and updated according to priority. Each policy is subject to an equality impact assessment. Under the new governance arrangements each Lead Board is responsible for the policies in their portfolio area, to ensure they remain up to date and are being applied appropriately. A Force policy officer has been appointed with specific responsibility for the coordination of all Force policy work, and to ensure they are updated promptly. Significant progress has however been made in recent months with an updated template for both policies and Equality Impact Assessments

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in place and over thirty new or updated policies being placed on the Force policy database in the last month of this reporting year.

A progress report on policies is presented to the quarterly People, Confidence and Equality Board chaired by the Deputy Chief Constable. Officers and staff have updates identified to them through a regular General Orders policy update.

During 2012 Authorised Professional Practice was introduced and this is expected to reduce and standardise the content of some operational policies in the medium term.

Ensuring policies and impact assessments due for review are initiated and followed up is the responsibility of the Force Policy Co-ordinator. The identification of changes to specific policies due to changes in legislation, case law or guidance is the responsibility of the owning department and Lead Board.

Action: Measures must be taken to monitor the effectiveness of the new arrangements with regard to policy creation, management and reporting. All policies will have an owning Lead Board and the Policy Co-ordinator will identify policies in Lead Board portfolio area that are due for review to ensure appropriate action is taken.

External and Internal Audit have both indicated that in their opinion there are no audit issues found over the last year for inclusion in the annual governance statement, and this is reflected in the Annual Audit Letter and Annual Audit Report. However the Police and Crime Commissioner and Force are committed to enhancing our service, systems and processes to ensure continuous improvement in our systems of internal control and governance. Throughout 2012-13 this has been primarily through the One Team programme and the transitional arrangements to the Police and Crime Commissioner.

The following areas of work have been identified in this review to be taken forward over the coming year:

- To further embed the new Governance arrangements across the Force and to ensure their ongoing effectiveness.
- To continue to develop and investigate the opportunity to maximise the use of advanced technology to improve the deployment and use of all Force resources.
- To maintain a continuous review of the Force staffing levels with particular reference to minimising the risk associated with succession planning and the identification and management of 'single points of failure' and resilience.
- To review the arrangements for the management of Force meeting records to ensure maximum transparency in decision making processes.
- To continue to monitor and improve where appropriate the programme for testing business continuity arrangements across the Force.
- To monitor and review the effectiveness of the governance arrangements in support of partnership and collaboration opportunities to maximise the benefit to the Force.
- To ensure the Governance arrangements around Volunteers, help to maximise their, recruitment, management, and utility in support of the Police and Crime Commissioners strategy to the benefit of the Force and Community of Dorset.

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Documents referred to in the body of the Annual Governance Statement can be accessed via the Force Website on www.dorset.police.uk or on the Police and Crime Commissioner website www.dorset.pcc.police.uk.

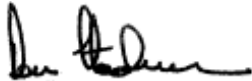
We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation as part of our next annual review.

Signed



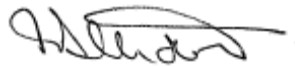
Miss Debbie Simpson
Chief Constable

30 September 2013



Mr Dan Steadman
Chief Executive and Monitoring Officer

30 September 2013



Mr Martyn Underhill
Police and Crime Commissioner for
Dorset

30 September 2013

GLOSSARY OF FINANCIAL TERMS

The following definitions of technical terms used in these accounts may be of assistance.

ACCOUNTING PERIOD	The period of time covered by the accounts, which for this PCC means a period of twelve months commencing on 1 April.
ACCOUNTING POLICIES	The principles, conventions, rules and practices that specify how the effects of transactions and other events are recognised, measured and presented in the financial statements.
ACCRUAL	Sums included in the final accounts to cover income and expenditure attributable to the accounting period but for which payment has not been made or received by 31 March.
ACTUARIAL VALUATION	An independent report on the financial status of the Pension Fund, which determines its ability to meet future payments.
AGENCY SERVICES	The provision of services by one body (the agent) on behalf of, and generally with reimbursement from, the responsible body.
APPROPRIATION	A transfer of monies between the revenue account and the balance sheet.
ASSET	Something of worth that is measured in monetary terms e.g. land and buildings (also referred to as capital assets or fixed assets).
BALANCES	The accumulated surplus of income over expenditure.
BUDGET	A statement of the PCC's plans expressed in financial terms for a specified period of time.
CAPITAL CHARGE	A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of services.
CAPITAL EXPENDITURE	Expenditure on the acquisition or construction of significant assets (e.g. land and buildings) which have a long term value to the PCC (also referred to as capital spending or capital payments).
CAPITAL GRANTS	Grants paid to the PCC in support of approved capital projects.
CAPITAL RECEIPTS	Income from the sale of capital assets (land, buildings, etc.).
COLLECTION FUND	A fund maintained by district, unitary and borough councils for the collection and distribution of local tax receipts. County, police, fire, district, unitary and parish council precepts are met from these funds.
CONSISTENCY	The principle that the accounting treatment of like items within an accounting period and from one period to the next is the same.
CONTINGENCY	A sum of money set aside to meet unforeseen expenditure.
CONTINGENT LIABILITY	A possible obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.
CORPORATE & DEMOCRATIC CORE	Those activities which police authorities engage in specifically because they are elected authorities. There is no basis for apportioning these costs over services.
COST CENTRE	A specific area of activity where control of certain budgets has been delegated.
COUNCIL TAX	A property based tax, with discounts for those living alone, which is administered by District, Borough and Unitary Councils.
CREDITORS	Amounts owed by the PCC for work done, goods received or services rendered but for which payment has not been made by the end of the accounting period.
CUSTOMER & CLIENT RECEIPTS	Income derived from services provided by the PCC, from sales (excluding land & buildings), and from rents.
DEBTORS	Amounts due to the PCC but unpaid by the end of the accounting period.
DEPRECIATION	The measure of the use of a fixed asset over its economic life.
EMOLUMENTS	All sums paid to an employee, including any allowances chargeable to UK income tax, but excluding pension contributions payable by either employer or employee.

GLOSSARY OF FINANCIAL TERMS

ESTIMATION TECHNIQUES	The methods adopted to arrive at estimated monetary amounts, corresponding to the measurement bases selected, for assets, liabilities, gains, losses and changes to reserves. These implement the measurement aspects of the accounting policies, and include selecting methods of depreciation and making provision for bad debts.
FIXED ASSETS	Assets that provide benefits to the PCC and the services it provides, for a period of more than one year.
HOME OFFICE GRANT	A central government grant paid by the Home Office to Police Authorities in support of their day to day expenditure, allocated by means of the four block model.
IFRS	International Financial Reporting Standards (IFRS) as they apply to Local Authorities in England.
IMPAIRMENT	A loss in the value of a fixed asset or financial instrument, arising from physical damage such as a major fire, or a significant reduction in market value, or a situation where capital spending on an asset has no effect on the value of the asset.
NATIONAL NON-DOMESTIC RATES (NNDR)	District and Unitary councils collect this tax locally and pay it to the Government. It is then re-distributed to Police and other Local Authorities on the basis of resident population.
NON DISTRIBUTED COSTS (NDC)	Overheads for which no user benefits, and therefore not apportioned over services. Previously this was called Unapportionable Central Overheads (UCO).
NON-OPERATIONAL ASSETS	Fixed assets that are not occupied or used in the delivery of services. Examples are investment properties and assets surplus to requirements, pending sale.
PENSION FUND	For staff other than police officers, contributions from both employers and employees are invested for the time being, and used to provide pension benefits to contributors and their dependants. Police officer pensions are not paid into an investment fund, but are paid directly from revenue expenditure.
PRECEPT	A levy requiring the District, Borough and Unitary Councils to collect income from council taxpayers on behalf of the PCC.
PROVISIONS	Amounts set aside to meet liabilities or losses which are likely to be incurred, but where the actual sum and timing are uncertain.
RESERVES	Sums set aside to meet the cost of specific future expenditure.
REVENUE EXPENDITURE	The day to day costs incurred by the PCC in providing services.
REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (FORMALLY) DEFERRED CHARGES	Where capital expenditure does not result in the acquisition of a fixed asset, or is incurred on an asset not belonging to the PCC, the expenditure is charged directly to the income and expenditure account in the year it occurs with the necessary appropriations in the Statement of Movement on the General Fund Balance and the Capital Adjustment Account.
REVENUE SUPPORT GRANT (RSG)	A general central government grant paid to the PCC, in addition to Home Office Grant, in support of its day to day expenditure.
RUNNING COSTS	Expenditure incurred on the use of premises, transport and equipment, together with other general expenditure necessary to enable the service to be provided.
SPECIFIC GRANTS	Grants from the Home Office, additional to other grants, for specific projects.
STOCKS	The amount of unused or unconsumed stocks held in expectation of future use. Examples include consumable stores and services in intermediate stages of completion.
THIRD PARTY PAYMENTS	The cost of specialist or support services purchased by the PCC from outside contractors and other bodies.
TOTAL COST	The total cost of a service includes all revenue expenditure (see above) and support services, overheads and capital charges.
TRUST FUNDS	Funds administered by the PCC for such purposes as prizes, charities and special projects.

www.dorset.police.uk