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### **JOINT AUDIT RISK ASSURANCE COMMITTEE AGENDA**

<b>DATE OF MEETING</b>	Wednesday 29 <sup>th</sup> April 2026
<b>TIME OF MEETING</b>	10:00
<b>LOCATION</b>	In person – Conference Room 3 HQ
<b>PCC CONTACT OFFICER</b>	Ms M Poole
<b>CONSTABULARY CONTACT OFFICER</b>	Mr A Price
<b>DISTRIBUTION</b>	<p><b><u>Force/OPCC</u></b>  Commissioner N Ndiweni – Roberts – NNR  Chief Constable R Swann – RS  Deputy Chief Constable – S Blatchly - SB  Mr A Dale - AD  Ms M Romano – MR  Ms M Poole – MP  Mr A Price - AP  Ms D Brown – DB  Kirsty Holding – KH  Gemma Booth – GB  Bev Bull – BB  Tracy Wilson - TW</p> <p><b><u>Audit</u></b>  Ms S Knowles (Mazars) - SK  Mr A Campbell (Mazars) - AC  Mr R Anderson (Grant Thornton) - RA  Ms K Lees (Grant Thornton) – KL  Ms M Hancox (Grant Thornton) - MH</p> <p><b><u>Members of the JARAC</u></b>  Ms S Sunderland (Chair) - SS  Ms J Charlton - JC  Mr L Harrold - LH  Mr A Jenkinson - AJ  Mr B Mellor - BM  Ms S Beecham – SB2</p>

**AGENDA 29<sup>th</sup> APRIL 2026**

<b>Item</b>	<b>Page Number</b>	<b>SUBJECT</b>	<b>Presented by</b>	<b>Paper or Verbal Update</b>
<b>1</b>		<b>APOLOGIES FOR ABSENCE</b>	<b>SS CHAIR</b>	<b>V</b>
<b>2</b>		<b>DECLARATIONS OF INTEREST (IF ANY)</b>	<b>ALL</b>	<b>V</b>
<b>3</b>		<b>MINUTES OF THE MEETING HELD ON 28<sup>th</sup> JANUARY 2026</b>	<b>SS CHAIR</b>	<b>P</b>
<b>4</b>		<b>ACTIONS OF THE MEETING HELD ON 28<sup>th</sup> JANUARY 2026</b>	<b>SS CHAIR</b>	<b>P</b>
<b>5</b>		<b>JARAC BUSINESS ITEMS</b>		
<b>5A</b>		FORWARD PLAN	<b>SS CHAIR</b>	<b>P</b>
<b>6</b>		<b>EXTERNAL AUDIT</b>		
<b>6A</b>		EA PROGRESS REPORTS	<b>RA/KL</b>	<b>P</b>
<b>7</b>		<b>INTERNAL AUDIT</b>		
<b>7A</b>		IA PROGRESS REPORTS	<b>SK/AC</b>	<b>P</b>
<b>7B</b>		IA RECOMMENDATION LOG	<b>CHAIR</b>	<b>P</b>
<b>8</b>		<b>INTERNAL CONTROL AND GOVERNANCE</b>		
<b>8A</b>		YEAR END ACCOUNTING ARRANGEMENTS & ACCOUNTING POLICIES 25/26	<b>BB</b>	<b>P</b>
<b>8B</b>		REBUILDING EXTERNAL AUDIT ASSURANCE UPDATE	<b>BB</b>	<b>P</b>
<b>8C</b>		FINANCIAL HANDBOOK (FORWARDED FROM JAN MEETING)	<b>EE</b>	<b>P</b>
<b>8D</b>		POLICIES UPDATE - PROFESSIONAL STANDARDS REPORTING POLICY	<b>CHAIR</b>	<b>P</b>
<b>9</b>		<b>GUEST SPEAKERS</b>		
<b>9A</b>		COMPLAINTS PERFORMANCE – UPDATE ON MEETINGS WITH IOPC REP FORCE/OPCC	<b>KA</b>	<b>P</b>
<b>9B</b>		OPCC COMPLAINTS UPDATE	<b>MR</b>	<b>P</b>
		<b>ANY OTHER BUSINESS</b>		
<b>10A</b>		JARAC MEMBER SELF ASSESSMENT (CIPFA Checklist)	<b>CHAIR</b>	<b>V</b>

**MINUTES of the JOINT AUDIT, RISK and ASSURANCE COMMITTEE meeting held on 28 JANUARY 2026**

**PRESENT**

Ms S Sunderland – in the Chair  
 Mr A Jenkinson  
 Ms J Charlton  
 Mr L Harrold

Apologies:

Ms M Poole  
 Mr B Mellor  
 Ms S Beecham

**OPCC Present:** Mr A Dale, Ms M Romano, Ms D Brown, Mr E Eruero, Ms J Connolly-Thompson,  
**Constabulary Present:** Mr A Price, Ms M Shanley, Ms B Bull, Ms G Booth,  
**Internal Audit:** Ms S Knowles, Mr A Campbell,  
**External Audit:** Mr R Anderson, Ms K Lees,

<b>01/26</b>	<b>APOLOGIES</b>	
	Ms M Poole Mr B Mellor Ms S Beecham	
<b>02/26</b>	<b>DECLARATIONS OF INTEREST</b>	
	None.	
<b>03/26</b>	<b>MINUTES OF THE MEETING OF THE JARAC HELD ON 08 OCTOBER 2025</b>	
	SS raised some amendments that were needed on the previous minutes on behalf of BM in his absence.  These were sent via email from SS to MP and MP has amended these.	
<b>04/26</b>	<b>REVIEW OF ACTIONS</b>	
	SS raised an action for EE that as internal audit reports are received in between JARAC meetings these are circulated to the JARAC members.	

	<b>ACTION: IA reports are circulated by EE as they are received in between JARAC meetings to the JARAC members.</b>	<b>ACTION: IA reports are circulated by EE as they are received in between JARAC meetings to the JARAC members.</b>
<b>JARAC BUSINESS ITEMS</b>		
<b>05/26</b>	<b>FORWARD PLAN</b>	
	<p>MP to update forward plan to reflect the IA Plan as this was brought early to the January JARAC meeting.</p> <p><b>ACTION – MP to update forward plan and take the IA Plan off the forward plan for the April JARAC meeting.</b></p>	<b>ACTION – MP to update forward plan and take the IA Plan off the forward plan for the April JARAC meeting.</b>
<b>06/26</b>	<b>EXTERNAL AUDIT – Grant Thornton</b>	
	<p>RA apologised for the limited time the committee had to review the report, introduced KL and advised she has stepped in to support as Audit Manager should anybody have any questions on the report.</p> <p>RA advised there has been progress made since the report was drafted last week and a final version will be submitted once all audit work is complete and this will be in advance of the backstop date at the end of February 2026.</p> <p>RA thanked AD and BB for their work and assistance. Page 6 summarised GT audit findings and advised there are no adjustments which have been made to primary statements to either set of accounts.</p> <p>As previously discussed with the committee due to the ongoing impacts of the previously disclaimed years of accounts GT cannot gain sufficient audit evidence to support a modified opinion on either set of accounts so opinions will be disclaimed.</p> <p>When the report was drafted there was a risk highlighted around Police Officers pension liability and pension fund account, but this has been progressed in the last week and work is complete subject to final review. GT are hoping this will be concluded on and not be referred to a disclaimed audit report.</p>	

SS asks RA to explain on the the annual governance statement that GT have been unable to consider whether it is misleading or inconsistent.

RA explained that GT have still done the work on the annual governance statement however, where they have given a disclaimed opinion they do not provide explicit assurance and this also applies for going concern which is seen later in the report.

RA moved onto value for money findings where no significant weaknesses have been reported. RA confirmed that GT have not made use of any statutory duties but they cannot certify closure of the audit in February. This is because NAO have not completed their work on the whole of government accounts and this applies across all of the sector, so the certificate is held open until NAO confirm work is complete.

RA explained that recommendations have been given around the reconciliation of PPE and obtaining information from police officer pension fund administrator and it is important these are addressed to support timely completion of future audits.

RA moved on to page 9 of the report which confirms the backstop date for 25/26 which is the end of February and confirmed that GT are making plans with AD and BB to ensure this is met and all reports are finalised well in advance.

RA highlighted the backstop date is moving forward for 2025/26 its January 2027 and for 2026/27 it moves to November 27 so a real drive to bring audit work forward.

RA moved to page 12 which is a summary of the status of audit work as of the time the report was shared. There are a few areas labelled red which are PPE and the split of the LGPS Pension liability progress has been made in other areas.

RA moved to page 15 of the report and emphasised GT has not changed materiality from what was previously reported.

RA confirmed work has been completed on Management Override Controls and identified control recommendations on journal approval and access to the finance system. Regarding valuations of land and buildings this is marked as red due to the differences identified between the valuation report, asset register and PPE figures in the ledger however further explanation has been provided in the last day around this and further work is anticipated on this.

RA explained that valuation of pension liability risk is labelled red due to there being no separate IS19 report which splits pension liability between PCC/CC accounts.

In relation to IFRS 16 a new accounting standard in 24/25 which is rated at amber due to there being some gaps in the adoption of the standard. There have been some recommendations made which need to be addressed moving into 25/26.

RA moved onto page 27 and addressed the fact that work is still ongoing with joint owned assets with Derbyshire Fire & Rescue.

RA confirmed that IT Control Environment work has been completed and recommendations have been made and management responses have been provided.

RA went through the high priority recommendations which GT have raised in their report.

RA explained within the report the proposed fee for the audit has been outlined to reflect the work done on joint controlled operations and subject to agree with management and PSAA.

RA highlighted that GT will be requesting a letter of representation from management referring to appendix B.

SS felt the report was a very comprehensive audit and a clear statement of the work we have done and what work is upcoming. SS asked BB and AD for their feedback on how the audit has gone and the recommendations made.

BB fed back in relation to the PPE variances the force have now identified where the variances have been within the report and understood why there is a difference between the valuation report and the ledger figures. BB is satisfied that the differences have been identified and will be providing a full reconciliation back to the auditors. In terms of the other recommendations in relation to PPE and the assets register a CIPFA accredited asset management system is being implemented to prevent these issues moving forward.

AD added that there were some delays in getting the reports sent through due to previous staffing issues. AD confirmed that the pension split will be implemented for the next audit close. BB added that this has been requested through Derbyshire LGPS Scheme and the force are waiting for the next steps.

LH asked a question around outstanding actions from the previous year and suggested having an external audit action tracker to monitor this. SS advised that some of the actions won't demonstrate things have been done immediately so might be better to have a separate follow-up report on progress against the actions part way through the year as coming to the end of close down.

	<p>BB and SS agreed to have a report on the progress of external audit recommendations at the July JARAC. SS asked this was added into the forward plan.</p> <p><b>ACTION: MP to add an external audit recommendations progress report to the forward plan at the July JARAC.</b></p> <p>LH added a second point around the external audit comments around privileged access to systems and asked IA if they looked at this part of their Key Financials internal audit work both 2024 and 2025 as nothing has been reported.</p> <p>SK advised that the areas are rotated annually and they do not look at the same areas year on year so could be due to the scope at that time. SK cannot comment at this moment, and it just goes on what the auditors are looking at that time.</p> <p>AC added that generally MAZARs are looking at a sample of users, and although there are five users that have the access, they do not identify them as inappropriate people to have the access it isn't people they think shouldn't have it.</p> <p>SS added it would be helpful given the findings that if it isn't covered in the current audit, it could be a focus in next year's audit to confirm there are no issues moving forward.</p> <p>SS wants to schedule another meeting to sign off the accounts before 27<sup>th</sup> February and asking when the auditors need this to take place. BB has to have a revised draft final of accounts completed by 6<sup>th</sup> February 2026. RA advised sometime in the week of the 16<sup>th</sup> February 2026. An hour and an online meeting to be scheduled ASAP.</p> <p><b>ACTION: MP to arrange a meeting to sign off the accounts W/C 16<sup>th</sup> February 2026.</b></p>	<p><b>ACTION: MP to add an external audit recommendations progress report to the forward plan at the July JARAC.</b></p> <p><b>ACTION: MP to arrange a meeting to sign off the accounts W/C 16<sup>th</sup> February 2026.</b></p>
07/26	<b>INTERNAL AUDIT</b>	
	<p>AC talked through the progress report. AC mentioned in regard to the reports many of them were all positive audits and recommendations have been accepted with management responses provided. AC asked for any questions.</p> <p>SS asked around the delivery of the remaining programme due to there still being some work to do. SS asked when the Head of internal audit opinion will be given. SK confirmed they are on track to have this delivered by June 2026. SS asked if there</p>	

will be an issue around completing this year's audit and starting next year is there enough resources to be able to do this? SK advised there is only one piece of work scheduled for April 26 from this plan. SK advised that new recruits are going through vetting process so that an early start can be made on next year's audit plan.

SS raised a query on the positive action report where one of the recommendations had a due date of 31<sup>st</sup> October 2025 why this report took such a long time to finalise. SK confirmed it was timing as this report was finalised shortly after the last committee meeting in October 2025 as it missed the paper deadlines.

SK outlined the 2026/27 audit plan. SK mentioned that the standards for internal audit changed back in April 2025 but also CIPFA issued a code of practise for governance of internal audit in local government which includes police as well. This has been incorporated within the strategy and starter to ensure the purpose of internal audit is clear as well as the purpose of JARAC. These are the key difference in comparison to previous documents. The work hasn't changed it is just to ensure the work is delivered as it needs to.

SK moved onto the operational plan and explained that MAZARs met with key members of staff in December 2025 to discuss these areas. A review was done of both the Force/OPCC risk registers as well as any emerging risks and HMRC reports that might impact the work throughout 2026/27.

SK mentioned there has been some significant revisions to the charter to demonstrate that they are complying with the new standards and code of practise from CIPFA.

**ACTION: MP to send out IA papers from the pack as there was a problem with the initial PDF documents.**

LH mentioned around the point on the JARAC assessing the boxes that give the rationale on some of these it doesn't give much insight its difficult for the JARAC to challenge in the absence of this. SK confirmed that each service area is met with to set up a more detailed scope however SK is happy to take this on board to add more explanation into this on the final plan.

JC raised her concerns around the fact that we have small budgets to cover the number of areas and whether we are comfortable with the budgets that MAZARs can do a sufficient assurance review. SK confirmed that the budgets are bigger than they were 3-4 years ago and they were very tight. The budget has increased and there are fewer audits being done. SK confirmed there is discussions had with management so if

**ACTION: MP to send out IA papers from the pack as there was a problem with the initial PDF documents.**

	<p>there are areas that need deeper work done then the scope areas would be reduced, and the plan would be adjusted accordingly. LH followed up on this and asked if AI is being used to look at entire populations rather than just samples. If this is being done to advise the JARAC members on this that the entire population has been looked at as this would assist the committee. SK confirmed that MAZARs do not use AI to look at entire populations currently due to some restrictions however, there is other data analytics tools that are being used to allow them to look at the whole data sets rather than a sample.</p> <p>JC raised another query around the coordination point and there is no coordination considered within the plan. JC asked SK to talk her through how MAZARs are working towards a more integrated assurance approach. SK confirmed that at Derbyshire now there has been assurance framework done within the last 12 months which has made this easier. It is in consultation if they feel they have sufficient assurance then the work wouldn't be duplicated given time resources to focus on other areas of the business that may need it.</p> <p>SS added that if there is ever any point where if there was concern that there is not sufficient budget to enable to look at the key areas in depth then raise this with the JARAC.</p> <p>SS asked why the collaboration in next years plan is reduced, is this a specific reason. SK confirmed it is the same as the last two years plans has not been reduced. AC added the plan states the days that Derbyshire are responsible for and the work is ongoing.</p> <p>SS asked if JARAC were happy to approve the plan and the plan was approved.</p>	
08/26	<b>IA RECOMMENDATION LOG</b>	
	<p>SS discussed the fact that the recommendation around the corporate governance framework recommendation was closed in July. The financial handbook is still coming to the JARAC and this is better as a separate item as per the agenda and the recommendation on this can be closed.</p> <p>SS moved onto the transport recommendation and as per the most recent update this recommendation can now be closed.</p> <p>SS confirmed everybody was happy and asked that recommendations are updated for the new reports.</p> <p><b>ACTION: MP/MS to ensure IA tracker is updated for the new reports.</b></p>	<p><b>ACTION: MP/MS to ensure IA tracker is updated for the new reports.</b></p>
	<b>INTERNAL CONTROLS AND GOVERNANCE</b>	
09/26	<b>FINANCIAL MONITORING AND PLANNING</b>	

	<p>BB went through the report and explained that the report shows the position up until November 2025 and it shows overall the force were moved into a underspend position of £184,000 which was made up of the small overspend predicted of in terms of the force £100,000 and an underspend of the PCC budget of 284,000. In terms of police officers, salary and overtime there was an underspend of £129,000. Police staff was overspent at just over half a million due to not achieving the vacancy rate and following on from this there has been the work around vacancy control panel and the MARS process which has improved the position since this report. Employee costs were overspending in relation to training and accommodation.</p> <p>Police pensions there has been an overspend due to having more ill-health retirements that the fore have budgeted for. Transport costs are also predicting an overspend in relation to costs associated with the vehicles however, some of this is claimed back through insurance etc. Insurance income sits separately which is why that overspent looks significant, but this has been amended so this is presented differently going forward. Supplies and services are predicting an underspend – this is around uniform, equipment and dangerous dogs etc.</p> <p>Income has been overachieved in relation to additional income being recovered. Grants and partnership there is an over achievement of income in relation to the grants. On the OPCC side there is an underspend the majority of this is in relation to changes of debt charges.</p> <p>BB explained the movements where the variances have gone up are in relation to police officer salaries and police officer overtimes and income budget compared to when reporting within period 5. The diagram sets out where the underspends/overspends are and breaks it down a little further.</p> <p>BB advised another monitoring report has just been completed, and they are predicting around a £400,000 underspend.</p> <p>In terms of the capital programme the overall budget for 2025/26 is £39 million and the forecast spend against this was 24 million with a budget remaining of £15 million in terms of the force. The budget had slippage added into it, the original budget was £27.3million and the slippage has been added at £11.3 million this was approved by PAG in September 2025.</p> <p>BB commented that the management of slippage is a concern that she is looking at. BB wants to look into the slippage where previous years have added in slippage it is having a knock on</p>	

	<p>effect and the force should be re-profiling the schemes across future years which is not happening currently.</p> <p>SS feels it would be helpful to know what slippage is anticipated going forward as some of the areas where there is budget remaining is looking substantial and it would be helpful to know how the spend is anticipated over the coming years.</p> <p>SS asked why the reporting for capital is only up to month 7 whereas everything else is up to month 8. BB is going to pick this up with the team and check whether this is period 7 or whether it is period 8 and not been updated. A new report has been produced and there is an updated position, but it is a similar position.</p> <p>BB is wanting to report the slippage as it happens rather than waiting to year end and reporting it all as slippage. SS asked if the JARAC can be sighted on this when BB has taken this through PAG.</p> <p><b>ACTION: BB to report the slippage as it happens rather than waiting to year end and reporting it all as slippage The JARAC will be sighted on this when BB has taken this through PAG.</b></p>	<p><b>ACTION: BB to report the slippage as it happens rather than waiting to year end and reporting it all as slippage The JARAC will be sighted on this when BB has taken this through PAG.</b></p>
<b>10/26</b>	<b>BUDGET 25/26 UPDATE</b>	
	<p>BB advised this was a summary of the report that went through to the Financial Assurance Board and the Police and Crime panel. In terms of the recommendations set out it goes through the budget reduction measures that are being implemented in year to balance the budget, and it gives a medium-term financial forecast up until 2030/31.</p> <p>The report goes through the processes and the approach taken in the process of setting the budget. It starts with the comprehensive spending review that happened in June 2025 this set the overall National departmental allocation for the next 3 years for the home office. This showed there was an increase of 2.3% for police funding over the 3 years. The settlement was lacking in information, and this should land anytime to provide a grants breakdown, this showed that the core grant was increased by 4.1% and the others were due to mirror. In terms of this it meant there would be a 3.4% increase in core grant funding. It didn't take into account the grant of 1.7million pound for additional pay award this has been removed in terms of 2026/27 so a decrease of 2.3% increase.</p> <p>BB moved onto the precept increase at £15 for a band D property. This is the proposal that was put forward and with this position it meant no reserves had to be used in balancing the budget.</p>	

	<p>The council tax base is covered in the report the increase in the base has slowed significantly and is below 1% at 0.77% increase. This generates an additional £780,000 for the force.</p> <p>SS asked how much did the MARS scheme cost? BB advised it was around 400,000 and this was funded from the operational investment reserve, but in terms of the monitoring just completed it has been obtained in the underspend for 25/26 so it wont need to be withdrawn from the underspend.</p>	
<b>11/26</b>	<b>FINANCIAL HANDBOOK (FORWARDED FROM OCT 25 MEETING)</b>	
	<p>AD apologised it has not landed at this meeting this has been recently reviewed and there are a handful of queries MR and EE are reviewing and the next step after this is for legal to review the document. AD advised this will be with the JARAC asap.</p>	
<b>12/26</b>	<b>POLICIES UPDATE – INFORMATION SHARING POLICY</b>	
	<p>SS advised the policy has been reviewed by the committee and opened it up for queries.</p> <p>LH couldn't find anything within the policy around sharing it with third parties for using it to run through AI.</p> <p><b>ACTION: MP to give these comments back to the information sharing policy owner.</b></p>	<p><b>ACTION: MP to give these comments back to the information sharing policy owner.</b></p>
<b>13/26</b>	<b>WORKFORCE AND PLANNING – PUP AND ARR</b>	
	<p>AP introduced the paper and explained that with the current situations with the Police Reform as the strongest indication around checking numbers for the police workforce will disappear however, the neighbourhood uplift will remain. This means that the force won't have a target number of officers that they have to meet however, the force will have to show that the workforce has given an uplift into neighbourhoods. This will allow the force to have some flexibility as currently a monthly meeting takes place on monthly numbers as if the force have 1 officer under target the force receive a fine for £40,000.</p> <p>AP discussed the fact that there are police officer currently in police staff roles. Within workforce planning and HR there is a list of roles which police staff would could be recruited to rather than police officers to allow these officers to be out in the neighbourhood. There is an ambition to move to fewer police forces which will also look at the numbers. Unable to predict what this would look like as work isn't expected to begin until summer 2026.</p>	

	<p>SS asked in terms of strategic workforce planning have the local workforce plans been completed yet or are these still in progress.</p> <p>AP confirmed that recruitment was completed around six months ago for a Head of Workforce Planning so there is currently work ongoing to go through individual workforce planning for the individual departments to look at under representation, as well as looking at risks etc which is linking in with savings within the job roles etc.</p> <p>SS asked if when these local workforce plans have been complete it would be good to see how these are going to be fed into the Financial Planning. SS confirmed the JARAC just want to look how this work feeds into savings plans etc.</p> <p>BB added in terms of the monitoring against what the force are delivering going forward against the savings and the savings target.</p> <p>SS confirmed there were no further questions.</p>	
<b>14/26</b>	<b>TRANSPORT UPDATE ON IA RECOMMENDATIONS/KPI'S/DASHBOARDS (DCC)</b>	
	<p>AP introduced the paper and confirmed that the overall fleet has been increased by 16 cars. This has helped to ease the fleet issues which has tackled some of the problems the force was experience.</p> <p>SS raised a concern around the maintenance contract ending in July 2026 and is also a risk on the risk register which is later on in the meeting. AP advised he will cover this later in the meeting.</p> <p>LH asked whether this strategy gives assurance that it will start mitigating some of the transport costs overspend?</p> <p>AP stated that the budgets aren't realistic across assets and fleet. The force has gone down to essential maintenance in assets and the assets budget has bene increased by half a million next year to do so. With the fleet AP is hoping that as part of the renewal and going into newer card this should bring the cost of maintenance down and the 16 cars added that were previously discussed as well as looking at pool cars that are doing less mileage and use these for more operational purposes.</p> <p>BB added that some of the spend within fleet on the vehicles is claimed back through the insurance which has been rectified in terms of 2026/27 which will improve the position.</p> <p>LH raised another question around a long standing recommendation regarding the KPI's from the fleet</p>	

	<p>management company and whether this has inhibited at all, what is the forces ability to monitor it and has this led to the overspend or are these non-relating issues.</p> <p>AP confirmed these do not really connect because it's the spiralling costs that are caused (eg tyres, accidents). The current contract with the Council is now seeing KPIs that are workable and working quite well. AP confirmed this will be covered in closed session.</p>	
<b>15/26</b>	<b>HEALTH AND SAFETY MANDATORY TRAINING AND COMPLIANCE AND INSPECTIONS</b>	
	<p>AP discussed a Force Training Commissioning Group he chairs where training is scheduled on divisions so it is a case of factoring this in and giving allotted times to get the mandatory training required and completed but these are being monitored in the people board as well where all divisions attend so hopefully this will be improving with the increased monitoring of it.</p>	
<b>16/26</b>	<b>OPCC COMPLAINTS UPDATE</b>	
	<p>MR advised that we were still awaiting overview forms from upheld cases from PSD which needed to be signed off by the Commissioner. This is why the report hasn't landed on time for this meeting due to some of these complaints being open. MR confirmed we have chased this with PSD in order to bring this to the next JARAC meeting in April and apologised for the delay.</p> <p>SS accepted.</p>	
<b>17/26</b>	<b>JARAC MEMBER SELF ASSESSMENT INITIAL DISCUSSION</b>	
	<p>SS confirmed that the JARAC members have had an initial chat re this during the pre-meet and decided that it would be more useful to have a focused decision in the pre-meet before the April JARAC meeting rather than do the detailed assessments.</p>	
<b>18/26</b>	<b>FORCE RISK MANAGEMENT UPDATE – RISK REGISTER</b>	
	<p>AP started by advising that Mark Euerby will be retiring and Joe Hobson will take Mark's role in due course.</p> <p>AP didn't add anything further as nothing has really changed with the red risks on the register. AP did provide an update around the PFI and St Marys Wharf and advised there has been some positive meetings with the Home Office. The force are currently dealing with a different company now called Vensis to work through the details and open an early sale and release if negotiated correctly. The force are engaging with the Home Office for an approach to this. AP added that the risks are fairly static currently and some going down from amber and green however, not a lot of movement.</p>	

	<p>SS added it would be helpful to have a time frame on them when the force think they will be able to progress the risks.</p> <p>AP advised he will go through these in more detail and look at timescales.</p>	
<b>19/26</b>	<b>OPCC RISK MANAGEMENT UPDATE – RISK REGISTER</b>	
	<p>EE provided an update on this advising all risks have now been reviewed and it will now be on a four-monthly basis when they will be reviewed, this has come back from parts of the recommendations around internal audit. Following on from the reviews the OPCC have also incorporated additional feedback around how it links in with assurance mapping and level of assurance attached to it. EE advised the government grant funding risk and commissioned services has dropped from an 8 down to a 4 because of the MIJ funding that has been confirmed for two years plus the provisional settlement that's looking to be for three years.</p> <p>SS asked whether consideration is being given as to whether a risk needs adding around the proposed changes to the OPCCs moving to mayor. AD added that this will more than likely be added.</p>	
<b>20/26</b>	<b>ANY OTHER BUSINESS</b>	
	<p>PCC/MAYOR VERBAL UPDATE –</p> <p>AD covered the above and discussed that the OPCC already knew this was going to happen so it just confirmed the plan the OPCC already had. AD confirmed that engagement has begun with the mayors authority and confirmed that he has met with the Mayor and Chief Executive as well as some of the team. AD clarified there has been some initial conversations around communication protocols, briefings etc and then further discussions will be had around how things will look post 2028. AD confirmed he has a key role alongside the Chief Executive in Nottinghamshire OPCC to do this. AD stated there will be a risk and this will be a public facing risk however this will be discussed with EE.</p> <p>AD reassured the JARAC that he is talking about retention, and talking about career paths for people, and trying to keep the team together for as long as possible, because in this scenario, you could realistically expect high turnover within the OPCCs as we approach 2028. AD confirmed the OPCC are looking at succession planning and prioritising work. Most of the work is as per statutory obligations.</p> <p>SS thanked AD for the update.</p> <p>End of open session.</p>	



**JOINT AUDIT, RISK AND ASSURANCE COMMITTEE – OPEN SESSION – APRIL 2026**

**REVIEW OF ACTIONS**

<b>Agenda Item</b>	<b>Report Title and Action Required</b>	<b>Responsible Officer</b>	<b>Progress</b>
<b>04/26</b>	<b>REVIEW OF ACTIONS</b>		
	<b>ACTION: IA reports are circulated by EE as they are received in between JARAC meetings to the JARAC members.</b>	<b>EE</b>	<b>Ongoing.</b>
<b>05/26</b>	<b>FORWARD PLAN</b>		
	<b>ACTION: MP to update forward plan and take the IA plan off the forward plan for the April JARAC meeting.</b>	<b>MP</b>	<b>Complete.</b>
<b>06/26</b>	<b>EXTERNAL AUDIT - GT</b>		
	<b>ACTION: MP to add an external audit recommendations progress report to the forward plan at the July JARAC.</b>	<b>MP</b>	<b>Complete.</b>
	<b>ACTION: MP to arrange a meeting to sign off the accounts W/C 16<sup>th</sup> February 2026.</b>	<b>MP</b>	<b>Complete.</b>
<b>07/26</b>	<b>INTERNAL AUDIT</b>		
	<b>ACTION: MP to send out IA papers from the pack as there</b>	<b>MP</b>	<b>Complete.</b>

	was a problem with the initial PDF documents.		
<b>08/26</b>	<b>IA RECOMMENDATION LOG</b>		
	<b>ACTION: MP/MS to ensure IA tracker is updated for the new reports.</b>	<b>MP/MS</b>	<b>The IA Recommendation Log has been updated as per reports.</b>
<b>09/26</b>	<b>FINANCIAL MONITORING AND PLANNING</b>		
	<b>ACTION: BB to report the slippage as it happens rather than waiting to year end and reporting it all as slippage The JARAC will be sighted on this when BB has taken this through Finance Assurance Board (FAB).</b>	<b>BB</b>	<b>The capital report being taken to FAB on April 13<sup>th</sup> includes an in-year slippage request as at Period 11. The slippage cannot be reflected in the monitoring position until it has been approved at FAB so will not be reflected in the capital monitoring being reported to the April JARAC meeting, it will be reflected in the outturn report to the next JARAC meeting.</b>
<b>12/26</b>	<b>POLICIES UPDATE – INFORMATION SHARING POLICY</b>		
	<b>ACTION: MP to give these comments back to the information sharing policy owner.</b>	<b>MP</b>	

## JARAC FORWARD PLAN 2026/27

JULY 2026			
Papers Deadline to OPCC – 2 <sup>nd</sup> July 2026		JARAC Meeting Date – Wednesday 22 <sup>nd</sup> July 2026	
Guest Speaker/ Standard Item	Forward Plan Item/ Previous Meeting Action Item	Name of Agenda Items	Lead Officer/ Staff Member
Standard Item	Forward Plan	Internal Audit Progress Report	Sarah Knowles/Alexander Campbell - Paper
Standard Item	Forward Plan	Internal audit annual report and opinion 25/26	Sarah Knowles/Alexander Campbell - Paper
Standard Item	Forward Plan	Draft PCC & CC Financial Statements of Accounts for 25/26	Andrew Dale/Maria Fox - Papers
Standard Item	Forward Plan	External Audit Progress Report	Richard Anderson - Paper
Standard item	Forward Plan	External Audit Recommendations Progress Report	Bev Bull - Paper
Standard Item	Forward Plan	Annual Financial Exception Reporting (Any breaches of financial regulations)	Bev Bull - Paper
Standard Item	Forward Plan	PCC and Force Annual Governance Statement	Andrew Dale/Bev Bull - Paper
Standard Item	Forward Plan	Policies update <ul style="list-style-type: none"> <li>• Contract Management Policy</li> </ul>	Chair – Paper OPEN
Standard Item	Forward Plan	OPCC Risk Management Update	Andrew Dale – Paper
Guest	Forward Plan	Force Risk Management Update	Jo Hobson - Paper
Standard Item	Forward Plan	Financial Monitoring and Planning 26/27 Update	Bev Bull - Paper
Standard Item	Forward Plan	Savings Plan	Andrew Price - Paper
Guest Speaker	Previous Meeting Action	Environmental Strategy Update <ul style="list-style-type: none"> <li>• Action Plan</li> <li>• Summary/Gaps/Focuses</li> </ul>	Richard Brunt/Andrew Price - Paper
Guest Speaker	Previous Meeting Action	Savings Programme Update	Sharon Adkin - Paper
Guest Speaker	Previous Meeting Action	Procurement Overview and Update	Kirsty Holding - Paper
Standard Item	Forward Plan	HMIC KPI Update	Gemma Booth
Standard Item	Forward Plan	Data Quality Audit update report	Adam Wilkins – Paper

<b>OCTOBER 2026</b>			
<b>Papers Deadline to OPCC – 16<sup>th</sup> September 2026</b>	<b>JARAC Meeting Date – Wednesday 21<sup>st</sup> October 2026</b>		
Standard Item	Forward Plan	IA Progress Report	Sarah Knowles - Paper
Standard Item	Forward Plan	External Audit Update	Richard Anderson - Paper
Standard Item	Forward Plan	JARAC Annual Report	All JARAC Members - Paper
Standard Item	Forward Plan	Financial Monitoring and Planning 26/27 Update	Bev Bull - Paper
Standard Item	Forward Plan	Fraud and corruption theme review (themes announces at agenda setting) – anti fraud and corruption policy, whistle blowing policies	
Standard Item	Forward Plan	Complaints Performance –Force	Katie Andrews - Paper
Standard Item	Forward Plan	Complaints Performance – OPCC	Marie Romano - Paper
Standard Item	Forward Plan	IS Disaster Recovery – RC to attend to update	Richard Cariss – Paper
Standard Item	Previous Meeting Action – July 2025	Savings Plan	Andrew Price – Paper
Standard Item	Forward Plan	Policies update	Chair – Paper
Standard Item	Forward Plan	HMIC Strategic Plan	Gemma Booth - Paper
Standard Item	Forward Plan	Assurance Map/Framework Annual Report	Andrew Dale/ Marie Romano
Standard Item	Forward Plan	Gifts, gratuities and hospitality policy	Jay Elliot / Andrew Price
Guest Speaker	Previous Meeting Action	OPCC Performance Update	Jennifer Connolly-Thompson -Paper

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<b>JANUARY 2027</b>			
<b>Papers Deadline to OPCC – 14<sup>th</sup> Jan 2027</b>		<b>JARAC Meeting dates – Wednesday 28<sup>th</sup> January 2027</b>	
<b>Guest Speaker/ Standard Item</b>	<b>Forward Plan Item/ Previous Meeting Action Item</b>	<b>Name of Agenda Items</b>	<b>Lead Officer/ Staff Member</b>
Standard Item	Forward Plan	IA Progress Report inc. detailed reports from recent audits	Sarah Knowles - Paper
Standard Item	Forward Plan	Financial Monitoring and Planning	Bev Bull- Paper
Standard Item	Forward Plan	Work Force and Planning – PUP and ARR	Andrew Price - Paper
Standard Item	Forward Plan	External audit ISA 260 Report 26/27 (GT) inc. audit plan	Richard Anderson - Paper
Standard Item	Forward Plan	Budget 27/28 update	Bev Bull- Paper
Standard Item	Forward Plan	Force risk management update – Risk Register	Jo Hobson– Paper
Standard Item	Forward Plan	OPCC risk management update – Risk Register	Andrew Dale/Efe Eruero – Paper
Standard Item	Forward Plan	Policies update	Chair - Paper
Standard Item	Forward Plan	JARAC Member Self-Assessment initial discussion (CIPFA Checklist)	Chair - Verbal
Standard Item	Forward Plan	Transport Update on IA recommendations/KPI's/Dashboards (DCC)	Andrew Price - Paper
Standard Item	Forward Plan	Health and Safety mandatory training and compliance and inspections	Andrew Price - Paper
Standard Item	Forward Plan	Assurance Framework	Andrew Dale/Efe Eruero
Standard Item	Forward Plan	Savings Plan	Andrew Price – Paper
Standard Item	Forward Plan	OPCC Complaints Update	Marie Romano
Standard Item	Forward Plan	HMIC KPI Update	Gemma Booth
Standard Item	Forward Plan	Force Executive Hospitality Register Report	Andrew Price

<b>APRIL 2027</b>			
<b>Papers Deadline to OPCC –</b>	<b>JARAC Meeting date –</b>		
<b>Guest Speaker/ Standard Item</b>	<b>Forward Plan Item/ Previous Meeting Action Item</b>	<b>Name of Agenda Items</b>	<b>Lead Officer/ Staff Member</b>
Standard Item	Forward Plan	JARAC Member Self – Assessment (CIPFA Checklist)	Chair – Paper
Standard Item	Forward Plan	Force Policies	Chair - Paper
Standard Item	Forward Plan	IA Progress Reports	Sarah Knowles/Alexander Campbell – Paper
Standard Item	Forward Plan	Year End Accounting Arrangements & Accounting Policies 26/27	Bev Bull – Paper
Guest	Forward Plan	Environmental Strategy Update	Richard Brunt - Paper
Guest	Forward Plan	Key Security Control Update	Richard Cariss - Paper
Standard Item	Forward Plan	Savings Plan	Andrew Price - Paper
Standard Item	Forward Plan	Financial Monitoring and Planning 26/27	Bev Bull– Paper
Guest	Forward Plan	HMIC Activity (including VFM profiles)	Gemma Booth – Paper/Verbal
Guest	Forward Plan	Six monthly Complaints Performance – Update on meetings with IOPC Rep Force/OPCC	Katie Andrew – Paper

# Joint Audit Plan for the Office of the Police and Crime Commissioner for Derbyshire and the Chief Constable for Derbyshire

Year ending 31 March 2026

Date of issue 08 April 2026



# Contents

Section	Page
Introduction and headlines	03
Identified risks	08
Group audit	15
Our approach to materiality	16
Progress against prior year audit recommendations	18
IT audit strategy	26
Interim audit work	27
Value for money arrangements	28
Logistics	33
Fees and related matters	35
Independence considerations	37
Communication of audit matters with those charged with governance	39
Appendices	41

# Introduction and headlines

## Purpose

This document provides an overview of the planned scope and timing of the statutory audit of the Office of the Police and Crime Commissioner from Derbyshire (the PCC Group) and the Chief Constable for Derbyshire (Chief Constable) for those charged with governance. Those Charged with governance is the Police and Crime Commissioner and the Chief Constable as each is a corporation sole.

## Respective responsibilities

The National Audit Office ('the NAO') Code of Audit Practice 2024 ('the Code') summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Office of the Police and Crime Commissioner for Derbyshire and the Chief Constable for Derbyshire. We draw your attention to these documents.



## Scope of our Audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the PCC Group and Chief Constable's financial statements that have been prepared by management with the oversight of those charged with governance; and we consider whether there are sufficient arrangements in place at the PCC Group and the Chief Constable for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or those charged with governance of your responsibilities. It is the responsibility of the PCC Group and Chief Constable to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the PCC Group and Chief Constable is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the PCC Group and Chief Constable's business and is risk based.

# Introduction and headlines (continued)

## Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error, have been identified as:

- Management override of controls
- Valuation of land and buildings
- Valuation of the gross LGPS liability
- Valuation of the PPS liability

We will communicate significant findings on these areas, as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

## Other risks

A new Fixed Asset Register system has been implemented in the financial year, Asset Manager provided by InfoShare+. This represents a risk relating to the migration of data between the old Fixed Asset Register and new system, as well as risks around the finance team's adjustment to new business processes.

## Materiality

We have determined planning materiality to be £6.49m (PY £5m). This level is the lowest of the materiality for the Group £6.82m (PY £5.2m), for the PCC £7.158m (PY £5.6m) and for the Chief Constable £6.49m (PY £5m), which equates to 2.4% of the prior year gross expenditure. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Whilst we calculate separate materiality levels for the group, the PCC, and the Chief Constable, we use the lowest of the three (the Chief Constable's materiality) as the basis for our overall financial statements audit. As part of our risk assessment, we have considered the impact of unadjusted prior period errors (where applicable). No additional risks have been identified from this.

Clearly trivial has been set at £0.324m (PY £0.250m).

# Introduction and headlines (continued)

## Value for Money arrangements

Our risk assessment regarding your arrangements to secure economy, efficiency and effectiveness in the use of resources has not identified any significant weakness areas or related risks, requiring additional work. We will continue to monitor and update our risk assessment and responses until we issue our Auditor's Annual Report.

## Audit logistics

Our interim visit will take place in late March/ early April and our final visit will take place between July and November. Our key deliverables are this Joint Audit Plan, our Joint Audit Findings Report, our Joint Auditor's Annual Report and our Audit Opinions.

Our proposed fee for the audit is £105,772 (PY £109,100) for the PCC and £55,622 (PY £57,305) for the Chief Constable, subject to the PCC and Chief Constable delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2024) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

## Group Audit

The PCC Group is required to prepare group financial statements that consolidate the financial information of the PCC and Chief Constable.

# Introduction and headlines (continued)

## Ongoing impact of previously disclaimed audit reports

Owing to the challenges of undertaking an audit where the previous years' audits were subject to backstop-related disclaimed audit opinions, our financial statements audit report opinions for 2024/25 were disclaimed on the basis we were unable to obtain sufficient and appropriate audit evidence over:

- Opening balances of property, plant and equipment in the PCC and group financial statements, resulting in uncertainty over in year movements and the closing balance of property, plant and equipment.
- Reserves reported in the financial statements of the Chief Constable, PCC and group for the year ended 31 March 2025.
- Opening defined benefit pension liability in the financial statements of the Chief Constable, PCC and group meaning we were unable to satisfy ourselves over the in-year movements. In addition, separate LGPS IAS19 reports were not obtained for the Chief Constable and the PCC and therefore the total LGPS liability could not be split and was reflected in total in the Chief Constable's financial statements with no liability included in the PCC financial statements.

## Regaining Assurance

We have met with Management to discuss how assurance can be regained across each of these areas as part of our 2025/26 audit work. It has been agreed that a programme of work will commence in line with the National Audit Office's Local Audit Reset and Recovery Implementation Guidance (LARRIG 6).

This guidance sets out specific considerations for rebuilding assurance over balances affected by backstop-related disclaimed audit opinions. Prior to commencing our final accounts audit in June 2026, we will complete an initial entity-level risk assessment and a detailed financial statement line item risk assessment. The completion of these risk assessments will inform our judgement as to whether it will be possible to regain assurance as part of the 2025/26 audit.

Subject to the outcome of these assessments, we will design and perform targeted substantive audit procedures as part of our final accounts audit. These will incorporate particular focus on areas of heightened audit risk, including the risk of fraudulent reporting, property, plant and equipment, and pension-related balances. If these procedures are completed before the end of November, we will consider whether sufficient and appropriate audit evidence has been obtained to support the lifting of the historic disclaimers referred to above.

We will keep Management and the Joint Audit and Risk Committee updated on our regaining assurance work and the potential impact on our 2025/26 audit opinions.

# Introduction and headlines (continued)

## Our Work

In order to achieve the statutory deadlines for the next two financial years, we will be working towards an internal deadline for 2025/26 of 30 November 2026, as a dry run for future years. We ask you to assist us with this ambition by setting a Joint Audit and Risk Committee date in advance of the end of November 2026, to enable the financial statements to be authorised and signed and allow us to issue our audit report by that date. We note that the NAO has already set a requirement that our Value for Money (VfM) work is completed by 30 November each year which has been set to align with the upcoming deadline for the financial statements.

Whilst we recognise that the formal deadline for you to publish your draft accounts is 30 June 2026, we feel an important first step towards achieving closure by the end of November is to complete early testing wherever possible. With this in mind, we will look to undertake more significant early testing during our interim audit visit.

Bringing testing forward should allow us as a firm to deliver all of our 2025-26 local audits by the end of November 2026, putting us in a strong position ahead of the backstop formally moving to 30 November 2027. We appreciate this will require a change in how both finance and audit teams operate to make this a reality, and we are committed to making this happen. We will engage early with your finance team to clearly set out our expectations and what is needed to make a success of these plans, and we ask that you work with us to achieve this. MHCLG have asked us as a firm to report by 31 July 2026, on a case by case basis, our assessment of bodies ability to both maintain and where necessary rebuild assurance. Having a clear, agreed project plan to complete our work on both the financial statements and the VfM by the end of November 2026 is a key part of this assurance.

## Our ask of the Police and Crime Commissioner and Chief Constable

- Arrange a Joint Audit, Risk and Assurance Committee meeting for November 2026.
- Ensure sufficient resources are available to support all interim audit work.
- Engage with the audit team on opportunities for early sampling before the main audit begins.
- Notify us promptly of any issues or delays so that we can plan accordingly.

# Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Audit team's assessment	Planned audit procedures
<p><b>Management override of controls</b></p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.</p> <p><b>Risk Relates to</b></p> <p>PCC Group and Chief Constable</p>	<p>We have therefore identified management override of controls, in particular journals, reversal of prior year accruals after the prior audit year has been signed off, management estimates and transactions outside the course of business as a significant risk of material misstatement.</p>	<ul style="list-style-type: none"> <li>• Review of accounting estimates, critical judgements and significant decisions made by management</li> <li>• Evaluate the design and implementation of controls</li> <li>• Review of accounting policies and any changes to those policies</li> <li>• Testing of journal entries for appropriateness</li> <li>• Review of unusual significant transactions.</li> </ul>



“In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).

# Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p data-bbox="112 334 563 362"><b>Valuation of land and buildings</b></p> <p data-bbox="112 439 596 701">The PCC Group revalues land and buildings on a rolling programme basis as at 31 March. This is to ensure that their carrying value is not materially different from the current value at the financial statements date.</p> <p data-bbox="112 778 326 865"><b>Risk Relates to</b> PCC Group</p>	<p data-bbox="614 334 1187 515">The valuations are considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p data-bbox="614 539 1187 682">We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk of material misstatement.</p>	<p data-bbox="1217 334 1327 362">We will:</p> <ul data-bbox="1217 386 2392 872" style="list-style-type: none"> <li data-bbox="1217 386 2392 454">• document our understanding management's process and controls for the calculation of the estimate</li> <li data-bbox="1217 478 2392 515">• evaluate the competence, capabilities and objectivity of management's expert</li> <li data-bbox="1217 539 2201 568">• evaluate the consistency of the disclosure with the valuation report</li> <li data-bbox="1217 592 2168 621">• evaluate the basis on which the valuations have been carried out</li> <li data-bbox="1217 645 2117 674">• evaluate the information and assumptions used by the valuer</li> <li data-bbox="1217 698 1939 726">• evaluate the accounting entries for the valuation</li> <li data-bbox="1217 751 2303 779">• evaluate the reasonableness of the assumptions used to form the estimate</li> <li data-bbox="1217 803 2262 872">• carry out a review of the PCC Group's accounting policy regarding the implementation of the new Code requirements on indexation.</li> </ul>

# Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p><b>Valuation of the present value of the gross defined benefit obligation</b></p> <p>The present value of the gross defined benefit obligation, reflecting the liabilities of the Local Government Pension Scheme (LGPS) for Police Staff and the liabilities for the Police Pension Schemes (PPS) for Police Officers represents a significant estimate in the financial statements.</p> <p><b>Risk Relates to</b> PCC Group and Chief Constable</p>	<p>The actuarial assumptions used in the estimation of the pension liability are the responsibility of the PCC Group and Chief Constable but are set on the advice given by the actuary, Hymans Robertson for LGPS, and GAD for PPS.</p> <p>The valuation of the pension fund gross liability represents a significant estimate due to its size, complexity and sensitivity to changes in key assumptions. At 31 March 2025, the LGPS liability was £292.037 million and the PPS liability was £1.557 billion.</p> <p>A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. We have therefore identified it as a significant risk for the audit.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• update our understanding management's process and controls for the valuation of the liabilities</li> <li>• evaluate the competence, capabilities and objectivity of the actuaries (management experts) who carried out the valuations</li> <li>• evaluate the consistency of the disclosures in the financial statements with the actuarial report</li> <li>• evaluate the reasonableness of the assumptions used to form the estimate, by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within that report</li> <li>• for LGPS, we will obtain assurances from the auditor of the Derbyshire Pension Fund as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data</li> <li>• test member data used in the quadrennial valuation of the Police Officer Pension Scheme</li> <li>• review the split of the LGPS liability between the Chief Constable and Police and Crime Commissioner accounts.</li> </ul>

# Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p><b>The revenue cycle includes fraudulent transactions</b></p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue</p> <p><b>Risk Relates to</b></p> <p>PCC Group and Chief Constable</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Chief Constable and PCC Group, we have determined that the risk of fraud arising from revenue recognition for all revenue streams can be rebutted, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition;</li> <li>• opportunities to manipulate revenue recognition are very limited; and</li> <li>• the culture and ethical frameworks of police bodies, including the Chief Constable and PCC group, mean that all forms of fraud are seen as unacceptable.</li> </ul> <p>Therefore we do not consider this to be a significant risk for the Chief Constable and PCC Group.</p>	<p>We do not consider this to be a significant risk for the Chief Constable and PCC Group and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.</p>

# Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p><b>The expenditure cycle includes fraudulent transactions</b></p> <p>Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.</p> <p><b>Risk Relates to</b> PCC Group and Chief Constable</p>	<p>We have identified and completed a risk assessment of all expenditure streams for the PCC Group and Chief Constable. We have assessed the risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams as low. This is due to:</p> <ul style="list-style-type: none"> <li>• low fraud risk in the underlying nature of the transaction;</li> <li>• immaterial nature of the expenditure streams both individually and collectively;</li> <li>• little incentive to manipulate expenditure;</li> <li>• opportunities to manipulate expenditure are very limited; and</li> <li>• the culture and ethical frameworks of police bodies, including the Chief Constable and PCC Group, mean that all forms of fraud are seen as unacceptable.</li> </ul>	<p>We do not consider this to be a significant risk for the PCC Group and Chief Constable and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.</p>

# Other risks identified

Other risks are, in the auditor’s judgement, those where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for other risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgmental, or unusual in relation to the day-to-day activities of the business.

Risk	Reason for risk identification	Planned audit procedures
<p><b>New Fixed Asset Register system implementation</b></p> <p><b>Risk Relates to</b> PCC Group and Chief Constable</p>	<p>In the prior year we raised a recommendation that management should improve the quality of the fixed asset register as this did not reconcile to the valuer’s report or financial statements. A new Fixed Asset Register system has been implemented in the financial year, Asset Manager provided by InfoShare+. This represents a risk relating to the migration of data between the old Fixed Asset Register and new system, as well as risks around the finance team’s adjustment to new business processes and the existence and completeness of assets included within the register.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Obtain an understanding of the new system</li> <li>• Audit the data migration activity and results from the old system to the new system</li> <li>• Design procedures to obtain assurance on the completeness and existence of the PPE balances included in the financial statements and asset register.</li> </ul>

# Other matters

## Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Reports and Annual Governance Statements and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the PCC Group and Chief Constable.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statements are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
  - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements
  - issuing a report in the public interest or written recommendations to the PCC Group and Chief Constable under section 24 of the Local Audit and Accountability Act 2014 (the Act)

- application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
- issuing an advisory notice under section 29 of the Act.

- We certify completion of our audits.

## Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

# Scope of group audit

In accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Risk of material misstatement to the PCC group	Location	Auditor	Audit scope	Statutory audit
Police and Crime Commissioner	Yes	Derbyshire	Grant Thornton UK		Yes
Chief Constable	Yes	Derbyshire	Grant Thornton UK		Yes
Derbyshire Police and Fire LLP	Yes	Derbyshire	N/A		No

## Fraud and litigation

We have not been made aware of any actual or attempted frauds in the year during our planning procedures performed to date. Should any factors arise in relation to fraud risk or actual or attempted fraud we ask that you inform us of this at the earliest possible opportunity.

## Audit scope

- Audit of the entire financial information of the component
- Specific audit procedures designed by the group auditor

# Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and not only applies to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

## Description

### Determination

We have determined planning materiality (financial statement materiality) at the planning stage of the audit based on professional judgement in the context of our knowledge of the PCC Group and Chief Constable, including consideration of factors such as public expectations, industry developments, financial stability and reporting requirements for the financial statements.

### Other factors

An item does not necessarily have to be large to be considered to have a material effect on the financial statements.

### Reassessment of materiality

Our assessment of materiality is kept under review throughout the audit process.

## Planned audit procedures

We determine planning materiality to:

- establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements
- assist in establishing the scope of our audit engagement and audit tests
- determine sample sizes
- assist in evaluating the effect of known and likely misstatements in the financial statements.

An item may be considered to be material by nature when it relates to instances where greater precision is required (e.g. senior officer remuneration).

We reconsider planning materiality on receipt of the draft statement of accounts and if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

# Our approach to materiality (continued)

	<b>Amount (£)</b>	<b>Qualitative factors considered</b>
Materiality for the Group's financial statements	£6.82m	Our materiality thresholds equate to approximately 2.4% of the prior year gross operating costs for the group, the PCC, and the Chief Constable respectively. This assessment reflects the fact that the group operates in a stable, publicly funded environment, and no significant control deficiencies have been identified during our audit planning. Whilst we calculate separate materiality levels for the group, the PCC, and the Chief Constable, we use the lowest of the three (the Chief Constable's materiality) as the basis for our overall financial statements audit. Our clearly trivial level is set at £324k.
Materiality for the Chief Constable financial statements	£6.491m	
Materiality for PCC financial statements	£7.158m	
Materiality for senior officer remuneration	£21k	This reflects the wider public interest in the disclosure and its sensitive nature. This threshold has been determined by applying our approximate materiality percentage of 2.4% to the total value of senior officer payments as disclosed within the prior year audited financial statements.



Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

# Progress against prior year audit recommendations

We identified the following issues in our 2024/25 audit of the financial statements, which resulted in 13 recommendations being reported in our 2024/25 Audit Findings Report (three of these carried forward from 2023/24). Management has implemented two of our recommendations with the remaining 11 having actions in progress.

## Assessment Issue and risk previously communicated

**In progress**     **Unable to reconcile fixed asset register**

We were unable to obtain a fixed asset register that reconciled to the financial statements and valuation report. This was a significant deficiency and a risk that the PPE balance within the financial statements could be materially misstated.

We recommended that management improve the quality of the fixed asset register. The fixed asset register should be updated and fully reconciled to the valuer's report, trial balance and financial statements as part of close down and prior to the commencement of the final accounts audit.

## Update on actions taken to address the issue(s)

**Management response**

A CIPFA compliant asset management software is being implemented for the 2025/26 accounts. The software includes an asset register and a compliant and robust methodology of calculating the capital accounting entries. The system will provide an asset register that will agree to the ledger and financial statements. A reconciliation of the fixed asset register to the valuer's report, trial balance and financial statements will be completed as part of the closedown.

### Management update

A test load has been completed with the current data. Final data to be provided to Asset Manager by 31/03/2026. Final valuations due 01/05/2026 which will allow accounting entries to be calculated and completed by 23/05/2026.

**In progress**     **Lack of approval limits for some journals**

Journal users can post and authorise standard in-year journals. Although there are some controls in place that minimise risks associated with this, there are no approval limits and no other preventative controls for these journals. There is a risk that fraudulent postings could be made.

We recommended that authorisation and approval limited are applied and enforced.

### Management response

There are other controls in place that would identify a fraudulent posting, all control and suspense accounts and other balance sheet code are reconciled, and journal entries to revenue codes would be picked up in the budget monitoring. All year end journals and 25% of in year journals are reviewed by a senior member of Strategic Finance. We will increase this to all journals being reviewed by a senior member of Strategic Finance.

### Management update

Reports will be run at the end of each period from 2025/26 that will summarise the journals that have been posted. The journal entries will be checked and approved by a Senior Operational Management Accountant in the first instance then passed to the Corporate Finance Manager for sign off.

# Progress against prior year audit recommendations (continued)

## Assessment Issue and risk previously communicated

In progress

### Inadequate control over privileged accounts within Unit 4

We identified that privileged access rights in Unit 4 are linked to the security profile SYSADMIN, which had been assigned to 5 finance users. Although security logging is enabled for login activity, there are no proactive controls in place to monitor the activities of these privileged accounts.

Granting SYSADMIN-level access to finance users significantly increases the risk of unauthorised or inappropriate system changes, as these accounts can override application controls. Without active monitoring, malicious or accidental actions – such as altering system configurations, creating or deleting user accounts, or disabling audit logs – may go undetected. This could compromise system integrity, disrupt operations and weaken the overall control environment.

We recommended that management:

- Review all users with SYSADMIN or equivalent privileged access and validate business justification. Remove privileged access from finance users unless absolutely necessary; assign least privilege roles instead. Where privileged access is required, implement compensating controls, such as logging and regular independent review of privileged activity.
- Use password vaults and session monitoring for privileged accounts.
- Establish a formal policy for privileged access management, including periodic reviews and approval workflows.

## Update on actions taken to address the issue(s)

### Management response

Going forward in order to reduce any risk associated with SYSTEM access we will create a new “Agresso Admin” role, which will allow access to Create/Update/Delete certain fixed registers but remove access to the high-risk areas e.g. Accounts Payable and Accounts Receivable. Two of the Senior System Administrators will retain full SYSTEM access this is considered the minimum number of staff necessary to ensure appropriate cover. In addition, a series of automated alerts have been put in place to identify when amendments to fixed registers have been made. These will pick up amendments performed by Agresso Admin and Senior System Administrators and are forwarded to the Senior System Administrators for review. The two Senior System Administrators will receive and review the changes made by each other. Agresso is accessed through Single Sign On through the users force network login. All of the above processes allow for monitoring and review by the senior roles of the activities performed by Agresso Admin. Access to these roles will remain limited and any amendments performed on a one in one out basis and approved by the Senior System Administrators.

### Management update

Agresso Admin role has been created and the users have been moved leaving the two Senior System Administrators as the System users. The alerts are in the process of being set up and being live in the system.

# Progress against prior year audit recommendations (continued)

## Assessment Issue and risk previously communicated

In progress

### Inappropriate segregation of duties as developers have access to the production environment

As above, we identified 5 finance users had been granted SYSADMIN access, allowing them to both develop and implement changes into the production environment. We understand that due to operational constraints, segregation of these roles has not been implemented, and independent monitoring of changes made by these users is not performed.

The ability for the same user to develop and deploy changes in the production environment bypasses standard change management controls, increasing the risk of:

- Unauthorised or untested changes being introduced into production.
- System instability or data integrity issues due to lack of independent review.
- Fraud or malicious activity going undetected, as there is no segregation or monitoring.

We recommended that management should:

- Remove production access from developers and enforce segregation of duties between development and deployment. Where full segregation is not feasible, implement compensating controls, such as independent review of transport logs and change activity.
- Document approval of all changes prior to deployment.
- Retain evidence for audit purposes.

## Update on actions taken to address the issue(s)

### Management response

One of the Senior System Administrators is responsible for system development alongside their Strategic Finance role, therefore removal of production access would not be feasible. All developments operate via a project implementation process chaired by the system owner with additional attendance by senior users and representatives from user departments together with the Senior System Administrator – Systems Accountant. All decisions are brought to the group and documented. Any changes made for system development purposes will be captured by the new amendment logging alerts and received and reviewed by the second System Administrator role to ensure the changes made have been authorised through the project process. The project development work is initially scoped and tested in the User Acceptance Testing system by the System Accountant and external consultant in certain cases. Once the new functionality has been built and end user testing signed off, a combination of consultancy and System Accountant then build the changes in the live system. Standard Operating Procedures are then issued and the Systems Accountant then monitors that the new functionality is operating without issue. If / when everything is operating as it should, we then transition to business as usual, with the Systems Accountant moving away from the process.

### Management update

The alerts are in the process of being set up and being live in the system.

# Progress against prior year audit recommendations (continued)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	<p data-bbox="308 379 817 408"><b>Late publication of financial statements</b></p> <p data-bbox="308 429 1225 494">The draft financial statements were not published until 31 July 2025, after the statutory deadline of 30 June 2025.</p> <p data-bbox="308 508 1238 608">There is a risk that late publication of draft financial statements will lead to delays in the audit, and the deadline for publishing audited accounts may be at risk.</p> <p data-bbox="308 651 1225 751">We recommended that management implements and monitors a strict closedown plan for producing and publishing draft financial statements in line with the statutory deadline.</p>	<p data-bbox="1307 379 1600 408"><b>Management response</b></p> <p data-bbox="1307 422 2443 722">A decision was taken to delay the publication of the accounts due to the timing of internal governance processes which meant the outturn report for 2024/25 was to be approved at a meeting of the Finance and Assurance Board on the 14 July 2025. It was deemed inappropriate for the accounts to be published prior to this meeting as the accounts include the narrative statement which includes details of the outturn position. This would have meant the outturn position would be in public domain in advance of the approval of the outturn position by the PCC. The dates for the meeting of Finance and Assurance Board to approve the outturn report for 2025/26 have been reviewed and enable the report to be approved prior to the statutory deadline for the accounts to be published.</p> <p data-bbox="1307 736 1574 765"><b>Management update</b></p> <p data-bbox="1307 779 2397 836">The accounts timetable is now live and the Financial Assurance Board has been brought forward to accommodate the 30th June accounts deadline.</p>
In progress	<p data-bbox="308 901 733 929"><b>Impact of IFRS 16 on PFI liabilities</b></p> <p data-bbox="308 943 1200 1043">We have identified that management has not updated the PFI models to take account of changes to payments for the lease element arising from changes to an index or rate, as required by the standard.</p> <p data-bbox="308 1058 924 1086">There is a risk that the PFI liabilities are misstated.</p> <p data-bbox="308 1100 1238 1159">We recommended that management update the PFI models to incorporate this change.</p>	<p data-bbox="1307 901 1600 929"><b>Management response</b></p> <p data-bbox="1307 943 2359 1008">The PFI models will be updated to take account of changes to payments for the lease element arising from changes to an index or rate, as required by IFRS16.</p> <p data-bbox="1307 1022 1574 1051"><b>Management update</b></p> <p data-bbox="1307 1065 2359 1129">Meeting with MUFG 13/03/2026 to discuss this issue and confirm the requirements for 2025/26.</p>

# Progress against prior year audit recommendations (continued)

## Assessment Issue and risk previously communicated

## Update on actions taken to address the issue(s)

In progress

### Completeness and valuation of right of use assets and lease liabilities

Through discussion with management, we determined that there are gaps in management's assessment of IFRS 16 and the subsequent right of use assets and lease liabilities. We identified 6 peppercorn leases without corresponding right of use assets (this is where the liability is minimal but a right of use asset should be valued) and a further 18 right of use assets where the leased land and buildings require revaluation.

We recommended that management re-review the lease register to identify all arrangements that fall within the scope of IFRS 16, and fully determine the associated right of use asset and lease liability balances.

### Management response

The lease register will be fully reviewed to identify all arrangements that fall within the scope of IFRS 16. The associated right of use asset and lease liability balances will be determined in accordance with IFRS 16.

### Management update

Martin Cantrill has obtained the detail of the 18 right of use assets from the auditors and is in the process of reviewing their position under IFRS 16 and the requirement for their revaluation.

In progress

### Consistency and clarity of capital financing requirement (CFR) and minimum revenue provision (MRP)

Some consistency issues were identified between the CFR note and figures disclosed elsewhere in the financial statements. We have also noted that the MRP working paper contains historic hardcoded data that is difficult to support.

There is a risk that insufficient reserves are being set aside.

We recommended that management ensure working papers provide as clear an audit trail as possible, including the support of historic data used in MRP calculations as far as practicable. This will help smooth the rebuilding assurance process.

### Management response

The file path for the working to support the hard coded figure in the MRP working paper has been added to provide a clear audit trail.

### Management update

CFR note will be checked against other figures in the statements of accounts and cross referenced to the figures in other notes in the 2025/26 statements.

# Progress against prior year audit recommendations (continued)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Addressed	<p data-bbox="308 376 932 401"><b>Retention of evidence to support asset valuations</b></p> <p data-bbox="308 422 1207 551">While no issues were identified in our sample testing of asset valuations undertaken during the year, we identified a deficiency in the retention of supporting evidence. We also noted that management did not robustly challenge the assumptions used by the valuer.</p> <p data-bbox="308 565 1251 625">There is a risk that inappropriate data is used in asset valuation calculations and cannot be supported.</p> <p data-bbox="308 639 1174 739">We recommended that management work with the valuer to retain all supporting evidence used in the asset valuation exercise, and that key assumptions are reviewed and challenged where needed.</p>	<p data-bbox="1302 376 1595 401"><b>Management response</b></p> <p data-bbox="1302 422 2384 579">In the future we will include the requirements for the valuer to ensure they have supporting evidence for the asset valuations in the instruction to the valuers. We will provide the valuer with any evidence we need to provide for them to complete the valuations. The assumptions used by the valuers will be reviewed and challenged where needed.</p> <p data-bbox="1302 594 1569 618"><b>Management update</b></p> <p data-bbox="1302 639 2397 704">Valuers have been instructed to retain comparable source data on email sent to them on 26/02/2026.</p>
In progress	<p data-bbox="308 801 1021 825"><b>Matching expenditure invoices to the appropriate period</b></p> <p data-bbox="308 846 1207 906">We identified some instances of expenditure that spanned both 2024/25 and 2025/26, but were fully recognised in 2024/25.</p> <p data-bbox="308 921 1207 981">There is a risk that expenditure becomes materially overstated if multiple instances of this recognition occur.</p> <p data-bbox="308 995 1233 1093">We recommended that management implements a process to identify instances of expenditure covering multiple financial years and allocate the expenditure to the appropriate financial period.</p>	<p data-bbox="1302 801 1595 825"><b>Management response</b></p> <p data-bbox="1302 846 2423 1039">It was agreed with previous auditors that any new contracts would be split and recognised in the year the costs relate to, but for those contracts that were already in place the costs would continue to be recognised in full in the year the cost was incurred because of the effect this would have on the outturn position of the force. This issue will be addressed in the 2025/26 accounts with the relevant costs written forward into 2026/27. The current process for accruals is sufficient to identify invoices that cover multiple financial years.</p> <p data-bbox="1302 1053 1569 1078"><b>Management update</b></p> <p data-bbox="1302 1099 2384 1165">The accrual process for 2025/26 will be updated for the old contracts and the costs will be split over the appropriate financial years/periods.</p>

# Progress against prior year audit recommendations raised pre 2024/25

## Assessment Issue and risk previously communicated

## Update on actions taken to address the issue(s)

Addressed	<p><b>Actuarial reports for both the PCC and Chief Constable</b></p> <p>We recommended that management obtain separate LGPS IAS 19 reports from the actuary for the PCC and Chief Constable. This will provide a more accurate basis for the pension liability estimate in the financial statements.</p>	<p><b>Management response</b></p> <p>No separation of liabilities was implemented in 2024/25 due to timescales and materiality issues. Management have confirmed that they will engage with the Pension Fund Scheme providers to review options for 2025/26 and understand what can be done to achieve these requirements.</p> <p><b>Management update</b></p> <p>Separate reports have now been requested and acknowledged by the pension fund. The preferred option of a full valuation of each fund at 31 March 2025 has been requested.</p>
In progress	<p><b>Review of intra-group accounting treatment</b></p> <p>We recommended that management undertakes a review of the accounting treatment of intra-group balances and transactions, including the presentation of these in both the PCC and Chief Constable financial statements. This review should be documented and make reference to accounting standards and the Code where relevant.</p>	<p><b>Management response</b></p> <p>Management has confirmed that they are satisfied the accounting treatment and presentation of the intra-group balances is correct and reflects the underlying transactions. They acknowledge, however, that the narrative and clarity of the presentation could be improved for the reader. Due to resourcing constraints, no changes were made in the 2024/25 financial statements, and the approach remains consistent with the prior year.</p> <p><b>Management update</b></p> <p>Will be completed as part of the year end process with a target completion date of 30/06/2026.</p>

# Progress against prior year audit recommendations raised pre 2024/25 (continued)

## Assessment Issue and risk previously communicated

In Progress **Member data and benefits paid relating to the PPS**  
 We recommended that management holds discussions with the appropriate personnel to ensure that the required reports and evidence are provided for audit in a timely manner.

## Update on actions taken to address the issue(s)

### Management response

Management confirmed that the information required from XPS was requested in April 2025 following the audit team's initial notification. This information was provided and reconciled in January 2026, nine months after the initial request. No issues were identified from our testing in this area.

### Management update

Interim testing request has been sent and a response received from XPS to say they are looking at it. XPS will be chased if no response received by 16/03/2026. Will agree a date for the year end request to be completed with XPS.

# IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audits and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audits will include completing an assessment of the design and implementation of ITGCs related to security management, technology acquisition, development and maintenance and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach. We will perform the indicated level of assessment:

<b>IT application</b>	<b>Audit area</b>	<b>Planned level IT audit assessment</b>
Unit 4 Agresso	Financial reporting	ITGC assessment (design, implementation and operating effectiveness)
Active Directory	Financial reporting	ITGC assessment (design, implementation and operating effectiveness)

# Interim Audit Work

## Details of work to be conducted at interim:

Description	Work commentary
Payroll	<p>We will:</p> <ul style="list-style-type: none"> <li>• Confirm the use of Audit Data Analytics (ADA) is appropriate</li> <li>• Select and test a sample of starters and leavers</li> <li>• Obtain payroll reports and complete a dry run of ADA</li> </ul>
Advance testing areas	<p>We will select samples and perform advance testing on:</p> <ul style="list-style-type: none"> <li>• fees and charges</li> <li>• grant income</li> <li>• operating expenditure</li> <li>• capital additions</li> </ul>
Significant / one-off transactions / changes in policy	<ul style="list-style-type: none"> <li>• We will perform a review of the PCC Group's approach to land and buildings valuations with regard to the change in the CIPFA Code relating to indexation</li> <li>• Obtain an understanding of the business process relating to the new asset register system (Asset Manager – InfoShare+) including auditing the data migration activity and results from the old system to the new system</li> </ul>
Other items	<p>We will:</p> <ul style="list-style-type: none"> <li>• Write to the PCC Group's external valuation experts and carry out our assessment of instructions issued</li> <li>• Write to the Pension Fund Auditors for the purposes of providing IAS 19 assurances;</li> <li>• Request external confirmations from banks, lenders and borrowers to support our work on cash and cash equivalents, investments and borrowings.</li> </ul>

# Value for Money Arrangements

# Value for Money Arrangements

## Approach to Value for Money work for the period ended 31 March 2026

The National Audit Office updated its Code of Audit Practice in November 2024. The Code expects auditors to consider whether the PCC Group and Chief Constable has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report a commentary each year under the specific reporting criteria and where significant weaknesses in arrangements are identified. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement was introduced from November 2025. The three specified reporting criteria are set out below:

### Financial sustainability

How the PCC Group and Chief Constable plans and manages its resources to ensure it can continue to deliver its services.



### Governance

How the PCC Group and Chief Constable ensures that it makes informed decisions and properly manages its risks.



### Improving economy, efficiency and effectiveness

How the PCC Group and Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services.



We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our AAR. Should any risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. Any significant weaknesses identified will be reflected in our AAR and included within our audit opinion.

# Risks of significant weakness in VFM arrangements

## Risk assessment of the PCC Group and Chief Constable’s VFM arrangements

The Code of Audit Practice 2024 (the Code) sets out that the auditor’s work is likely to fall into three broad areas: planning; additional risk-based procedures and evaluation and reporting. We undertake initial planning work to inform this Audit Plan and the assumptions used to derive our fee. Consideration of prior year significant weaknesses and known areas of risk is a key part of the risk assessment for 2025/26. We will continue to evaluate risks of significant weakness and if risks are identified, we will report these to those charged with governance. We set out our reported assessment below:

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
<div style="background-color: #4a3d8a; color: white; padding: 10px; border-radius: 10px; text-align: center;">Financial sustainability</div>	<div style="background-color: #ffcc00; color: white; padding: 10px; border-radius: 10px; text-align: center; font-weight: bold; font-size: 24px;">A</div> <p>No risks of significant weakness reported one improvement recommendation raised in relation to the ongoing work to strengthen the identification and delivery of savings to manage ongoing financial pressures and ensure the reserves strategy is reviewed and updated.</p>	<p>No risks of significant weakness identified</p>	<p>As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code and follow-up the prior year improvement recommendation.</p>
<div style="background-color: #90ee90; padding: 5px; font-weight: bold; font-size: 18px;">G</div>	No significant weaknesses or improvement recommendations.		
<div style="background-color: #ffcc00; padding: 5px; font-weight: bold; font-size: 18px;">A</div>	No significant weaknesses, improvement recommendation(s) made.		
<div style="background-color: #ff0000; padding: 5px; font-weight: bold; font-size: 18px;">R</div>	Significant weaknesses in arrangements identified and key recommendation(s) made.		

# Risks of significant weakness in VFM arrangements

## (continued)

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
Governance	G No risks of significant weakness reported and no improvement recommendations made	No risks of significant weakness identified	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code.
Improving economy, efficiency and effectiveness	A No risks of significant weakness reported no improvement recommendations made. RAG rated amber to reflect that the Force is still actively addressing the areas for improvement highlighted in the latest HMICFRS (His Majesty’s Inspectorate of Constabulary and Fire & Rescue Services) PEEL report.	No risks of significant weakness identified	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code and assess progress on the areas for improvement highlighted in HMICFRS PEEL report.

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Risks of significant VFM weaknesses (continued)

We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the table below.

## Potential types of recommendations



### Statutory recommendation

Written recommendations to the PCC Group and Chief Constable under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the PCC/Group to discuss and respond publicly to the report.



### Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the PCC Group and Chief Constable. We have defined these recommendations as 'key recommendations'.



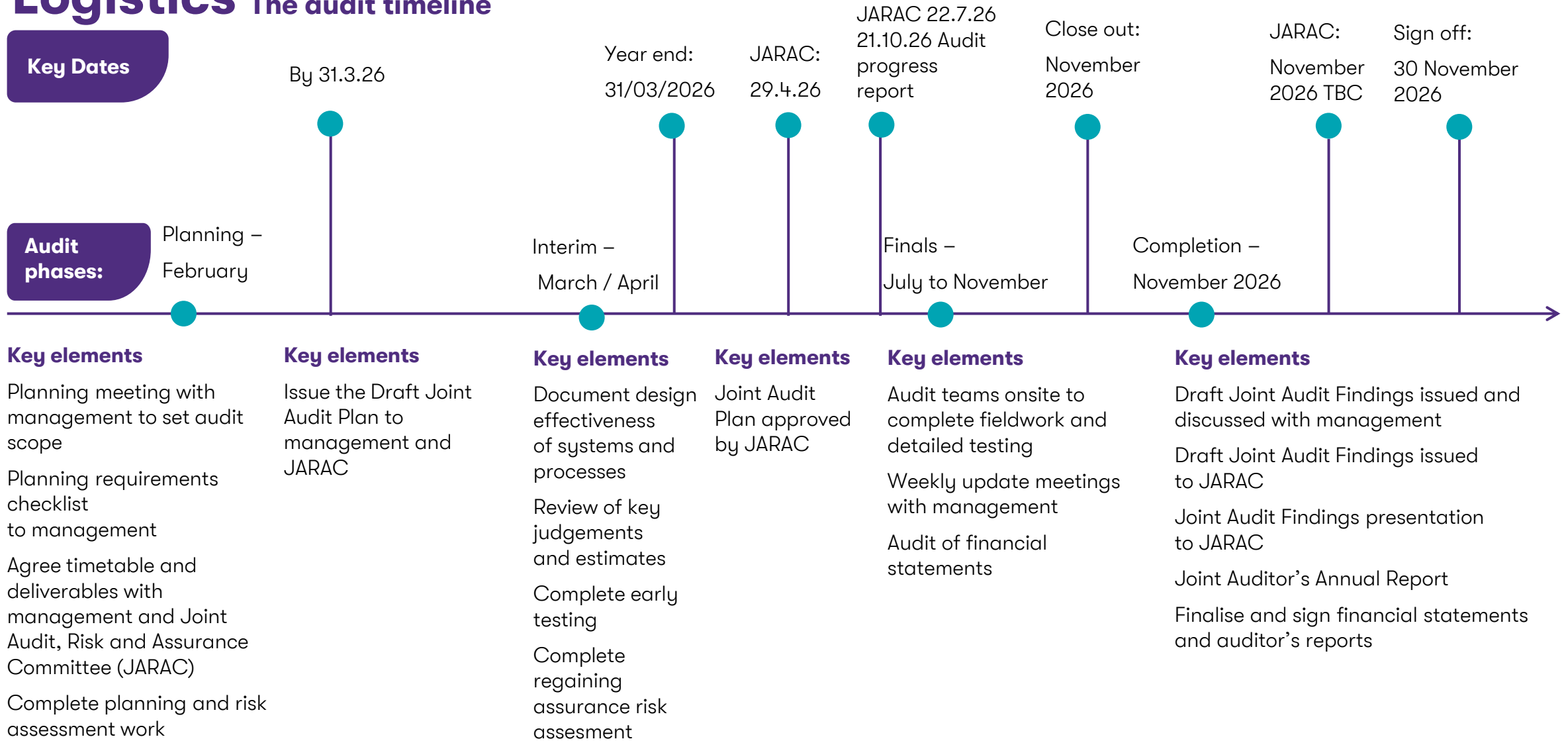
### Improvement recommendation

Auditors may also include areas for improvement or to keep in view even if they do not identify any underlying significant weaknesses in arrangements. These recommendations set out actions for consideration which are not a result of identifying significant weaknesses in arrangements, but which if not addressed could increase the risk of a significant weakness in future periods.

# Logistics The audit timeline

## Key Dates

## Audit phases:



# Our team and communications

## Grant Thornton core team

**Richard Anderson**  
Engagement Lead

- Key contact for senior management and Joint Audit, Risk and Assurance Committee
- Overall quality assurance

**Lisa Morrey**  
Audit Manager

- Audit planning
- Resource management
- Performance management reporting

**Sehrish Tahir**  
In-charge

- On-site audit team management
- Day-to-day point of contact
- Audit fieldwork

Pool of specialists and other technical specialists

	<b>Service delivery</b>	<b>Audit reporting</b>	<b>Audit progress</b>	<b>Technical support</b>
<b>Formal communications</b>	<ul style="list-style-type: none"> <li>• Annual client service review</li> </ul>	<ul style="list-style-type: none"> <li>• The Joint Audit Plan</li> <li>• The Joint Audit Findings</li> <li>• Joint Auditor’s Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>• Audit planning meetings</li> <li>• Audit clearance meetings</li> <li>• Communication of issues log</li> </ul>	<ul style="list-style-type: none"> <li>• Technical updates</li> </ul>
<b>Informal communications</b>	<ul style="list-style-type: none"> <li>• Open channel for discussion</li> </ul>		<ul style="list-style-type: none"> <li>• Communication of audit issues as they arise</li> </ul>	<ul style="list-style-type: none"> <li>• Notification of up-coming issues</li> </ul>

# Our fee estimate

## Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

## PSAA

Local Government Audit fees are set by PSAA as part of their national procurement exercise. In 2023 PSAA awarded a contract of audits for the PCC Group and Chief Constable to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2025/26 audit is £157,395.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year or opinion issued (but not before 1 December 2025)

- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here [Fee Variations Overview – PSAA](#)

## Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

# Our fee estimate (continued)

## Our fee estimate

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the PCC/Group and Chief Constable will:

- prepare good quality sets of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant estimates made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

Our fee estimate also assumes that you will engage suitably competent experts to assist management in the following areas:

- Valuation of land and buildings
- Valuation of the net pension liability/ asset

The fee estimate does not reflect the cost of the additional work we plan to complete to support the regaining of assurance over opening balances. The additional fee for this work will be calculated using day rates provided by PSAA and be subject to agreement with both Management and PSAA.

<b>Body</b>	<b>Audit Fee for 2024/25 (£)</b>	<b>Proposed fee for 2025/26 (£)</b>
Police and Crime Commissioner Scale Fee	106,434	103,106
Chief Constable Scale Fee	55,972	54,289
Jointly Controlled Operations Fee Variation*	3,999	3,999
<b>Total (Exc. VAT)</b>	<b>166,405</b>	<b>161,394</b>

\*The jointly controlled operations fee variation is subject to agreement with PSAA. This reflects the additional audit hours required to complete procedures in relation to the involvement of the Office of the Police and Crime Commissioner for Derbyshire and the Chief Constable for Derbyshire in jointly controlled operations with regional partners.

# Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, we disclose the following to you:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the PCC Group and Chief Constable that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the PCC Group and Chief Constable or investments in the PCC Group or Chief Constable held by individuals
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the PCC Group and Chief Constable as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the PCC Group and Chief Constable.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the PCC Group or Chief Constable's senior management or staff (that would exceed the threshold set in the Ethical Standard).

# Fees and non-audit services

For the purposes of our audit, we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to the Office of the Police and Crime Commissioner for Derbyshire and the Chief Constable for Derbyshire. We have not provided any non audit services.

This covers all services provided by us and our network to the PCC Group and Chief Constable, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence.

# Communication of audit matters with those charged with governance

Our communication plan	Joint Audit Plan	Joint Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Views about the qualitative aspects of the PCC Group and CC’s accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audits, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audits, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

**Respective responsibilities**

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

# Communication of audit matters with those charged with governance

Our communication plan	Joint Audit Plan	Joint Audit Findings
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

# Appendices

# Financial reporting changes

## Changes to the CIPFA Code of practice on local authority accounting for 2025/26

The main change is a revaluation expedient for property, plant and equipment. From 1 April 2025, revaluations are required once every five years or on a five year rolling basis with indexation in intervening years. This is a substantial change to the accounting for non current asset, that may require engagement with valuers, changes to underlying systems, asset records and accounting treatment.

## New or revised accounting standards that are re expected to be adopted by the CIPFA Code in future years.

### Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

The International Accounting Standards Board (IASB) issued amendments to IFRS 9 and IFRS 7 to improve the reporting of nature-dependent electricity contracts, such as power purchase agreements (PPAs). These contracts, which secure electricity from sources like wind and solar power, can vary due to uncontrollable factors like weather. The amendments clarify the 'own-use' requirements, permit hedge accounting for these contracts, and introduce new disclosure requirements to help users of the accounts understand their impact on an entity's financial performance and cash flows. The amendments are expected to be adopted by the CIPFA Code for [2026/27](#).

## Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities (including settling financial liabilities using an electronic payment system), adds guidance on the solely payment of principal and interest (SPPI) criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the CIPFA Code for [2026/27](#).

## IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the comprehensive income and expenditure statement as well as introduce specific disclosure requirements. Some of the key changes are:

- introducing new defined categories for the presentation of income and expenses
- introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal
- disclosure of management defined performance measures
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 will be effective in the UK from 1 January 2027 and so could impact the CIPFA Code from [2027/28](#).



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# Office of the Police & Crime Commissioner for Derbyshire and Derbyshire Police

Joint Audit, Risk and Assurance Committee – 29 April 2026

Internal Audit Progress Report

Date Prepared: April 2026

- 01 Snapshot of Internal Audit Activity
- 02 Latest Reports Issued – Summary of Findings
- 03 Overview of Internal Audit Plan 2025/26
- 04 Overview of Collaboration Plan 2025/26
- 05 Key Performance Indicators 2025/26
- 06 Definitions of Assurance Levels and Recommendation Priority Levels
- A1 Latest Reports Issued

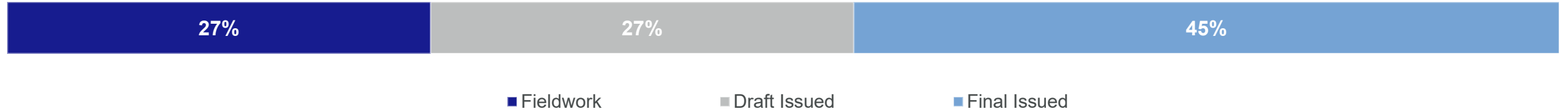
**Disclaimer**


This report (“Report”) was prepared by Forvis Mazars LLP at the request of the Office of the Police & Crime Commissioner for Derbyshire (“OPCC”) and Derbyshire Police (“Force”) and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of OPCC and Force and to the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in this report for further information about responsibilities, limitations and confidentiality.

# 01. Snapshot of Internal Audit Activity

Below is a snapshot of the current position of the delivery of the 2025/26 Internal Audit Plan.





**JARAC decisions needed**

- Note the progress being reported and consider final reports included separately in **Appendix 1**.

**RAG status of delivery of plan to timetable**

On Track

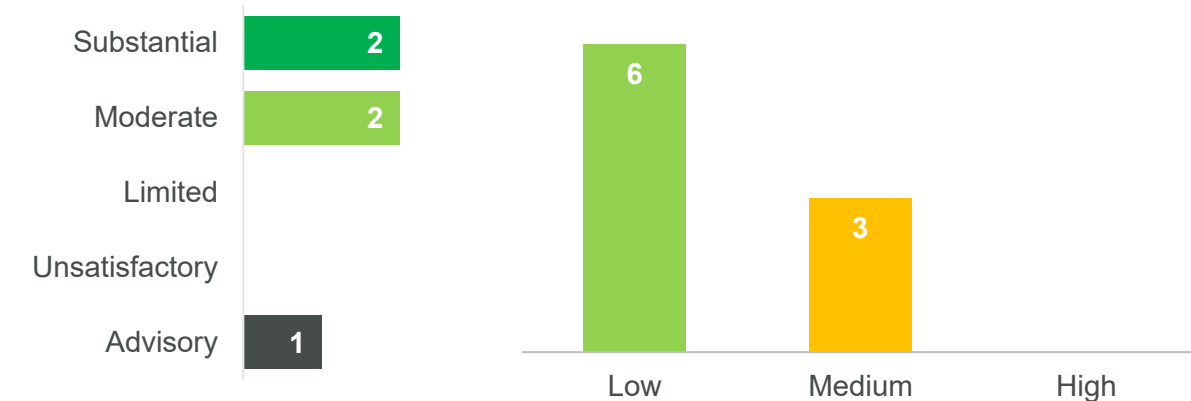
**Key updates**  
 Since our last update to the committee, we have issued the Final report for the Core Financials audits. The draft reports have been issued for the Skills Audit, Custody Governance and OPCC Performance & Delivery. Fieldwork has concluded for IT – Legacy Systems and Mobile Device Management. Fieldwork is ongoing for the Fleet Standards audit.

An overview of the Internal Audit Plan can be found in **Section 3**.

Since our last update to the committee, the Final report has been issued for the EMSOU POCA Income audit, and our fieldwork has concluded for the EMSOU Forensics Accreditation audit.

An overview of the Collaboration Plan can be found in **Section 4**.

## Assurance opinions to date (2025/26)    Audit recommendations to date (25/26)



# 02. Latest Reports Issued – Summary of Findings

## Core Financials 2025/26

### Your One Page Summary

**Audit Objective:** To assess the design and effectiveness of the control framework in respect of Core Financials.

Audit rationale															
<b>Why the Audit is in Your 2025/26 Plan</b>		<b>Your Strategic Objective</b>													
To review the adequacy and effectiveness of the systems of internal control in operation to manage the core financials systems.		Finance and Resources.													
Summary of our opinion															
<div style="background-color: #92d050; padding: 10px; border: 1px solid black;"> <p><b>Moderate Opinion</b> See Appendix A2 for definitions</p> </div>		<p><b>Summary of Recommendations</b></p> <table border="1"> <tr> <td style="background-color: #ff0000; color: white;">High Priority</td> <td style="text-align: center;">-</td> <td style="background-color: #92d050;">Actions agreed by you</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="background-color: #ffcc00;">Medium Priority</td> <td style="text-align: center;">2</td> <td style="background-color: #92d050;">High Priority completion</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td style="background-color: #92d050;">Low Priority</td> <td style="text-align: center;">2</td> <td style="background-color: #92d050;">Overall completion</td> <td style="text-align: center;">March 2026</td> </tr> </table>		High Priority	-	Actions agreed by you	100%	Medium Priority	2	High Priority completion	N/A	Low Priority	2	Overall completion	March 2026
High Priority	-	Actions agreed by you	100%												
Medium Priority	2	High Priority completion	N/A												
Low Priority	2	Overall completion	March 2026												
Summary of findings															

- Examples of good practice**
- ✓ We confirmed that all journals posted in the last six months had been done by users with appropriate journal access.
  - ✓ We confirmed for a sample of ten overtime claims in the last six months that they had been approved by a certifying officer.
  - ✓ We confirmed for a sample of ten urgent payments in the last six months that they had been appropriately requested and approved prior to payment.

- Findings**
- Debt reminders are not sent to debtors in a timely manner, and all evidence of debt chasing is not saved.
  - Inaccurate review date on the Period End Admin Checklists.
  - Leavers are not closed on Agresso<sup>1</sup> in a timely manner.
  - Staff do not retain receipts for each element of expenses claims.

- Key root causes**
- The raising of reminders for debtor invoices within Agresso is a manual process.
  - Human error.
  - Changes to the System Admin Team and only a quarterly check being in place.
  - Reliance on staff to retain receipts and ensure awareness of the Claiming Travel and Expenses Policy.

<sup>1</sup> Agresso is the Force's finance system.

## 02. Latest Reports Issued – Summary of Findings

### EMSOU POCA Income 2025/26

#### Your One Page Summary

**Audit Objective:** To assess the design and effectiveness of the control framework for POCA income in place at the East Midlands Special Operations Unit (EMSOU).

#### Audit rationale

#### Why the Audit is in Your 2025/26 Plan

Concerns regarding the receipting, recording and managing income received under the Proceeds of Crime Act 2002 (POCA); particularly related to income received through the Asset Recovery Incentivisation Scheme (ARIS).

#### Summary of our opinion

**Moderate Opinion**  
See Appendix A1 for definitions

#### Summary of Recommendations

High Priority	-	Actions agreed by you	100%
Medium Priority	1	High Priority completion	N/A
Low Priority	2	Overall completion	July 2026

#### Summary of findings

##### Examples of good practice

- ✓ ARIS income is reported to the East Midlands Police Collaboration PCC and CC Board meetings.
- ✓ From a sample of six cash seizures, we noted that deposit forms were in place from the investigating officer.
- ✓ Reconciliations are conducted every month on the EMSOU current and deposit account.
- ✓ We reconciled Q3 and Q4 ARIS income for 2024/25 to the Home Office remittance.

##### Highest Priority Findings

- Lack of records provided or communication with auction house once asset is sold.
- Lack of record of sold assets.
- Reconciliation procedure not reviewed.

##### Key root causes

- Lack of record keeping and communication channels, especially in the case of a joint investigation

### 03. Overview of Internal Audit Plan 2025/26

The table below lists the status of all reviews within the 2025/26 Plan.

Review	Original Days	Revised Days	Status	Start Date	AC	Assurance Level	Total	High	Medium	Low
Positive Action - Promotion/Recruitment	10	10	Final Issued	21-Jul-25	Jan-26	Moderate	2	-	1	1
Governance & Oversight	10	10	Final Issued	03-Sep-25	Jan-26	Substantial	1	-	-	1
Core Financials	10	10	Final Issued	08-Sep-25	Apr 26	Moderate	4	-	2	2
Risk Management	10	10	Final Issued	27-Oct-25	Jan-26	Substantial	2	-	-	2
IT - Legacy Systems	10	10	Fieldwork	08-Dec-25			-	-	-	-
Skills Audit	10	10	Draft Issued	02-Feb-26			-	-	-	-
Custody Governance	10	10	Draft Issued	11-Feb-26			-	-	-	-
Mobile Device Management	10	10	Fieldwork	16-Feb-26			-	-	-	-
OPCC Performance and Delivery	10	10	Draft Issued	09-Mar-26			-	-	-	-
Fleet Standards	10	10	Fieldwork	27-Apr-26			-	-	-	-
Assurance Framework - Advisory	10	10	Completed				-	-	-	-
<b>Totals</b>	<b>110</b>	<b>110</b>				<b>Totals</b>	<b>9</b>	<b>-</b>	<b>3</b>	<b>6</b>

# 04. Overview of Collaboration Plan 2025/26

The table below lists the status of all reviews within the 2025/26 Collaboration Plan.

Review	Original Days	Revised Days	Status	Start Date	AC	Assurance Level	Total	High	Medium	Low
EMSOU POCA Income	10	10	Final Issued	18-Sep-25	Apr 26	Moderate	3	-	1	2
EMSOU Forensics Accreditation	10	10	Fieldwork	09-Mar-26			-	-	-	-
<b>Totals</b>	<b>20</b>	<b>20</b>				<b>Totals</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>2</b>

## 05. Key Performance Indicators 2025/26

Number	Indicator	Criteria	Performance
1	2024/25 Annual report provided to the JARAC	As agreed with the Client Officer	July 2025
2	Annual Operational and Strategic Plans to the JARAC	As agreed with the Client Officer	March 2025
3	Progress report to the JARAC	7 working days prior to meeting	Achieved
4	Issue of draft report	Within 10 working days of completion of exit meeting	86% (6 / 7)
5	Issue of final report	Within 5 working days of agreement of responses	75% (3 / 4)
6	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork	60% (6 / 10)
7	Customer satisfaction (measured by survey) "Overall evaluation of the delivery, quality and usefulness of the audit" Very Good, Good, Satisfactory, Poor or Very Poor	85% average with Satisfactory response or above	100% (1 / 1) 1 – Very Good

## 05. Key Performance Indicators 2025/26 (Cont.)

Review	Date of ToR	Start of Fieldwork	Days Notice (10)	Exit Meeting	Draft Report	Time from Close to Draft Report (10)	Management Comments Received	Time to Received Comments (15)	Final Report Issued	Time Taken to Issue Final Report (5)
Positive Action - Promotion/Recruitment	02-Jul-25	21-Jul-25	13	14-Aug-25	11-Sep-25	12	25-Sep-25	10	03-Oct-25	3
Governance & Oversight	21-Aug-25	03-Sep-25	8	07-Nov-25	20-Nov-25	6	05-Dec-25	11	17-Dec-25	5
Core Financials	29-Jul-25	08-Sep-25	28	30-Oct-25	30-Oct-25	0	18-Nov-25	13	05-Feb-26	30
Risk Management	07-Oct-25	27-Oct-25	14	14-Nov-25	20-Nov-25	3	01-Dec-25	7	04-Dec-25	3
IT - Legacy Systems	27-Jun-25	08-Dec-25	115	24-Apr-26						
Skills Audit	20-Jan-26	02-Feb-26	9	23-Feb-26	11-Mar-26	8				
Custody Governance	30-Jan-26	11-Feb-26	8	21-Apr-26	24-Apr-26	2				
Mobile Device Management	21-Jan-26	16-Feb-26	18							
OPCC Performance and Delivery	17-Feb-26	09-Mar-26	14	20-Apr-26	24-Apr-26	4				
Fleet Standards	20-Apr-26	27-Apr-26	5							
Assurance Framework - Advisory										

## 06. Definitions of Assurance Levels and Recommendation Priority Levels

Definitions of Assurance Levels	
Substantial Assurance	The framework of governance, risk management and control is adequate and effective.
Moderate Assurance	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited Assurance	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
Unsatisfactory Assurance	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Definitions of Recommendations		
High (Priority 1)	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium (Priority 2)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low (Priority 3)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.	Remedial action should be prioritised and undertaken within an agreed timescale.

# A1

Latest Reports Issued

Core Financials 2025/26



## 01 Summary Action Plan

Below is a high-level summary of the actions that are intended to support your management of this risk area. Further detail about our findings, which have been discussed with management, are provided in our detailed action plan (see 03 Detailed Action Plan).

Ref	Recommendation	Priority	Responsible Person	Due Date
1	<p>The Force should:</p> <ol style="list-style-type: none"> <li>1. Perform an activity to assess the feasibility of an automatic system led solution to the timely chasing of debts.</li> <li>2. Ensure all debtors are sent the required debt letters in a timely manner.</li> <li>3. Ensure evidence of all debt chasing activities are retained.</li> </ol>	Medium	Claire Widdowson, Financial Services Manager	31 March 2026
2	The Force should perform a monthly, rather than quarterly, review of leavers against the Active Agresso User List.	Medium	Martin Cantrill, Corporate Finance Manager	30 November 2025
3	<p>The Force should:</p> <ol style="list-style-type: none"> <li>1. Ensure the date of review is updated for every Period End Admin Checklist.</li> <li>2. Introduce, as planned, the email approval for Period End Admin Checklists. Evidence of this should be retained on file for audit purposes.</li> </ol>	Low	Martin Cantrill, Corporate Finance Manager	30 November 2025
4	The Force should regularly remind staff of the requirements to retain receipts or similar for all claimed amounts, in line with the Claiming Travel and Expenses Policy.	Low	Claire Widdowson, Financial Services Manager	30 November 2025

## 02 Value for Money and Sector Comparison

Within each of our reports, we summarise any observations we have made about the effectiveness, efficiency and economy of your operations. This is to support our portfolio of public and social sector organisations with value for money considerations. We also summarise how you compare to similar organisations, which is intended to bring you the benefit of our insight.

### Value for Money



Value for Money (VfM) considerations can arise in various ways, and our audit process aims to include an overview of the efficiency of systems and processes in place within the auditable area.

Audit recommendations detailed in **Section 03** below have been designed to address weakness in the control environment but also to improve the efficiency and effectiveness of the existing control environment. Over the course of the audit we noted:

- The Force produces monthly Budget Monitoring Reports, which we confirmed through review of the June and July Reports, which detail actual spend against budgeted spend for both its revenue and capital budgets, including a full variance analysis for both. The Budget Monitoring Reports are shared with senior leaders at the Force and OPCC, which ensures regular oversight of policing budgets and aids the Force in ensuring there is efficient utilisation of its available funds.
- To ensure Bankers' Automated Clearing System (BACS) runs are completed effectively and efficiently it is important that there are checks and balances, along with segregation of duty, in place. We confirmed for a sample of five BACS runs in the last six months that the Force has segregation of controls and checks in place to validate the accuracy and legitimacy of the BACS prior to running it.
- To ensure overdue income is received on a timely basis and to reduce the risk of write offs it is important to have effective aged debt management procedures that are followed consistently across the Force. Our review has identified issues in relation to the timely chasing of outstanding debts, which is a common difficulty in the sector due to a lack of automation, and the ensuring all evidence of debt chasing activities are saved on file. This is discussed further in **Section 03 (Recommendation 1)**.

### Sector Comparison



From our experience across our client base, we are seeing pressures on resources and higher servicing demands have resulted in challenges to the existing control environment. This often results in increased challenges to decision making processes where conflicting priorities exist and need to be balanced with effective risk management.

While our review of the journals posting process did not identify any preventative controls, we observed that there were mitigating controls in place. This includes quarterly sample testing of at least 20% of journals posted within that period to confirm that supporting evidence is retained and relevant to the journal that has been posted. We confirmed that this had taken place for the last two quarters.

Reduced resources mean that organisations have to accept a certain degree of risk within processes and systems in place and need to ensure this risk is identified and managed as business as usual.

- Similar to its peers in the East Midlands region, Derbyshire does not require individual journals to be approved prior to posting, and instead perform quarterly sample testing of journals posted to ensure they were posted accurately, and that the backing documentation is saved.
- The Force produces monthly feeder system reconciliations, as part of the wider control account reconciliations and includes accounts payable and accounts receivable, and uses a Period End Admin Checklist to demonstrate completion and review. Whilst this is common in the sector, it is important that the completion date and review date, along with the staff member responsible for each, are accurately recorded. This is discussed further in Section 03 (Recommendation 2).

### Sector Comparison

- Similar to well performing peers, Derbyshire performs comparisons of supplier bank detail with employee details, every six months, to identify any matches.

### 03 Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix A2.

1. Debt reminders are not sent to debtors in a timely manner, and all evidence of debt chasing is not saved.	
Finding(s) and Risk	Recommendation(s)
<p>The Force has a Debtor Process Note which sets out the processes to be followed by the Finance Team for the collection and recovery of overdue income using Agresso. <b>Appendix A1</b> details the specific steps and timelines.</p> <p>We reviewed a sample of ten outstanding debts to confirm that the debt collection processes had been followed in accordance with the Debtor Process Note. We found:</p> <ul style="list-style-type: none"> <li>• Nine instances where the first reminder had not been sent 31 days after the invoice date (range of 107 – 34 days and an average of 44 days).</li> <li>• Eight instances where the second reminder had not been sent 45 days after the invoice date (range of 47 – 57 days and an average of 51 days).</li> <li>• Six instances where the third reminder had not been sent 59 days after the invoice date (range of 61 – 72 days and an average of 65 days).</li> <li>• Four instances where the fourth reminder and the escalation to legal had not occurred 66 days after the invoice date (range of 90 – 192 days and an average of 138 days).</li> <li>• Three instances which, at the time of audit, had not been escalated to legal despite surpassing 66 days (13<sup>th</sup> and 16<sup>th</sup> June and 9<sup>th</sup> August) after the invoice date.</li> </ul> <p>Management advised that the raising of reminders in Agresso is a manual process and during busy periods the Force may occasionally delay sending reminders to debtors due to lack of resources. We confirmed that reminders were issued within an average of 5 working days (1 week) of the trigger date, which is a reasonable delay based on a manual control. However, we also noted that debts were escalated to Legal within an average of 42 working days (over 4 weeks) of the trigger date. This delay may impede the collection of debts where legal intervention is required.</p>	<p>The Force should:</p> <ol style="list-style-type: none"> <li>1. Perform an activity to assess the feasibility of an automatic Agresso led solution to the timely chasing of debts.</li> <li>2. Ensure all debtors are sent the required debt letters in a timely manner.</li> <li>3. Ensure evidence of all debt chasing activities are retained.</li> </ol>
	Root Cause(s)
	<p>The raising of reminders for debtor invoices within Agresso is a manual process.</p>

Additionally, we noted one instance where the Force had not saved the third reminder letter or evidence of it being issued to the debtor.

**Risk and Impact:** Debts are not chased in a timely manner, and all evidence of debt chasing are not saved on file by the Force, leading to financial loss to the Force and a lack of internal assurance that all required debt chasing procedures have been carried out.

**Management Comments / Agreed Actions**

Steps are being taken to look at automating the reminder process within Agresso to avoid any delays within the current manual task to improve responses when chasing debts. Additionally, we have already taken steps to look at a prepayment system for our disclosure requests where a debtor invoice would no longer be required.

<b>Responsible Person</b>	Claire Widdowson, Financial Services Manager	<b>Action Due Date</b>	31 March 2026
		<b>Priority Level</b>	Medium

**2. Leavers are not closed on Agresso in a timely manner.**

Finding(s) and Risk	Recommendation(s)
<p>It is important that leavers access to key systems is closed in a timely manner, as this ensures that systems and data are adequately protected and reduces the risk of them being open to abuse.</p> <p>We reviewed the Force’s Active Agresso User List with the list of leavers from the Force between April and August 2025 and found 139 leavers were still on the Active Agresso User List. Of the 139 we found the following:</p> <ul style="list-style-type: none"> <li>• 66 were in the two-month grace period at the time of audit to allow any late payments to be actioned and placed on the general ledger.</li> <li>• 73 should have been closed but were missed due to a combination of changes in individual responsibilities, changes within the System Admin Team, and only a quarterly check being in place.</li> </ul> <p>Whilst the risk of leavers accessing Agresso is mitigated by the fact that Agresso is single sign-on through the main Derbyshire Police network and, as such, access is removed on the day of last employment, it is best practice to have a monthly check of leavers, as opposed to the current quarterly check the Force has, with the Active Agresso User List to ensure timely closure of leavers’ access.</p> <p><b>Risk and Impact:</b> Leavers access to Agresso is not closed in a timely manner, potentially allowing unauthorised access if network controls fail, leading to financial data being exposed and open to abuse.</p>	<p>The Force should perform a monthly, rather than quarterly, review of leavers against the Active Agresso User List.</p> <p><b>Root Cause(s)</b></p> <p>Changes to the System Admin Team and only a quarterly check being in place.</p>

**Management Comments / Agreed Actions**

The task for closing leavers has been added to the period end checklist so those that are outside the two-month grace period will be closed on a monthly basis.

<b>Responsible Person</b>	Martin Cantrill, Corporate Finance Manager	<b>Action Due Date</b>	30 November 2025
		<b>Priority Level</b>	Medium

**3. Inaccurate review date on the Period End Admin Checklists.**

Finding(s) and Risk	Recommendation(s)
<p>Following the end of each month, the Force undertakes period close down procedures which ensures that all financial transactions for the period are accurately recorded and reconciled. To support this, the Force uses a Period End Admin Checklist, which is completed by a member of the Strategic Finance Team and reviewed by the Corporate Finance Manager, to document the reports produced and completion of accounts receivable and accounts payable reconciliations.</p> <p>We reviewed the Period End Admin Checklist for July and August and whilst we confirmed that all activities had been marked as complete by a member of the Strategic Finance Team and reviewed by the Corporate Finance Manager, we did note the date of review to be the same (1/7/25) on both periods Checklist. As a result of this we were unable to confirm the actual date of review for the July and August accounts receivable and accounts payable reconciliations we assessed.</p> <p>Management advised that the date of review had not been updated on either July or August Period End Admin Checklists, but the Force is planning on changing the process by introducing an email trail of approval between completer and reviewer.</p> <p><b>Risk and Impact:</b> The Force does not update the reviewed dates on the Period End Admin Checklists, leading to a weakened audit trail and a lack of internal assurance over the accuracy of reports produced and reconciliations completed.</p>	<p>The Force should:</p> <ol style="list-style-type: none"> <li>1. Ensure the date of review is updated for every Period End Admin Checklist.</li> <li>2. Introduce, as planned, the email approval for Period End Admin Checklists. Evidence of this should be retained on file for audit purposes.</li> </ol> <p><b>Root Cause(s)</b></p> <p>Human error.</p>

**Management Comments / Agreed Actions**

From October 2025 the Period End Checklist will be emailed to the Corporate Finance Manager once the list has been checked it will be signed and dated and returned to Agresso Support who will save it in the Period End file.

<b>Responsible Person</b>	Martin Cantrill, Corporate Finance Manager	<b>Action Due Date</b>	30 November 2025
		<b>Priority Level</b>	Low

**4. Staff do not retain receipts for each element of expenses claims.**

Finding(s) and Risk	Recommendation(s)		
<p>The Force's Claiming Travel and Expenses Policy (June 2025) outlines the arrangements for staff to claim work-related travel and other expenses incurred during the course of duty. Whilst, the Policy does not require staff to submit receipts when making an electronic claim, it does require them to retain receipts, or other appropriate evidence where a receipt is not possible, for both the current and previous financial years claims. The Force also completes monthly expense audits of a sample of claims to ensure that claimants retain suitable evidence.</p> <p>We reviewed a sample of ten expense claims paid by the Force in the last six months to confirm that claimants had retained supporting documentation for the amounts claimed. We found one instance where the claimant had claimed £78.40 in food and drink expenses but only had supporting receipts totalling £73.40. The remaining £4.80 related to a cash transaction for which no receipt or other means was retained.</p> <p><b>Risk and Impact:</b> Incomplete supporting documentation for expense claims are held by staff, leading to non-compliance with the Force's Claiming Travel and Expenses Policy and potential misuse.</p>	<p>The Force should regularly remind staff of the requirements to retain receipts or similar for all claimed amounts, in line with the Claiming Travel and Expenses Policy.</p> <tr> <th data-bbox="1414 464 2165 521">Root Cause(s)</th> <td data-bbox="1414 521 2165 835"> <p>Reliance on staff to retain receipts and ensure awareness of the Claiming Travel and Expenses Policy.</p> </td> </tr>	Root Cause(s)	<p>Reliance on staff to retain receipts and ensure awareness of the Claiming Travel and Expenses Policy.</p>
Root Cause(s)	<p>Reliance on staff to retain receipts and ensure awareness of the Claiming Travel and Expenses Policy.</p>		

**Management Comments / Agreed Actions**

A reminder will be announced on our internal intranet to remind employees of their obligation to retain receipts in line with our Expenses Policy.

<b>Responsible Person</b>	Claire Widdowson, Financial Services Manager	<b>Action Due Date</b>	30 November 2025
		<b>Priority Level</b>	Low

## A1 Debtor Reminders

The table below sets out the stages to be followed in the process of raising and sending reminders to debtors.

Debt Reminder Stage	Description
Invoice	An invoice is sent to the debtor and gives 30 days to pay.
Reminder 1	The first reminder is expected to be generated at day 31 and sent to the debtor.
Reminder 2	The second reminder is expected to be generated at day 45 and sent to the debtor.
Reminder 3	The third reminder is expected to be generated at day 59 and sent to the debtor.
Reminder 4	A fourth reminder is expected to be generated at day 66. This is an internal reminder to escalate the debt to legal and send out the legal letter.

## A2 Audit Information

### Agreed Audit Objective and Scope

The objectives of our audit were to assess whether the OPCC and Force has in place adequate and appropriate policies, procedures and controls in relation to Positive Action, with a view to providing an opinion on the extent to which risks in this area are managed. The audit considered the following risks relating to the area under review:

#### General Ledger

- Accounting transactions are incorrectly recorded in the accounts.
- Management is not aware of performance issues due to lack of detailed management accounts.
- Missing transactions are not identified due to reconciliations not being completed.

#### Payroll (Expenses/Overtime)

- Expenses are paid outside of the expenses policy.
- Overtime is paid outside of the overtime policy.

#### Debt Management

- Income past due is not subject to appropriate debt management actions.

- Recoverable debts are written off inappropriately.

#### Payments & Creditors

- New suppliers can be paid without review and verification.
- Supplier details can be amended without review and verification.
- Payments are made without authorisation and not in a timely manner.
- Payments are made for goods and/or services prior to their receipt.
- BACS payments are incorrectly processed.

#### Other (Cross Cutting Themes)

- Inconsistent approaches are taken to financial activities.
- Systems can be inappropriately accessed.
- Fraudulent activity is not prevented or identified.

### Scope Limitations

In giving this assessment, it should be noted that assurance cannot be absolute. The most an Internal Audit service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control. Any testing performed was conducted on a sample basis. Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

EMSOU POCA Income 2025/26





## 01 Summary Action Plan

Below is a high level summary of the actions that are intended to support your management of this risk area. Further detail about our findings, which have been discussed with management, are provided in our detailed action plan (see 03 Detailed Action Plan).

Ref	Recommendation	Priority	Responsible Person	Due Date
1	<p>The Unit should:</p> <ol style="list-style-type: none"> <li>1. Implement a formal process of formulating a communication channel when conducting a joint investigation with another Force to gain assurance and oversight over the sale process.</li> <li>2. Ensure that records are kept of sale to demonstrate value for money.</li> </ol>	Medium	David Vint – Head of Economic and Cyber Crime	31 July 2026
2	The Unit should establish a process for retaining records and evidence of asset disposal sales for auditing purposes	Low	David Vint – Head of Economic and Cyber Crime	31 July 2026
3	The Unit should regularly review all procedures concerning reconciliations.	Low	Angela Humphries – Finance Business Partner	31 March 2026

## 02 Value for Money and Sector Comparison

Within each of our reports, we summarise any observations we have made about the effectiveness, efficiency and economy of your operations. This is to support our portfolio of public and social sector organisations with value for money considerations. We also summarise how you compare to similar organisations, which is intended to bring you the benefit of our insight.

Value for Money	Sector Comparison
 <p>Value for Money (VfM) considerations can arise in various ways, and our audit process aims to include an overview of the efficiency of systems and processes in place within the auditable area.</p> <p>We would expect that EMSOU can demonstrate value for money when selling assets via auction. However, we noted that currently there is no central record of assets sold, and during audit this was requested via the auction house directly. We have raised a recommendation regarding this in <b>Section 03</b>.</p>	 <p>The Asset Recovery Incentivisation Scheme distributes recovered POCA funds based on performance. This can be reinvested in crime prevention and operational support. Best practice would be to have transparent reporting of POCA income and its reinvestment. We were able to confirm that for Quarters 3 and 4 for 2024/25 remittance notices were received by the Home Office and matched to the finance system.</p> <p>Effective asset monitoring should begin at the point of seizure and continue to final disposal. Once legal authority has been obtained (i.e. a forfeiture order) assets should be sold in a transparent and auditable manner. This could be conducted through public auctions or specialist brokers. At EMSOU assets can be sold via many channels, such as e-Bay or auction. From our sampling, we were not able to receive evidence of sale orders, or invoices from the auction house. We have raised a recommendation regarding this in <b>Section 03</b>.</p>

### 03 Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix A1.

1. Lack of records provided or communication with auction house once asset is sold.	
Finding(s) and Risk	Recommendation(s)
<p>We expect EMSOU to maintain full oversight of the disposal process for seized assets, ensuring that all disposals are conducted transparently and in accordance with legal requirements. Robust record-keeping should be in place to demonstrate value for money and compliance with court orders.</p> <p>As part of our audit, we reviewed a sample of 10 court-ordered payments made from the EMSOU account between October 2024 and July 2025. This sample included seven cash seizures and three asset disposals. We sought to confirm whether the assets were sold following the issuance of a court order and whether supporting evidence of the sale was available.</p> <p>Our findings are as follows:</p> <ul style="list-style-type: none"> <li> <b>Vehicle (Court Order: 22 April 2025)</b>            This asset was involved in a joint investigation between EMSOU and Police Scotland. Although EMSOU later assumed sole control of the case, the vehicle remained stored in Scotland. Police Scotland proceeded to sell the asset via auction without notifying EMSOU, and no formal communication channels were in place to confirm the timing or legal basis of the sale. As a result, EMSOU could not confirm whether the sale occurred after the court order. Management advised that Police Scotland would need to clarify the legislative authority under which the asset was sold. We were advised that funds of £20,514.50 were received into the EMSOU account on 6 June 2025.         </li> <li> <b>Jewellery (Court Order: 28 August 2024)</b>            EMSOU advised that the items were sold via eBay; however, they were unable to provide the date of sale or supporting documentation. We were further advised that funds of £5,095.25 were received into the EMSOU account on 18 December 2024.         </li> </ul>	<p>The Unit should:</p> <ol style="list-style-type: none"> <li>Implement a formal process of formulating a communication channel when conducting a joint investigation with another Force to gain assurance and oversight over the sale process.</li> <li>Ensure that records are kept of sale to demonstrate value for money.</li> </ol>
	Root Cause(s)
	Lack of record keeping and communication channels, especially in the case of a joint investigation

- **Cryptocurrency (Court Order: 28 August 2024)**  
EMSOU informed us that the asset was transferred to the Leicestershire Police KOMAINU account but could not provide the date of transfer or further details. We were advised that funds were deposited on 18 November 2024.

**Risk and Impact:** Seized assets may not be disposed of in a transparent or timely manner, potentially resulting in financial loss or reputational damage for EMSOU.

**Management Comments / Agreed Actions**

The following actions have been identified:

- SOP in development to detail asset seizure and realisation, including joint operations. This will cover the methodology required for communication channels and the reconciliation of assets held in auction houses.
- The officer in case (OIC) will detail all assets within the case management system.

<b>Responsible Person</b>	David Vint – Head of Economic and Cyber Crime	<b>Action Due Date</b>	31 July 2026
		<b>Priority Level</b>	Medium

2. Lack of record of sold assets.			
Finding(s) and Risk		Recommendation(s)	
<p>It is considered best practice for EMSOU to retain records of assets sold through auction to ensure transparency and demonstrate value for money. During our fieldwork, we attempted to select a sample of assets sold via auction to test against auditable evidence, such as sale dates, auction house documentation, or sale receipts.</p> <p>However, management advised that EMSOU does not currently hold such records. To obtain this information, auction houses would need to be contacted directly, indicating that EMSOU does not have a formal process in place for retaining or requesting post-sale documentation.</p> <p><b>Risk and Impact:</b> The absence of auditable evidence for asset disposals via auction presents a risk to financial transparency and accountability.</p>		<p>The Unit should establish a process for retaining records and evidence of asset disposal sales for auditing purposes.</p>	
		Root Cause(s)	
		No record keeping	
Management Comments / Agreed Actions			
<p>The following actions have been identified:</p> <ul style="list-style-type: none"> <li>• Inventory reconciliation of all assets held in auction houses to commence.</li> <li>• SOP in development to detail asset seizure and realisation, including joint operations. This will cover the methodology required for communication channels and the reconciliation of assets held in auction houses.</li> </ul>			
Responsible Person	David Vint – Head of Economic and Cyber Crime	Action Due Date	31 July 2026
		Priority Level	Low

3. Reconciliation procedure not updated.			
<b>Finding(s) and Risk</b>		<b>Recommendation(s)</b>	
<p>Receipt of POCA income should be reconciled against notifications of cases on a regular basis and records should be maintained. We would expect that procedures to conduct reconciliations are regularly reviewed.</p> <p>While we confirmed that these reconciliations were being carried out, we were provided with the local procedure document for cash seizure bank account reconciliation that was last reviewed in April 2021.</p> <p><b>Risk and Impact:</b> Outdated procedures may lead to reconciliations being incorrectly conducted by members of staff</p>		<p>The Unit should regularly review all procedures concerning reconciliations.</p>	
		<b>Root Cause(s)</b>	
		Lack of management oversight over procedures	
<b>Management Comments / Agreed Actions</b>			
The procedure document has been reviewed and adequate controls have been put in place to ensure a yearly review takes place.			
<b>Responsible Person</b>	Angela Humphries – Finance Business Partner	<b>Action Due Date</b>	31 March 2026
		<b>Priority Level</b>	Low

## A1 Audit Information

### Agreed Audit Objective and Scope

The objectives of our audit were to assess whether the OPCCs, OPFCC and Forces, collaborating through EMSOU, have in place adequate and appropriate policies, procedures and controls in relation to Positive Action, with a view to providing an opinion on the extent to which risks in this area are managed. The audit considered the following risks relating to the area under review:

- **Governance and Oversight** – Senior leadership from the both the Unit and from the regional Forces are not involved in decision making regarding POCA and/or ARIS income.
- **Governance and Oversight** – Transfer of operations to the Unit is not a clearly defined process and/or decisions are not clearly documented.
- **Seizure of Cash and/or Assets** – Cash seized by the Unit is not appropriately counted to prevent fraud during the seizure process.
- **Seizure of Cash and/or Assets** – Assets seized are not stored safely and securely.
- **Seizure of Cash and/or Assets** – Confiscated and/or Forfeited assets are not sold to achieve best value for money
- **Asset Recovery Incentivisation Scheme** – Where ordered by the Court, POCA income is not transferred in a timely manner.
- **Asset Recovery Incentivisation Scheme** – ARIS income received is not reconciled to notifications from the scheme
- **Use of ARIS income** – The Target Operating Model does not consider roles and functions funded through ARIS income

### Scope Limitations

In giving this assessment, it should be noted that assurance cannot be absolute. The most an Internal Audit service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control. Any testing performed was conducted on a sample basis. Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

# Contact

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### Statement of Responsibility

We take responsibility to the Office of the Police & Crime Commissioner for Derbyshire (“OPCC”) and Derbyshire Police (“Force”) for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management’s responsibilities for the application of sound management practices.

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## JARAC – INTERNAL AUDIT RECOMMENDATION MONITORING

Summary of Recommendations

Audit	Priority	Number of Recommendations	Open	Closed
Positive Action 2025 / 2026	2	1	1	

Recommendation	Responsible party	P	Timescale	Update
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**Date January 2026**

**Positive Action 2025 / 2026**

<p><b>1. Publishing of Positive Action Strategy 2025</b> The force should publish the Positive Action Strategy 2025 on the staff intranet, alongside force-wide communication on the purpose of the Strategy, and importance of positive action.</p>	Catherine Parker	2	31 October 2025	
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**Most Recent Management Response – March 2026**

The force Positive Action Strategy has been published and shared on the Force intranet ‘Connect’ together with accompanying communication and this has its own page within the system. Any reference to positive action support within wider communications or within Force (particularly in relation to underrepresented groups) is always explained and accompanied by a hyperlink to the strategy and wider communication.

The strategy has also been published on the Force website.

<b>REPORT TITLE</b>	2025/26 YEAR END ACCOUNTING ARRANGEMENTS AND ACCOUNTING POLICIES
<b>REPORT BY</b>	CHIEF FINANCE OFFICER
<b>DATE</b>	29 APRIL 2026

### **PURPOSE OF THE REPORT**

To advise of the Draft timetable for the closure of accounts and to note the Statement of Accounting Policies for the Chief Constable and for the Police and Crime Commissioner.

### **ATTACHMENTS**

Appendix A. Draft 2025/26 Year-end closedown plan

Appendix B. Statement of Accounting Policies for the Police and Crime Commissioner for Derbyshire

Appendix C. Statement of Accounting Policies for the Chief Constable for Derbyshire

Appendix D. LGPS Actuary assumptions

### **RECOMMENDATIONS**

1. That the Committee can take assurance that plans, including the Draft timetable for the closure of accounts and the production of the Statements for 2025/26 are robust.

2. The Statement of Accounting Policies for the Chief Constable and for the Police and Crime Commissioner are approved. To note the information and analysis as set out in this report and Appendices B, C and D.

#### CONTACT FOR ENQUIRIES

Name: Bev Bull, Director of Finance and Assets (S151 Officer)

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## 1. **INFORMATION AND ANALYSIS**

1. The 2025/26 Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Local Authority Accounting 2025/26 (the Code). The Accounts reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include: -

- The Police Reform and Social Responsibility Act 2011 (the Act).
- Accounts and Audit Regulations.
- The Home Office Financial Management Code of Practice for the Police Service of England and Wales.
- Joint Corporate Governance Framework – Scheme of Delegation and consent between the Commissioner and Chief Constable.
- The Financial Handbook of the Commissioner and Chief Constable.

2. The key accounting change in the 2025/26 Code relates to the revaluation of non-investment property, plant and equipment. Under the 2025/26 Code, valuations will be required once every five years or on a five-year rolling basis. The revaluations will be supported by indexation in the intervening years. From 2025/26 and throughout the transition period which is equal to the first full revaluation cycle, there is no requirement to follow the retrospective restatement requirements of IAS 8 following the change in accounting policy. Revaluations carried out prior to 2025/26 remain valid throughout the transition period (1<sup>st</sup> April 2025 to the date the next revaluation is due for each asset).

3. The choice of the index used is a matter of judgement for the force and must ensure that it provides a reasonable estimate of movement in the value of the asset from the prior year.

4. Each year a timetable is prepared setting out the key processes that must be followed and respective deadlines to ensure the accounts are prepared in accordance with the framework and by the statutory deadline.

5. In September 2024 the Accounts and Audit (Amendment) Regulations 2024 came into force. These regulations set statutory backstop dates for all financial years beginning in 2015 up to 2027.

Financial Year	Statutory backstop date
2022/23 and before	13 December 2024
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

6. The new regulations require Derbyshire to publish the 2025/26 unaudited accounts by 30 June 2026.

7. Our Draft accounts timetable has been prepared with the deadline of 30 June. The year-end timetable is attached at **Appendix A**.

### **Preparation of the 2025/26 Accounts**

8. We are required, under the changes to publish the annual audited statement of accounts by 31 January 2026. The primary financial statements within this document comprise:-

- Movement in Reserves Statement.
- Comprehensive Income and Expenditure Statement.
- Balance Sheet.
- Cash Flow Statement.

9. In addition to these primary statements the accounts include a Narrative Report providing context and explanations of key issues and a series of notes providing further detail to the primary statements.

10. The Annual Governance Statements (AGS) also accompany the statements of accounts. The AGS sets out the management's view of its governance arrangements, issues to be addressed and actions to be taken to strengthen governance.

11. Accounting policies are the specific principals, conventions, rules and practices that are applied in preparing and presenting the annual accounts. The Commissioner and Chief Constable follows broadly the standards and policies contained in the Code when preparing their final accounts.

12. Attached at the **Appendices B** and **C** are the Statements of Accounting Policies for the 2025/26 Statement of Accounts. The track changes show the changes for the 2025/26 Accounting Policies.

13. **Appendix D** highlights the actuarial assumptions around which the LGPS pension fund valuation is calculated at 31<sup>st</sup> March 2026.

14. The Accounting Policies for 2024/25 have been reviewed by the External Auditors as part of their audit.

15. It is recommended that the Accounting Policies are approved by the Joint Audit, Risk and Assurance Committee, so setting the framework for final accounts to be prepared and the Statements produced.



**DRAFT YEAR-END CLOSEDOWN PLAN FOR THE CHIEF CONSTABLE AND POLICE & CRIME COMMISSIONER 2025/26**

Unaudited Accounts published on 30th June						
Day	Date	Leave	Task / Comment	Responsible	Task Complete	Any Comments / difficulties
	Oct / Nov		Meetings with new valuers re valuation requirements for 2025/26	JP/MC/Assets/NPS		
	Nov / Jan		NPS value properties to provide Draft report by <b>18 April</b>	NPS (Valuers)		
	Jan		GAD issue data requirements and deadlines for police pensions plus Commissioning letter	GAD / TW / SM		
	Jan-Mar		Put Payments in advance, receipts in advance, creditors, debtors into system where possible. Raise debtor invoices for 2025 / 26 where possible	Strat Finance		
	Jan-Mar		Ensure any miscodings are corrected, orders closed, reconciliations are up to date etc	Strat Finance		
	Jan-Mar		Finance Support to ensure that creditors, debtors, aged registrations and suspense are monitored and cleared as soon as possible	Fin Supp		
	Jan-Mar		Finance Support to review credit notes outstanding on Accounts Payable	Fin Supp		
	Jan-Mar		Set up Asset Registers for 2026/27, calculate depreciation, prepare spreadsheets to send out for disposals	MC		
	Jan / Feb		Review Code of Practice for new requirements	KF /MC		
	Jan		Finance Support to review debtor invoices for write off during January - deadline for return <b>13th February</b>	KF /CW		
	Feb		Set up proforma accounts for 2025 / 26	Strat Finance		
	Mar		Regional asset registers and proforma accounts to be set up	KF / MC / SL / MW(SM)		
	Feb / Mar		Prepare proforma capital working Papers	MC		
	Mar		Save all grant notifications from Government & precept letters to working papers	MC / RS / TW		
	Mar		Save all major grant agreements and remittances to working papers eg PFI, MoJ,CTIU,Sensitive Equities	Strat Finance		
	Mar		CW to review VAT only invoices before year end	CW		
Saturday	24-Jan					
Sunday	25-Jan					
Friday	30-Jan		Deadline for return of GAD commissioning letter and acceptance of demographic assumptions to GAD	MC / TW		
Saturday	14-Feb					
Sunday	15-Feb					
Monday	16-Feb		Written Instructions issued to users re year end procedures	KF		
			GAD Issue data collection spreadsheet for 31 March 2025 accounting disclosures - deadline for return <b>13 March</b>	GAD		
Tuesday	17-Feb		CW to check that mileage details are up to date for Chief Officers	CW		
			Send timetable to Claire to check	KF		
Wednesday	18-Feb		Written request sent to Divisions for banking arrangements w/c 23 March	KF		
			DCC issue data requirements and deadlines for LGPS	DCC		
Thursday	19-Feb		Report on Accounting Policies / Year End Programme to be completed - include track changes on Acc Policies - for JARAC April	KF		
			Send out Draft Timetable / areas of responsibilities	KF		
			Send email to Strategic Finance re financial periods and accruals	KF		
			Recharge for Crest Vehicle insurance (premium / self insurance) -additional vehicles	MC		
Friday	20-Feb		Check debtors reconciliation of 0325 in anticipation of year end	RS / CW		
			Email to IS re asset disposals - deadline for return <b>3 March</b>	MC		
			Email to Strat Finance to check with departments about equipment disposals - deadline <b>3 March</b>	MC		
Saturday	21-Feb					
Sunday	22-Feb					
Monday	23-Feb	KF	Send email to CW for information on Police Property Fund Balances as at 31/3/25 - deadline <b>6 April</b>	KF		
			Send out email re CDC % to staff deadline <b>13th March</b> (REV3 CDC working paper)	SOMA - SM		
			Email Assets Team re retentions / contract tracker on capital schemes	MC		
Tuesday	24-Feb	KF	Email sent out to Assets team about property sales	MC		
			Emails Assets Team / Legal re new leases or terminated leases in 2025/26 - deadline <b>9th March</b>	MC		
			Send out emails re leases and embedded arrangements to IS, Assets Team and Procurement - deadline <b>9th March</b>	MC		
Wednesday	25-Feb	KF	Written request sent to Legal for Liability Insurance Claims deadline <b>6 April</b>	KF		
			Email Strategic Finance re Final Accounts Timetable	KF		
Thursday	26-Feb	KF	Check with Chief Finance Officer any changes to Chief Officer scheme	TW/LSc		
			Orders to be closed for P11 Monitoring	SF		
			Check all Outturn reports (REV2S) are working (To include C/Fwd Reports - CFWDS)	LS / KF		
Friday	27-Feb	KF	Period end and P11 Monitoring reports run	JS		
			Email Derbyshire Fire / LLP re deadlines for accruals and other information	KF		
Saturday	28-Feb					
Sunday	01-Mar					
Monday	02-Mar	KF	Strategic Finance to work on Draft Outturn this week in preparation for Outturn meetings <b>w/c 9 March</b>	Strat Finance		
			Remind DCC to send early retirement invoice before <b>31 March</b>	TW		
Tuesday	03-Mar	KF	Email Assets Team re assets held for sale, surplus assets and impairments - deadline <b>3 April</b>	MC		
			Assets registers to be complete for start of year position	MC		
			Email Fleet re deadlines for Fuel ( <b>3 April</b> ) and Hire Cars ( <b>10 April</b> )	JC		

Day	Date	Leave	Task / Comment	Responsible	Task Complete	Any Comments / difficulties
Wednesday	04-Mar	TW	Email Finance Support (CW) re deadlines <b>3 April</b> for POCA information	RS		
			Email to Assets Team (Fleet) re reports from Vehicle Management System re purchases and disposals up to 31/3/26. Deadline <b>3 April</b>	MC		
			Email to District / Borough Councils re Accounting for Council Tax - deadline <b>1 May</b>	MC		
Thursday	05-Mar		Prepare premises accruals for LLP eg utilities, rates etc to be sent to Fire by the end of March	JC		
Friday	06-Mar		EMSOU Major Crime Recharges between Forces - provide YTD Costs	AC		
			Deadline for Equipment Disposals	MC / Strat Finance		
			Deadline for return of lists for IS Disposals	SM/ MW / JC / IS		
Saturday	07-Mar		Opening Balances Brought Forward	MC		
Sunday	08-Mar					
Monday	09-Mar	TW RS	Run REV2 Rev subjective FY force by account report for P11 and balance to Trial Balance Report	KF/RS		
			Send out system admin Year End Procedures	MC		
			Send email to CW to review debtor invoices for write off during March - deadline for return <b>27 March</b>	KF		
Tuesday	10-Mar	TW	Financial Assurance Board check date	FAB		
			Email Finance Support (CW) re deadlines <b>8 April</b> for Barclaycard, Amazon and Clarity CW to email departments with deadline	KF / CW		
Wednesday	11-Mar	TW	Look at X999 code to clear registrations at year end	MC / CW		
			Cleaning Recharges to be actioned and put in Agresso	JC		
Thursday	12-Mar	TW KF	Review out of date cheques and write-off actioned by <b>27 March</b>	LS / CW		
			Check Balance Sheet Codes for revenue items posted by mistake (eg 0222, 0236, 0336, 0238, 0338, X999 etc....)	KF		
			Email to Leicestershire re payroll accruals (deadline <b>14 April</b> ) and salaries over £40,000 (remuneration should include pension AVC)- deadline <b>27 April</b>	KF		
			Deadline for GAD data collection spreadsheet for 31 March accounting disclosures	TW		
			Forces to submit all recharge invoices relating to all Collaborative Units	MW		
Friday	13-Mar	TW JC	Deadline for embedded leases	MC		
			Backpay (supplementary) files up to February from Midland HR to be input into Agresso by <b>27 March</b>	CW		
			Deadline for leases information from Assets / Legal	MC		
			Deadline for CDC % information (REV3 CDC working paper)	SOMA - SM		
			Deadline to let DCC / Hymans know which approach taking for IAS19 information	TW / MC		
Saturday	14-Mar					
Sunday	15-Mar					
Monday	16-Mar	TW JC SM RS	Order any DSU cash requirements for the next week	CW/Fin Supp		
			Email Fleet re deadline for repair costs Chief Officer Vehicles <b>4 April</b> for P11D calculation	CW		
			Email to BAM re Derby PFI CCR's	TW		
Tuesday	17-Mar	TW	Balance all reconciliation accounts in anticipation of year end - send any write offs to JC (MC) (eg collection accounts, salaries Interims etc)	CW/Lst		
			Look at Expenses in DRAFT and contact submitters to remind them to make claims ACTIVE prior to <b>6 April</b>	CW/Fin Supp		
Wednesday	18-Mar	TW KF	Action write off any items in collection accounts and salaries interims (04's)	KF		
			Collate Information re capital spend on assets (per property) up to P11	MC		
Thursday	19-Mar	TW/JS/AC	Email to DMS re TOIL, Annual Leave for Police Officers and Staff on DMS system as at 31/3/26 Deadline <b>22 April</b>	LSc		
			Draft Closing down timetable issued to External Auditors.	KF		
Friday	20-Mar	JS/AC	Deadline for Divisions / Departments / Strat Finance to send any invoices they might receive to Finance Support	Divs / Depts / Strat Finance		
			Last day for debtor invoice details to reach Finance Support to guarantee input deadline <b>31 March</b>	Fin Supp		
Saturday	21-Mar					
Sunday	22-Mar					
Monday	23-Mar	SM RS	Remind Finance that all hand drawn cheques to be posted (Manual Payments) by the <b>31 March</b>	Fin Supp		
			Flexible Use of Capital Receipts 25/26 by <b>31 March</b>	MC		
			PWLB Access 25/26 by <b>31 March</b>	MC		
			Year end stock take	JS		
			HQ Petty Cash to be processed	Fin Supp		
			Email to Force Solicitor, Chief Finance Officer, EMSOU, SLT and Office of PCC Chief Operating Officer and members of COT re contingent liabilities	MC		
Tuesday	24-Mar		Cheque / BACS run to pick up most invoices to be paid 27/3/26	Fin Supp		
Wednesday	25-Mar	KF	Last day for virement requests from Divisions / Departments - to be actioned by <b>30 March</b>	Strat Finance		
			Email to Chief officers and Office of PCC re related party transactions including officers who have left in year - to be sent back in PDF format - deadline <b>22 April</b>	LSc		
			List of Debtors to be written off / credited to be established	CW		
Thursday	26-Mar	KF LSc AC	Deadline for CTIU Petty Cash to be received by Finance Support	CTIU / Fin Supp		
			Courier collects cash for deposit the next day	Fin Supp/Courier		

Day	Date	Leave	Task / Comment	Responsible	Task Complete	Any Comments / difficulties
Friday	27-Mar	KF MC JC LSc AC	Orders to be closed for P12 Monitoring	JS		
			Deadline for Petty Cash Reconciliation Information	Fin / CTIU		
			Cheque / BACS run to pick up final invoices to be paid 31/03/26	Fin Supp		
			Petty Cash - need written confirmation from Regional organised crime unit for hostage petty cash imprest and also from Gallaghers Basset for vehicle insurance imprest as at 31/3/2026	CW		
Saturday	28-Mar		RA (General Fund Revenue A/c 25/26 on Delta <b>2 April</b> )	LSc / SM / TW		
Sunday	29-Mar					
Monday	30-Mar	KF MC RS				
Tuesday	31-Mar	KF MC	Action Debtor Write offs (JC) and credit notes (CW) by this date	KF / CW		
			Auditors to request third-party verifications for bank balances. MC to send letters for investments as at 31 March 2026 to be returned to auditors- schedule to be sent to Auditors	MC		
			Period / Year end routines and Agresso system default period changed to 202601.	JS		
			Cash Receipts to be registered in Agresso for HQ and Divisions.	Fin Supp		
			Debtor invoices to be input.	Fin Supp		
			Run report of invoices registered but not approved (posted) plus other year end reports	RS		
			Transfer monies from legal account to main account	Trea Man		
Wednesday	01-Apr	KF	All hand drawn cheques to be posted (Manual Payments)	Fin Supp		
			Divisions to send any cash requiring preparation for deposit to HQ with Statement of Receipts and banking slip	Divisions / Fin Supp		
			Out of date cheques In Agresso	LS		
			TM to download Bank Statement to pick up the mornings transactions and send to Fin Supp so they can post any MD/MC/MR	Trea Man / Fin Sup		
			Email Procurement for a copy of Contracts Register as at 31/03/26 deadline <b>7 April</b>	MC / Procurement		
			Email Health & Safety for a copy of Risk Register as at 31/03/26 deadline <b>7 April</b>	MC / H & S		
			Check all Cash Receipts input	RS / CW		
Thursday	02-Apr	KF TW	Open Purchase Orders as at 31 March carried forward to 202601	KH / MC		
			Email sent to Gallagher Bassets for Vehicle Insurance Claims deadline 6 April	KF		
			Income banked (Manual Credits and Debits) up to 31 March 2026 posted within Agresso. Manual Receipts to be posted.	Fin Supp		
			Cancelled cheques (no reissue) relating to old year to be posted	CW		
			All outstanding virements to be actioned	Strat Finance		
			Final reconciliation of Account code 0325 - debtors income - Liaise with Finance Support if necessary	JC		
			Backpay (supplementary) files up to February from Midland HR to be input into Agresso	CW		
Friday	03-Apr		Balance system Debtors and Creditors after manual payments / receipts posted - this is saved Closedown Cr/Dr O/s 31/03/202x	SOMA - LSc/SM		
			Run report of invoices (creditor) posted in 2026/27 after payment run to check which need accruing into 2025/26 - Run 1. Send out to Strategic Finance.	KH / RS		
			Emails sent to Force Managers re force assets as at 31/3/2026 due back <b>9 April</b>	MC		
			Listing of changes in staff numbers from 01/04/2025 to 31/03/2026 including details of joiners and leavers in the period	TW / LSc		
			Send out Bad Debt Provision information to Fin Support (CW) deadline for return <b>17 April</b>	KF / CW		
			Final Bank Reconciliation for 2026/27 completed. Save copy in excel (Final Accounts Balance Sheet Working Papers)	LST / CW		
			Bank Holiday - Good Friday			
Saturday	04-Apr					
Sunday	05-Apr					
Monday	06-Apr		Bank Holiday - Easter Monday			
Tuesday	07-Apr	KF SM TW	Deadline for Fleet and Legal for Vehicle and Liability Insurance Claims	RS		
			Draft outturn meetings with formations - <b>7 to 17 April</b> (outturn information to be sent to SOMA by <b>24 April</b> )	Strat Finance		
			Clarity Expenditure to be input into Agresso	KH / RS		
			Check have all paperwork behind any redundancies from HR	TW		
Wednesday	08-Apr	KF SM	Email PFI provider about lifecycle expenditure - capital / revenue	TW		
			Deadline for information from Vehicle Management System re purchases and Disposals	Fleet / MC		
			Amazon Recharges for March to be input into Agresso	Fin Supp/Agresso Support		
			Email sent re capital orders to accrue	MC		
Thursday	09-Apr	KF SM RS	Deadline for Barclaycard Expenditure spreadsheet to be received for March transactions	Fin Supp		
			Deadline for repair costs Chief Officer Vehicles for P11D calculation	Fleet		
			Finalise Accrual Run 1 and post into ledger	KH / RS		
			Download Year End PWLB Information from internet	MC		
			Deadline for Force Asset information from Assets	Assets / MC		
			Deadline for Fuel recharges	Fleet		
			Deadline for vehicle and legal claims information	Fleet / Legal		
Friday	10-Apr		Check Retirements, do any pension commutations need accruing back into 2025/26, check 1820	TW/SM		
			Police Overtime, expenses and 10% allowance submission to Leicestershire	Fin Supp / KH / SF		
			Deadline for finance to send POCA information	CW / RS		

Day	Date	Leave	Task / Comment	Responsible	Task Complete	Any Comments / difficulties
			Deadline for Police Property Act Fund Balances	CW		
			March backpay (supplementary) file from Midland HR to be input into Agresso	CW		
			Summarise System Debtors (BAL4) and Creditors (BAL7) into different formats - Closedown Cr/Dr O/s 31/03/202x	SOMA - LSc/SM		
			Fuel Charges to be input into Agresso	JC		
Friday	10-Apr	KF SM	TSU (KF) to provide details of final accrual to EMSOU	KF/LSc		
			Barclaycard Expenditure to be input into Agresso	KH / JS		
			Run report of invoices (creditor and debtor) posted in 2026/27 after payment run to check which need accruing into 2025/26 - Run 2. Send out to Strategic Finance.	KH / RS		
			All Collaborative units to send year-end adjustments spreadsheet to Forces	MW(SM) / SL / MC		
Saturday	11-Apr					
Sunday	12-Apr					
Monday	13-Apr	SM RS	Student Officer Recharge up to 31/03/2026 to be done	JS		
			All Collaborative units to send year-end adjustments spreadsheet to Forces	MW(SM) / SL / MC		
			<b>CTP-EM Grant return deadline</b>	RS		
			Reconcile seized cash and post any outstanding forfeiture journals	JS		
			Send email out re Grants to be checked for conditions	LSc/JS		
Tuesday	14-Apr		Amounts for Police Officers' & staff overtime / 10% allowances / unsocial hours in April 2026 payroll posted to period 202513.	KH / RS		
			Amounts for Mileage & Expenses in April 2026 Police Officer and Police Staff payrolls posted to period 202513	KH / RS		
			Reconcile POCA to Finance Support records and post journals	RS		
			Cheque / BACS Run	Fin Supp		
			Finalise Accrual Run 2 and post into ledger	KH / RS		
			Forces to recharge Major Crime full year costs	AC		
Wednesday	15-Apr		Deadline for capital orders to accrue information	MC		
			Check that Finance Support have entered all debtor and creditor invoices into Agresso that relate to 2025/26 to be picked up for final system accrual by Strategic Finance	KF / Fin Supp		
			Require overtime and expenses information for accrual - check no duplicate records	Leicestershire		
			Collate Information re capital spend on assets (per property) Final	MC		
			Bad Debt provision deadline	CW		
			Chief Officer private mileage recharge journal to be posted (0421)	CW		
Thursday	16-Apr		Run report of invoices (creditor and debtor) posted and registered in 2026/27 after Run 2 to check which need accruing into 2025/26 - Run 3. Send out to Strategic Finance.	KH / RS		
			Spreadsheet to be set up for any manual creditors / debtors for Strategic Finance to fill in - Run 4 Evidence of costs/income required	KH / RS		
			Valuers to provide draft report for valuations for initial review	NPS (Valuers)		
Friday	17-Apr		Deadline for Long / Short term hire vehicles for March transactions	Fleet		
Saturday	18-Apr					
Sunday	19-Apr					
Monday	20-Apr	SM RS	Email for performance information for narrative report from Head of Analytics	HOD		
			Hire Cars Expenditure to be input into Agresso	JC		
			Deadline for Related party questionnaires	LSc		
			Maintenance recharges to be done	JC		
Tuesday	21-Apr		Check Assets in Construction schemes in previous year to see if any need writing off to revenue if scheme has been aborted (CR Capital Code DR Revenue Code)	MC		
			Review draft valuation report from NPS	MC/BB		
			Check with valuers for any material changes to valuations	MC		
			Vehicle Reconciliation Complete	MC		
Wednesday	22-Apr		Police Officer / staff TOIL, RDIL and Annual Leave deadline, to be posted into the ledger by 15/05/2026	LSc		
			Final reconciliation of salaries interims / collection accounts	LS / CW / KF		
			Finalise Accrual Run 3 and post into ledger	KH / RS		
			Finalise Accrual Run 4 and post into ledger	KH / RS		
Thursday	23-Apr		Check if we need any information from Legal for contingent Liability note, KF to check re Allard provision	KF / MC		
			Start Forensics, Legal & HR Collaboration Accounting <b>24 April to 6 May</b> (lead force information to others in region), <b>15 May</b> for Derbyshire's Accounts	MW(SM) / SL / MC		
			Deadline for LLP / Fire accruals	Fire / KF		
			Divs / Depts to send any carry forward requests to SOMA by <b>24 April</b> to be collated for approval	Strat Finance		
Friday	24-Apr		Download information for Apprenticeship levy and post journal - 9040 F001 and 1501 F001 Period 14	TW		
			Last date for revenue journal entries for outturn report	All		
			Capital CPR4 Return - <b>24 April</b>	MC		
Saturday	25-Apr					
Sunday	26-Apr					
Monday	27-Apr	SM RS	TSU Collaboration Accounting required earlier to send to Leicestershire	KF		
			Check Final Outturn Reports	Strat Finance		
Tuesday	28-Apr					
Wednesday	29-Apr		JARAC Meeting			
			GT planning and interim audit work to be complete	KF/MC		
Thursday	30-Apr		GAD issues the consolidated results re IAS19	GAD		

Day	Date	Leave	Task / Comment	Responsible	Task Complete	Any Comments / difficulties
Friday	01-May		Lead Force Information for collaborations to be sent to Leicestershire Final valuation report to be received from NPS Deadline for Officers Remuneration (£40,000) report from Leicester Payroll / Midland HR and P11D (Chief officers cars) CW	MW(SM) / SL / MC NPS (Valuers) KF / CW		
Saturday	02-May					
Sunday	03-May					
Monday	04-May		<b>BANK HOLIDAY - MAY DAY</b>			
Tuesday	05-May		Capital Accounting <b>5 May to 23 May</b> Police Overtime, expenses and 10% allowance submission to Leicestershire	MC Fin Supp / Agresso Support		
Wednesday	06-May		Lead Force Information to be sent / received from region re collaboration	MW(SM) / SL / MC		
Thursday	07-May		Exclerator Reports run for final outturn position Balance Manual Debtors and Creditors and analyse for Debtor / Creditors note deadline <b>16 May</b>	LSc RS		
Friday	08-May	RS	Accounting for Council Tax Information received from Councils Deadline for Provisional Outturn Figures for Chief Finance Officer (force) to report to PCC & Chief Operating Officer (PCC) Staff overtime to be submitted into I-Trent	MC TW / MF Fin Supp		
Saturday	09-May					
Sunday	10-May					
Monday	11-May	SM				
Tuesday	12-May	TW	Sponsorship balances in ledger balanced to Sponsorship register Email Leicestershire about Chief Officer March Payslips, payroll masterfile information and police officers by pension scheme - deadline <b>26 May</b> Email CW for 4th quarter pensions information from XPS - Deadline <b>29 May</b>	AC LSc KF		
Wednesday	13-May	TW				
Thursday	14-May	TW	Accounting for Council Tax Information posted in ledger	MC		
Friday	15-May	TW	LLP accounts required from Fire Accumulated Absences to be posted	Fire / KF LSc		
Saturday	16-May					
Sunday	17-May					
Monday	18-May	SM TW	Financial Assurance Board (FAB) to consider carry forward requests Last day for our share of EMSOU / Collaborations to be entered into summary spreadsheet for accounts	FAB TW / LSc		
Tuesday	19-May					
Wednesday	20-May					
Thursday	21-May		Information for Debtors / Creditors note complete	LSc/SM		
Friday	22-May					
Saturday	23-May					
Sunday	24-May					
Monday	25-May		<b>BANK HOLIDAY - SPRING BANK HOLIDAY</b>			
Tuesday	26-May	SM RS	Narrative Reports / AGS to be prepared <b>deadline 5 June</b> Final day for Capital journal entries	BB/EE MC		
Wednesday	27-May	RS	Information back from DCC - IAS19 information	DCC		
Thursday	28-May	RS	IAS19 figures to be posted in ledger.	MC		
Friday	29-May	RS	Last journal entries for contributions to / from Reserves and Balance Sheet (final position) Reconciliation of Balance Sheet Codes complete	KF / TW KF		
Saturday	30-May					
Sunday	31-May					
Monday	01-Jun	SM RS	Preparation of Statement of Accounts	KF / MC / RS		
Tuesday	02-Jun	RS	Prepare report re Police Property Fund	CW		
Wednesday	03-Jun	RS	Preparation of Statement of Accounts	KF / MC / RS		
Thursday	04-Jun	RS	Preparation of Statement of Accounts Deadline for Outturn Reports (Revenue & Capital) for FAB <b>9 June</b> Deadline for Treasury Management Annual Report FAB <b>9 June</b> Deadline for Annual Debtors report for FAB <b>9 June</b>	KF / MC / RS MF/TW/MC MC/RS RS		
Friday	05-Jun		Preparation of Statement of Accounts	KF / MC / RS		
Saturday	06-Jun					
Sunday	07-Jun					
Monday	08-Jun	SM	Preparation of Statement of Accounts	KF / MC / RS		
Tuesday	09-Jun		Preparation of Statement of Accounts	KF / MC / RS		
Wednesday	10-Jun		Preparation of Statement of Accounts	KF / MC / RS		
Thursday	11-Jun		Preparation of Statement of Accounts	KF / MC / RS		
Friday	12-Jun		Preparation of Statement of Accounts	KF / MC / RS		
Saturday	13-Jun					
Sunday	14-Jun					

Day	Date	Leave	Task / Comment	Responsible	Task Complete	Any Comments / difficulties
Monday	15-Jun	SM RS	Preparation of Statement of Accounts	KF / MC / RS		
Tuesday	16-Jun	RS	Preparation of Statement of Accounts	KF / MC / RS		
Wednesday	17-Jun	RS	Last date for all notes in the accounts to be completed including Narrative Report	KF / MC / RS / BB		
Thursday	18-Jun	RS	Draft Statement of Accounts Finalised including Group Accounts	KF / MC / RS		
Friday	19-Jun	RS	Draft Statement of Accounts including group accounts to be quality checked	KF / MC / RS		
Saturday	20-Jun		Draft Statement of Accounts including group accounts to be quality checked	KF / MC / RS		
Sunday	21-Jun		Sent out to S151 Officers and Head of Finance to be reviewed	KF		
Monday	22-Jun	SM RS	JARAC Meeting to take place this week before accounts published			
Tuesday	23-Jun		Draft Statement of Accounts to be reviewed	BB/EE/AD		
Wednesday	24-Jun		Draft Statement of Accounts to be reviewed	BB/EE/AD		
Thursday	25-Jun		Draft Statement of Accounts to be reviewed	BB/EE/AD		
Friday	26-Jun		Changes to Statement of Accounts finalised	BB/EE/AD		
Saturday	27-Jun		Chief Operating Officer for PCC / Chief Finance Officer for Chief Constable to sign off Accounts by this date	BB/AD		
Sunday	28-Jun					
Monday	29-Jun	SM RS	Set of signed Accounts to be provided to Auditors and published on internet.	KF / PCC Office		
Tuesday	30-Jun		Statement of Public Rights to be published on Internet	KF / PCC Office		
Wednesday	01-Jul		Accounts open to public inspection for 30 working days (depends on the date published)			
Thursday	02-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Friday	03-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Saturday	04-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Sunday	05-Jul					
Monday	06-Jul	SM	Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Tuesday	07-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Wednesday	08-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Thursday	09-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Friday	10-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Saturday	11-Jul					
Sunday	12-Jul					
Monday	13-Jul	SM	Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Tuesday	14-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Wednesday	15-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Thursday	16-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Friday	17-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Saturday	18-Jul					
Sunday	19-Jul					
Monday	20-Jul	SM	Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Tuesday	21-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Wednesday	22-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Thursday	23-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Friday	24-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Saturday	25-Jul					
Sunday	26-Jul					
Monday	27-Jul	SM	Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Tuesday	28-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Wednesday	29-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Thursday	30-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Friday	31-Jul		Compilation of Final Accounts files / working papers / audit checklist	Strat Finance		
Saturday	01-Aug					
Sunday	02-Aug					
Monday	03-Aug	SM				
Tuesday	04-Aug					
Wednesday	05-Aug					
Thursday	06-Aug					
Friday	07-Aug					
Saturday	08-Aug					
Sunday	09-Aug					
Monday	10-Aug	SM	End of public inspection period			
Tuesday	11-Aug					
Wednesday	12-Aug					
Thursday	13-Aug					
Friday	14-Aug					
Saturday	15-Aug					

Day	Date	Leave	Task / Comment	Responsible	Task Complete	Any Comments / difficulties
Sunday	16-Aug					
Monday	17-Aug					
Tuesday	18-Aug					
Wednesday	19-Aug					
Thursday	20-Aug					
Friday	21-Aug					
Saturday	22-Aug					
Sunday	23-Aug					
Monday	24-Aug					
Tuesday	25-Aug					
Wednesday	26-Aug					
Thursday	27-Aug					
Friday	28-Aug					
Saturday	29-Aug					
Sunday	30-Aug					
Monday	31-Aug					
Tuesday	01-Sep					
Wednesday	02-Sep					
Thursday	03-Sep					
Friday	04-Sep					
Saturday	05-Sep					
Sunday	06-Sep					
Monday	07-Sep					
Tuesday	08-Sep					
Wednesday	09-Sep					
Thursday	10-Sep					
Friday	11-Sep					
Saturday	12-Sep					
Sunday	13-Sep					
Monday	14-Sep					
Tuesday	15-Sep		Financial Assurance Board	FAB		
Wednesday	16-Sep					
Thursday	17-Sep					
Friday	18-Sep					
Saturday	19-Sep					
Sunday	20-Sep					
Monday	21-Sep					
Tuesday	22-Sep					
Wednesday	23-Sep					
Thursday	24-Sep					
Friday	25-Sep					
Saturday	26-Sep					
Sunday	27-Sep					
Monday	28-Sep					
Tuesday	29-Sep					
Wednesday	30-Sep					
Thursday	01-Oct					
Friday	02-Oct					
Saturday	03-Oct					

**DRAFT YEAR-END CLOSEDOWN PLAN FOR THE CHIEF CONSTABLE AND POLICE & CRIME COMMISSIONER 2025/26**

Unaudited Accounts published on 30th June						
Day	Date	Leave	Task / Comment	Responsible	Individual	Any Comments / difficulties
Thursday	26-Mar	KF	Orders to be closed for P12 Monitoring	Agresso Support	JS/SF	
Tuesday	31-Mar	KF	Period / Year end routines and Agresso system default period changed to 202601.	Agresso Support	JS	
Wednesday	01-Apr	KF	Open Purchase Orders as at 31 March carried forward to 202601	Agresso Support	JS/KH/MC	
Thursday	02-Apr	KF	Run report of invoices (creditor) posted in 2026/27 after payment run to check which need accruing into 2025/26 - Run 1. Send out to Strategic Finance.	Agresso Support	??	
Tuesday	07-Apr	KF	Clarity Expenditure to be input into Agresso	Agresso Support	JS/KH	
Wednesday	08-Apr	KF	Finalise Accrual Run 1 and post into ledger	Agresso Support	??	
Friday	10-Apr	KF	Barclaycard Expenditure to be input into Agresso	Agresso Support	JS/KH	
			Run report of invoices (creditor and debtor) posted in 2026/27 after payment run to check which need accruing into 2025/26 - Run 2. Send out to Strategic Finance.	Agresso Support	JS/KH/MC	
Monday	13-Apr		Student Officer Recharge up to 31/03/2026 to be done	Agresso Support	JS/LSc	
			Reconcile seized cash and post any outstanding forfeiture journals	Agresso Support	JS/KH	
Tuesday	14-Apr		Amounts for Police Officers' & staff overtime / 10% allowances / unsocial hours in April 2026 payroll posted to period 202513.	Agresso Support	JS/LSc	
			Amounts for Mileage & Expenses in April 2026 Police Officer and Police Staff payrolls posted to period 202513	Agresso Support	JS/LSc	
Wednesday	15-Apr		Finalise Accrual Run 2 and post into ledger	Agresso Support	JS/KH/MC	
Thursday	16-Apr		Run report of invoices (creditor and debtor) posted and <b>registered</b> in 2026/27 after Run 2 to check which need accruing into 2025/26 - Run 3. Send out to Strategic Finance.	Agresso Support	JS/KH/MC	
			Spreadsheet to be set up for any manual creditors / debtors for Strategic Finance to fill in - Run 4 Evidence of costs/income required	Agresso Support	JS/KH/MC	
Tuesday	21-Apr		Hire Cars Expenditure to be input into Agresso	Agresso Support	Finance?	
Wednesday	22-Apr		Finalise Accrual Run 3 and post into ledger	Agresso Support	JS/KH/MC	
Thursday	23-Apr		Finalise Accrual Run 4 and post into ledger	Agresso Support	JS/KH/MC	
Saturday	03-Oct					

# **POLICE AND CRIME COMMISSIONER AND GROUP STATEMENT OF ACCOUNTING POLICIES**

## **Accounting Policies**

### **General Principles**

These financial statements have been prepared in accordance with the Code of Practice (the Code) on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Accounts and Audit (Amendment) Regulations 2024. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS).

The accounts have been prepared on a going concern basis using a historic cost convention, modified to account for the revaluation of certain categories of tangible fixed assets and financial liabilities.

The concept of a going concern assumes that the functions of the Constabulary will continue in operational existence for the foreseeable future. The provisions in the Code (CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING IN THE UNITED KINGDOM 2024/25) in respect of going concern reporting requirements reflect the economic and statutory environment in which policing services operate. These provisions confirm that, as policing services cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Policing services carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a police authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for the financial statements to be provided on anything other than a going concern basis.

The accounts are therefore prepared on a going concern basis, on the assumption that the functions of the PCC and Chief Constable will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.

### **Consolidation**

With the introduction of the Police Reform and Social Responsibility Act 2011 on 22 November 2012 two 'corporation sole' bodies, the Police and Crime Commissioner for Derbyshire and the Chief Constable for Derbyshire were formed. Both bodies are required to prepare separate Statements of Accounts.

The Financial Statements included here represent the accounts for the Commissioner and also those for the Group. The financial statements cover the 12 months to 31 March 2026. The term 'Group' is used to indicate individual transactions and policies of the Commissioner and Chief Constable for the year ended 31 March 2026. The identification of the Commissioner as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of the Commissioner under the Police Reform and Social Responsibility Act 2011.

The principal accounting policies adopted are set out below: -

### **Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not simply when cash payments are made and received. Whilst all expenditure is paid for by the Group including the pay costs of police officers and staff, the actual recognition in the respective Commissioner and Chief Constable Accounts is based on economic benefit.

Debtors – these are recognised in the accounts when the ordered goods or services have been delivered or rendered by the Group in the financial year but the income has not yet been received. Income has only been included in the accounts when it can be realised with reasonable certainty. Where there is evidence that the Group may not be able to collect all amounts due to it, a provision for bad debts is established. The provision made is the difference between the current carrying value of the debt and the amount likely to be collected. These amounts are set on an individual debtor basis. The provision for bad debts is recognised as a charge to the Comprehensive Income and Expenditure Statement for the income that might not be collected.

Creditors – these are recorded where goods or services have been supplied to the Group by 31 March but payment is not made until the following financial year.

### **Fair Value Measurement**

Some of the non-financial assets, such as surplus assets and some financial instruments are measured at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either: -

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic interest.

When measuring the fair value of a non-financial asset, the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use is taken into account.

Valuation techniques used are those appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as follows: -

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the assets or liability.

### **Accounting for Local Taxes**

The collection of council tax is, in substance, an agency arrangement with the Derbyshire District and Derby City Authorities (billing authorities) collecting council tax on behalf of the Commissioner (the Police Precept).

The council tax income is included in the Comprehensive Income and Expenditure Statement on an accruals basis and includes the precept for the year plus a share of Collection Fund surpluses and deficits from the billing authorities.

The difference between the income reported in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Reserve shall be taken to the Collection Fund Adjustment Account through the Movement in Reserves Statement.

The year-end Balance Sheet includes the share of year end debtors (arrears and collection fund surpluses) and creditors (prepayments, overpayments and collection fund deficits) attributable to the Group

### **Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment or other purposes. The following have been classed as cash and cash equivalents:

- Cash on hand.
- Cash in bank (Current Account, Call Account and Business Premium Account).
- Temporary investments with instant access and no penalties.

### **Exceptional Items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Group's financial performance.

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

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Group's position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

### **Employee Benefits**

The Accounts are prepared in accordance with IAS19 *Employee Benefits*. This is a complex accounting standard but it is based on a simple principle that:

“An organisation should account for employment and post-employment benefits when employees earn them and the authority is committed to give them, even if the actual giving will be many years into the future”.

IAS 19 applies to all types of employee benefits paid including benefits payable during employment, termination benefits and post-employment benefits.

### **Benefits Payable During Employment**

Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as salaries, paid annual leave and paid sick leave, expenses, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Group. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is charged to Comprehensive Income and Expenditure Statement (as a surplus/deficit on Provision of Services), but then reversed out through the Movement in Reserves Statement to the Short Term Accumulating Compensated Absences Account so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs but have no impact on the level of council tax.

### **Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Group to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Group is demonstrably committed to the termination of the employment of an employee or group of employees or making an offer to encourage voluntary redundancy.

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

### **Post-employment Benefits (Pensions)**

The main effect of IAS19 in relation to post-employment benefits is the recognition of the net liability in the Balance Sheet (offset by an unusable Pension Reserve) for benefits earned but not yet paid, and entries in the Comprehensive Income and Expenditure Statement for in-year movements in the liability. Reconciling entries in the Movement in Reserves Statement bring back the cost of pensions to the amount chargeable to the General Fund for the purposes of grant and local taxation).

IAS19 relies on the recognition of pension's liabilities (being the retirement benefits promised measured on an actuarial basis) and assets (being the Group's share of investments (if any)).

The Group participates in two different pension schemes both of which are “defined benefit schemes” as they are both based on employees earning benefits from years of service;

**a) Police Officers**

This scheme is unfunded. This means it provides pensions and other retirement benefits for police officers based on pensionable salaries but there are no investment assets built up to meet the pensions liabilities.

The funding arrangements for the police officers pension scheme changed on 1 April 2006. Before April 2006 each Police Authority was responsible for paying the pensions of its former officers on a “pay as you go” basis. From April 2006 there is now an employer’s contribution instead (currently the equivalent of 31% of pensionable salary) which is charged to the Comprehensive Income and Expenditure Statement.

The Group is required by legislation to operate a Pension Fund Account and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation. Officer’s contributions and the employer’s contribution are paid into the pension’s account from which pension payments are then made. The account is topped up as necessary by a grant from the Home Office if the contributions are insufficient to meet the cost of pension’s payments. Any surplus is recouped by the Home Office. Injury awards and the capital costs associated with ill health retirements are paid from the Group’s Comprehensive Income and Expenditure Statement.

The pension fund account does not take account of the obligation to pay pensions and benefits which fall due after the end of the financial year.

**b) Police Staff and PCSO’s**

Police staff and PCSO’s, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme administered by Derbyshire County Council. It is a defined benefit occupational pension scheme. Pensions and other retirement benefits earned prior to 1 April 2014 are based on final salaries, benefits earned after that date are calculated on earnings accrued in a scheme year. Employers and employees make regular contributions into the fund, which are invested in various types of assets, so that the liabilities are paid for evenly over the employment period. Actuarial valuations of the fund are undertaken every three years to determine the contributions rates needed to meet its liabilities.

For both schemes the liabilities are included in the Balance Sheet on an actuarial basis using the projected unit method (an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees). Liabilities are discounted to their value at current prices, using a discount rate. The Discount Rate used is based on the ‘current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities’, which is often referred to as AA Corporate Bond Rate.

Assets in the Local Government Pension scheme are included in the net pension liability in the Balance Sheet at their fair value: -

- Quoted and Unitised Securities – Current Bid Price.
- Unquoted Securities – Professional Estimate.
- Property – Market Value.

The changes in the net pensions’ liability are analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of one additional year of service earned this year – allocated to the Comprehensive Income and Expenditure Statement.
- Past service cost – the increase in liabilities as a result of scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of non-distributed costs.
- Net interest expense – the change during the period in the net defined liability (asset) arising from the passage of time charged to Financing & Investment Income & Expenditure line, taking into account changes in net defined benefit liability (asset) during the period as a result of contribution and benefit payments

Remeasurements comprising:

- Return on plan assets – excluding amounts included above in net interest, charged to Pensions Reserve as Other Comprehensive Income & Expenditure

- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve as Other Comprehensive Income & Expenditure.
- Contributions paid to the pension fund.

#### **Discretionary Benefits**

The Group also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award.

#### **Events after the Balance Sheet Date**

These are events that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The Group will report these in the following way if it is determined that the event has had a material effect on the Group's financial position: -

- Events which provide evidence of conditions that existed at the end of the reporting period will be adjusted and included within the figures in the accounts.
- Events that are indicative of conditions that arose after the reporting will be reported in the narrative notes to the accounts.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

#### **Financial Instruments - Liabilities and Assets**

**Financial liabilities** are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Group has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

The Group has not undertaken any repurchasing or early settlement of borrowing.

**Financial assets** are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The group only holds financial assets measured at amortised cost (loans and receivables)

Loans and receivables are recognised on the Balance Sheet when the Group becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Group has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

#### **Government Grants & Contributions**

Whether paid on account, by instalments or in arrears, Government Grants and third-party contributions and donations are recognised as due to the Group when there is reasonable assurance that: -

- The Group will comply with the conditions attached to the payments.
- The grants or contributions will be received

Amounts recognised as due to the Group are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution has been satisfied. Conditions are stipulations that specify that the future economic benefit or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Net Cost of Services (attributable revenue grants and contributions) or Taxation and Non-Specific Grant

Income (non ring-fenced grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Reserve Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it is applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

### **Non-Current Assets - Property, Plant and Equipment**

Assets that have physical substance and are held for use in the provision of services or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

#### Recognition and Measurement

Expenditure on the acquisition, creation or enhancement of assets is capitalised on an accrual's basis, provided that it yields benefits to the Group and the services it provides for more than one financial year and that the cost of the item can be measured reliably.

Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets are then carried in the Balance Sheet using the following measurement bases:

- Land, property and other operational assets are included in the Balance Sheet at fair value (existing use value). Operational assets can either be specialised or non-specialised. Specialised Assets, where there is no market-based evidence of current value because of their specialist nature, are valued at Depreciated Replacement Cost (DRC) as an estimate for fair value. The assets to be classified as specialised property relate to the operational custody suites situated within the various properties, the Dog Section and the Multi-Purpose Hall. In cases where there is only a small number of cells, or where cells are now out of use, these have not been treated as specialised properties.
- Surplus assets are included at the current value measurement base (fair value), estimated at highest and best use from a market participant's perspective.
- Assets under construction are held in the Balance Sheet at historical cost until completed, whereupon they will be valued and included in the Balance Sheet as operational assets.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value e.g. Vehicles, IT and Communications equipment and other equipment.

#### Revaluation

Assets included in the Balance Sheet at fair value are revalued at five-yearly intervals or on a five-year rolling basis to ensure that the carrying amount reflects the current value at the balance sheet date. In the intervening years between the professional valuations, indexation is applied to ensure the valuation remains current. The indexation used is a matter of judgement and will be determined in consultation with the valuers. If a suitable index cannot be identified there will be a desktop valuation in year three of the revaluation cycle. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Occasionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to the account.

Where decreases in value are identified, they are accounted for by: -

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

#### Impairments

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

#### Depreciation

Depreciation is provided on a straight-line basis for all Property, Plant, Vehicles and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives, as advised by a suitably qualified advisor. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Vehicles	Over the life of the asset (3-10 years)
Equipment/furniture	Over the life of the asset (3-20 years)
IT/Communications Equipment	Over the life of the asset (2-10 years) - Majority of assets are 5 years
All Buildings	Over the life of the asset (10-50 years)

Component Accounting – where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The component is judged to be significant where the replacement value is above £0.5m or 25% of the asset.

It is the Group's policy not to charge depreciation in the year of acquisition but a full year's charge is made in the year of disposal. Depreciation is charged to the Comprehensive Income and Expenditure Statement and is reversed out through the Movement in Reserves Statement.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

#### Disposals and Assets held for sale

When a non-current asset is planned to be disposed of, it is reclassified as an Asset held for sale. To be reclassified it must meet the following criteria: -

- The asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets.
- The sale must be highly probable (with management commitment to sell and active marketing of the asset initiated).
- It must be actively marketed for a sale at a price that is reasonable in relation to its current fair value.
- The sale should be expected to qualify for recognition as a completed sale within one year.

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses in the Comprehensive Income and Expenditure Statement.

Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal (i.e.

netted off against the carrying value of the asset at the time of the disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used to finance new capital investment or set aside to reduce the Group's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Reserve Balance in the Movement in Reserves Statement.

The written off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Reserve Balance in the Movement in Reserves Statement.

### **Non-Current Assets - Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are identifiable and controlled by the Group as a result of past events (e.g. software licences), are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Group.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to provide information on policing matters.

Intangible assets are measured at cost. Amounts are only revalued where the fair value of the assets held by the Group can be determined by reference to an active market. In practice, no intangible asset held by the Group meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised to the Comprehensive Income and Expenditure Statement over its useful life. Amortisation, as with depreciation, commences in the financial year following that in which they are received. Amortisation is not permitted to have any impact on the General Reserve Balance; it is therefore reversed through the Movement in Reserves Statement and posted to the Capital Adjustment Account.

### **Charges to Revenue for Non-Current Assets**

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding non-current assets during the year: -

- Depreciation attributable to the assets used.
- Revaluation and impairment losses on assets where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets.

The Group is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement (Minimum Revenue Provision (MRP)). An annual statement for the policy on making MRP is required in accordance with statutory guidance; this should be calculated on a prudent basis. The policy for Derbyshire is: -

- For Supported Capital Expenditure, the MRP Policy will be based on the remaining life of the Capital Financing Requirement (CFR) using the annuity method (PWLB annuity rates)
- For unsupported borrowing the MRP policy will be based on the estimated life of the assets using the annuity method (PWLB annuity rates)
- For PFI contracts that are deemed to be on Balance Sheet, the MRP will be based on the estimated life of the PFI assets using the annuity method (PWLB annuity rates)
- For leases the MRP requirement would be regarded as met by a charge equal to the element of the charge that goes to write down the Balance Sheet liability.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by revenue provision in the Movement in Reserves Statement, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **Revenue Expenditure Funded from Capital under Statute**

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the Comprehensive Income and Expenditure Statement in the year. Where the Group has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Reserve Balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of council tax.

## Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease.

The term of the lease is determined using the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which is reasonably certain to be exercised.

### The Group as a lessee

#### Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, we recognise a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term (dilapidations).

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments include fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the PWLB annuity rate is applied that relates to the length of the lease term.

We do not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £10,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

#### Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, we employ a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

Where land and buildings assets are revalued, current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost.

Leased plant and machinery and furniture and fittings are shorter-term leases and so the cost model is applied and these are measured at depreciated at historic cost.

We subsequently measure the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

Dismantling, removal and restoration costs will not apply to all leases. If a lease has 30 years or more to run, we will not be including these costs. For leases where they are relevant, they will not necessarily be specified in the lease but can be implicit. Relevant leases will be categorised, the costs will be calculated using a blended rate and floor area. For more specific complexities a bespoke approach will be applied.

#### Depreciation

The depreciation of right of use assets is based on the lesser of the lease term and the useful life of the asset, unless we expect to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets in line with IFRS 16, Leases.

### **Revaluation gains/losses**

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure. Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

### **Impairments**

Impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised. Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

### **The Group as a lessor**

We assess each of our leases and classify them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

### **Finance Leases**

Where an asset is identified as a finance lease, and where the Group is the lessor, it will be written out of the Balance Sheet as a disposal. The carrying amount is written off to Other Operating Expenditure as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line, matched by a lease (long-term debtor) asset in the Balance Sheet. The lease rentals received write-down the lease debtor and the finance income is credited to the Financing & Investment Income & Expenditure line.

Rental income from finance leases entered into after the 1 April 2010 should be treated as a capital receipt.

### **Operating Leases**

An asset identified as an operating lease, and where the Group is the lessor, shall be retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the term of the lease.

### **Private Finance Initiative (PFI) and Similar Contracts**

The Group entered into two PFI arrangements, Ilkeston Police Station and St Mary's Wharf DHQ at Derby. The first affected the accounts from 1998/99, the second from 2000/01. Both have a continuing commitment by the Group for 30 years. PFI contracts are agreements to receive services, where the responsibility for making available the non-current assets needed to provide the services passes to the PFI contractor. As the Group is deemed to control the services that are provided under its PFI schemes and has control over the residual interest in the property at the end of the arrangement (if exercised), the Group carries the non-current assets under the contracts on the Balance Sheet as part of Property, Plant and Equipment.

An early exit from the Ilkeston Police Station PFI arrangement was completed on 7th November 2023 when Derbyshire Police purchased the property.

The original recognition of these assets at fair value was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investments.

PFI assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Group.

The amounts payable to the PFI operators each year should be analysed into five elements: -

- Fair value of the services received during the year – debited to the Comprehensive Income and Expenditure Statement.
- Finance cost – an interest charge of 9.114% for Ilkeston PFI and 7.917% for Derby PFI on the outstanding Balance Sheet Liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Contingent rent – increases in the amount to be paid for the property arising during the contract. For both the Group's PFI schemes there is no contingent rent as the property element of the fee paid to the PFI operator is not indexed.
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator. This is also the MRP charge for PFI schemes.
- Lifecycle replacement costs – recognised as fixed assets on the Balance Sheet if the costs are of a capital nature or if the costs are revenue debited to the Comprehensive Income and Expenditure Statement.

### **Provisions, Contingent Liabilities and Contingent Assets**

**Provisions** – these are required for liabilities that have been incurred but are of uncertain timing or amount. There are three criteria:

- The Group has a present obligation (legal or constructive) as a result of a past event.
- It is more likely than not that money will be needed to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year that the Group becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the Comprehensive Income and Expenditure Statement.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), the income is only recognised as income if it is virtually certain that reimbursement will be received when the obligation is settled.

Provisions contained within the Balance Sheet are split between current liabilities (those which are estimated to be settled within the next 12 months) and non-current liabilities (those which are estimated to be settled in a period greater than 12 months).

**Contingent Liabilities** – this arises where an event has taken place that gives the Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

**Contingent Asset** – this arises where an event has taken place that gives the Group a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

### **Reserves**

**Usable Reserves** - the Group's General Revenue Balances are held in the General Reserve. The Group also maintains a number of specific 'earmarked' reserves for future expenditure on either policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Reserve Balance. When revenue expenditure to be financed from a reserve is incurred, it is charged to the

Comprehensive Income and Expenditure Statement. The relevant reserve is then debited with an equivalent amount which is appropriated back into the General Reserve Balance so that the expenditure is not charged against Council Tax.

Also held under usable reserves are those that support the financing of capital (Capital receipts reserve and Capital Grants unapplied).

**Unusable Reserves** - certain reserves/accounts are kept to manage the accounting processes for non-current assets (Capital Adjustment Account, Revaluation Reserve, Deferred Capital Receipts), retirement and employee benefits (Pensions Reserve, Short term Accumulating Compensated Absences Account) and Accounting for local taxes (Collection Fund Adjustment Account). These do not represent usable resources for the Group.

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

The Comprehensive Income and Expenditure Statement excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

#### **Jointly Controlled Operations**

Jointly controlled operations are activities undertaken by the Group in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Group recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

#### **Joint Ventures**

Joint Ventures are arrangements under which two or more parties have contractually agreed to share control, such that decisions about activities that significantly affect returns require the unanimous consent of the parties sharing control, and joint ventures have rights to the net assets of the arrangement. Joint Ventures have their own legal entity. They are accounted for using the equity method in the Group Accounts.

The Joint Venture between Derbyshire Police and Derbyshire Fire and Rescue Service was formed under a Limited Liability Partnership (LLP). The Joint Venture operates an Income and Expenditure Account, the LLP Board can re-distribute 75% of any profits back to partners (Police and Fire), they also have discretion to re-distribute a further 25%.

# CHIEF CONSTABLE STATEMENT OF ACCOUNTING POLICIES

## Accounting Policies

### **General Principles**

These financial statements have been prepared in accordance with the Code of Practice (the Code) on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Accounts and Audit Regulations 2015. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS).

The accounts have been prepared on a going concern basis using a historic cost convention, modified to account for the revaluation of certain categories of tangible fixed assets and financial liabilities.

The concept of a going concern assumes that the functions of the Constabulary will continue in operational existence for the foreseeable future. The provisions in the Code (CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING IN THE UNITED KINGDOM 2025/26) in respect of going concern reporting requirements reflect the economic and statutory environment in which policing services operate. These provisions confirm that, as policing services cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Policing services carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a police authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for the financial statements to be provided on anything other than a going concern basis.

The accounts are therefore prepared on a going concern basis, on the assumption that the functions of the PCC and Chief Constable will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.

### **Consolidation**

The Accounting Policies below also reflect the powers and responsibilities of the Chief Constable as designated by the Police Reform and Social Responsibility Act 2011 and the Home Office Financial Management Code of Practice for the Police Service, England and Wales 2013. The Accounting policies defined here are consistent with local regulations, local agreement and practice as well as the PCC Group policies.

The Accounts cover the 12 months to 31 March 2026.

### **Cost and income intra-group recognition**

All external income is received by the Commissioner (PCC), the PCC holds the Police Fund and all related financial reserves and cash balances. The PCC provides an annual budget to the Chief Constable. All resources consumed at the request of the Chief Constable are funded by the PCC, including the wages of police officers and staff, and no actual cash transactions take place between the two entities.

From an accounting perspective costs and income are recognised in the accounts of the Chief Constable to reflect the financial resources consumed and economic benefit derived in the direction and control of day to day policing at the request of the Chief Constable to deliver the Police and Crime plan. For example, an economic benefit is recognised to reflect the utilisation of PCC owned fixed assets which mirrors depreciation of property.

Any costs and income relating to the Office of the PCC and the commissioning activities of the PCC remain in the Comprehensive Income and Expenditure Statement (CIES) of the PCC.

An intra-group funding adjustment is recognised in the CIES of the accounts of the Chief Constable to represent a recharge from the PCC for the costs and income consumed by the Chief Constable. This is cancelled out with a corresponding entry in the CIES of the PCC when the Group accounts are consolidated.

In addition, the accounts for the Chief Constable reflect the employment and post-employment liabilities in accordance with IAS19 which states that liabilities relating to these benefits should follow the cost of employment.

The Chief Constable's Total CIES reflects the movement in the Chief Constable's unusable reserves as all other net expenditure is met by a transfer of resources from the PCC and no usable reserves are held by the Chief Constable.

### **Accruals of Expenditure**

Activity is accounted for in the year it takes place, not simply when cash payments are made: -

- Supplies are recorded as expenditure when they are consumed.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Short term compensated absences are recognised in the Income and Expenditure Statement in the period in which officers or staff render the service which entitles them to the benefit, not necessarily when they receive the benefit. The cost of leave earned, but not taken at the end of the financial year is recognised in the financial statements of the Chief Constable to the extent that staff are entitled to carry forward a limited amount of leave into the following year.

### **Fair Value Measurement**

Some of the non-financial assets, such as surplus assets and some financial instruments are measured at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either: -

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic interest. When measuring the fair value of a non-financial asset, the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use is taken into account.

Valuation techniques used are those appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as follows: -

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2 – inputs other than quoted process included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the assets or liability.

### **Exceptional Items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Chief Constable's financial performance.

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

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Chief Constable's position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

## **Employee Benefits**

The Accounts are prepared in accordance with IAS19 *Employee Benefits*. This is a complex accounting standard but it is based on a simple principle that:

“An organisation should account for employment and post-employment benefits when employees earn them and the authority is committed to give them, even if the actual giving will be many years into the future”.

IAS 19 applies to all types of employee benefits paid including benefits payable during employment, termination benefits and post-employment benefits.

### **Benefits Payable During Employment**

Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as salaries, paid annual leave and paid sick leave, expenses, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Chief Constable. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is charged to Comprehensive Income and Expenditure Statement (as a surplus/deficit on Provision of Services), but then reversed out through the Movement in Reserves Statement to the Short Term Accumulating Compensated Absences Account so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

### **Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Chief Constable is demonstrably committed to the termination of the employment of an employee or group of employees or making an offer to encourage voluntary redundancy.

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

### **Post-employment benefits**

The main effect of IAS19 in relation to post-employment benefits is the recognition of the net liability and a pensions reserve in the Balance Sheet and entries in the Comprehensive Income and Expenditure Statement for movements in the liability relating to the employee pension schemes in which the Chief Constable participates (with reconciling entries in the Movement in Reserves Statement back to the true cost of pensions).

IAS19 relies on the recognition of pension's liabilities (being the retirement benefits promised measured on an actuarial basis) and assets (being the Chief Constable's share of investments (if any)).

The Chief Constable participates in two different pension schemes both of which are “defined benefit schemes” as they are both based on employees earning benefits from years of service.

#### **a) Police Officers**

This scheme is unfunded. This means it provides pensions and other retirement benefits for police officers based on final salaries but there are no investment assets built up to meet the pensions liabilities.

The funding arrangements for the police officers pension scheme changed on 1 April 2006. Before April 2006 each Police Authority was responsible for paying the pensions of its former officers on a “pay as you go” basis. From April 2006 there is now an employer's contribution instead (currently the equivalent of 31% of pensionable salary) which is charged to the Comprehensive Income and Expenditure Statement.

The Chief Constable is required by legislation to operate a Pension Fund Account and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation. Officer's contributions and the employer's contribution are paid into the pension's account from which pension payments are then made. This will be topped up as necessary by the Home Office if the contributions are insufficient to meet

the cost of pension's payments. Any surplus will be recouped by the Home Office. Injury awards and ill health retirements will continue to be paid from the Chief Constable's Comprehensive Income and Expenditure Statement.

The pension fund account does not take account of the obligation to pay pensions and benefits which fall due after the end of the financial year.

#### **b) Police Staff and PCSO's**

Police staff and PCSO's, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme administered by Derbyshire County Council. It is a defined benefit occupational pension scheme. Pensions and other retirement benefits earned prior to 1 April 2014 are based on final salaries, benefits earned after that date are calculated on earnings accrued in a scheme year. Employers and employees make regular contributions into the fund, which are invested in various types of assets, so that the liabilities are paid for evenly over the employment period. Actuarial valuations of the fund are undertaken every three years to determine the contributions rates needed to meet its liabilities.

For both schemes the liabilities are included in the Balance Sheet on an actuarial basis using the projected unit method (an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees). Liabilities are discounted to their value at current prices, using a discount rate. The Discount Rate used is based on the 'current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities', which is often referred to as AA Corporate Bond Rate.

Assets in the Local Government Pension scheme are included in the Balance Sheet at their fair value: -

- Quoted and Unquoted Securities – Current Bid Price.
- Unquoted Securities – Professional Estimate.
- Property – Market Value.

The changes in the net pensions' liability are analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of one additional year of service earned this year – allocated to the Comprehensive Income and Expenditure Statement.
- Past service cost – the increase in liabilities as a result of scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of non-distributed costs.
- Net interest expense – the change during the period in the net defined liability (asset) arising from the passage of time charged to Financing & Investment Income & Expenditure line, taking into account changes in net defined benefit liability (asset) during the period as a result of contribution and benefit payments

Remeasurement comprising:

- Return on plan assets – excluding amounts included above in net interest, charged to Pensions Reserve as Other Comprehensive Income & Expenditure
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve as Other Comprehensive Income & Expenditure.
- Contributions paid to the pension fund.

The Chief Constable's accounts include the pension costs, assets and liabilities for all staff, including those employed directly by the Commissioner. The scheme assets and liabilities for the two corporation soles are pooled, any pro rata would not be accurate as valuing the fund is based on various assumptions. The effect of including all of the pension figures in the Chief Constable's accounts has no material effect on the accounts.

#### **Discretionary Benefits**

The Chief Constable also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award.

## Events after the Balance Sheet Date

These are events that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The Chief Constable will report these in the following way if it is determined that the event has had a material effect on the Chief Constable's financial position: -

- Events which provide evidence of conditions that existed at the end of the reporting period will be adjusted and included within the figures in the accounts.
- Events that are indicative of conditions that arose after the reporting will be reported in the narrative notes to the accounts.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

## Non-Current Assets – Vehicles, Plant, Furniture, Equipment and Assets under Construction

Assets that have physical substance and are held for use in the provision of services or for administrative purposes and that are expected to be used during more than one financial year are classified as Vehicles, Plant, Furniture and Equipment.

### Recognition and Measurement

Expenditure on the acquisition, creation or enhancement of assets is capitalised on an accrual's basis, provided that it yields benefits and the services it provides for more than one financial year and that the cost of the item can be measured reliably.

Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets under construction are held in the Balance Sheet at historical cost until completed, whereupon they will be included in the Balance Sheet as operational assets.

Where assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value e.g. vehicles, IT and communications equipment.

### Impairments

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, these are debited to the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### Depreciation

Depreciation is provided for on all Vehicles, Plant, Furniture and Equipment assets on a straight-line basis by the systematic allocation of their depreciable amounts over their useful lives, as advised by a suitable qualified advisor. An exception is made for assets that are not yet available for use (i.e. assets under construction).

Vehicles	Over the life of the asset (3-10 years)
Equipment/furniture	Over the life of the asset (3-20 years)
IT/Communications Equipment	Over the life of the asset (2-10 years) - Majority of assets are 5 years

It is policy not to charge depreciation in the year of acquisition but a full year's charge is made in the year of disposal. Depreciation is charged to the Comprehensive Income and Expenditure Statement and is reversed out through the Movement in Reserves Statement.

### Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

## **Non-Current Assets - Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are identifiable and controlled by the Chief Constable as a result of past events (e.g. software licences), are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Chief Constable.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to provide information on policing matters.

Intangible assets are measured at cost. Amounts are only revalued where the fair value of the assets held can be determined by reference to an active market. In practice, no intangible asset held meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised to the Comprehensive Income and Expenditure Statement over its useful life. Amortisation, as with depreciation, commences in the financial year following that in which they are received. Amortisation is not permitted to have any impact on the General Reserve Balance; it is therefore reversed through the Movement in Reserves Statement and posted to the Capital Adjustment Account.

## **Charges to Revenue for Non-Current Assets**

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding non-current assets during the year: -

- Depreciation attributable to the assets used.
- Amortisation of intangible fixed assets.

The Chief Constable is not required to raise council tax to cover depreciation or amortisations.

## **Leases**

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The term of the lease is determined using the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which is reasonably certain to be exercised.

### **The Group as a lessee**

#### Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, we recognise a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term (dilatations).

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments include fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the PWLB annuity rate is applied that relates to the length of the lease term.

We do not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £10,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

#### Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, we employ a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

Where land and buildings assets are revalued, current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use

- Specialised buildings – depreciated replacement cost.

Leased plant and machinery and furniture and fittings are shorter-term leases and so the cost model is applied and these are measured at depreciated at historic cost.

We subsequently measure the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

Dismantling, removal and restoration costs will not apply to all leases. If a lease has 30 years or more to run, we will not be including these costs. For leases where they are relevant, they will not necessarily be specified in the lease but can be implicit. Relevant leases will be categorised, the costs will be calculated using a blended rate and floor area. For more specific complexities a bespoke approach will be applied.

### **Depreciation**

The depreciation of right of use assets is based on the lesser of the lease term and the useful life of the asset, unless we expect to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets in line with IFRS 16, Leases.

### **Revaluation gains/losses**

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure. Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

### **Impairments**

Impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised. Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

### **The Group as a lessor**

We assess each of our leases and classify them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

### Finance Leases

Where an asset is identified as a finance lease, and where the Chief Constable is the lessor, it will be written out of the Balance Sheet as a disposal. The carrying amount is written off to Other Operating Expenditure as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line, matched by a lease (long-term debtor) asset in the Balance Sheet. The lease rentals received write-down the lease debtor and the finance income is credited to the Financing & Investment Income & Expenditure line.

Rental income from finance leases entered into after 1 April 2010 should be treated as a capital receipt and recognised in the accounts of the Commissioner and Group.

### Operating Leases

An asset identified as an operating lease, and where the Chief Constable is the lessor, shall be retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the term of the lease.

### **Provisions, Contingent Liabilities and Contingent Assets**

**Provisions** – these are required for liabilities that have been incurred but are of uncertain timing or amount. There are three criteria:

- The Chief Constable has a present obligation (legal or constructive) as a result of a past event.
- It is more likely than not that money will be needed to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year that the Chief Constable becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the Comprehensive Income and Expenditure Statement.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), the income is only recognised as income if it is virtually certain that reimbursement will be received when the obligation is settled.

Provisions contained within the Balance Sheet are split between current liabilities (those which are estimated to be settled within the next 12 months) and non-current liabilities (those which are estimated to be settled in a period greater than 12 months).

**Contingent Liabilities** – this arises where an event has taken place that gives the Chief Constable a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Chief Constable. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

**Contingent Asset** – this arises where an event has taken place that gives the Chief Constable a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Chief Constable.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

### **Reserves**

**Unusable Reserves** - certain reserves/accounts are kept to manage the accounting processes for non-current assets (Capital Adjustment Account and Revaluation Reserve), retirement and employee benefits (Pensions Reserve, Short term Accumulating Compensated Absences Account. These do not represent usable resources for the Chief Constable.

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

The Chief Constable does not submit a VAT return as the Commissioner submits a single VAT return on behalf of the Group. Expenditure in the Chief Constable's Income and Expenditure Statement excludes any amounts relating to VAT as all VAT is remitted to/from HM Revenue and Customs.

### **Jointly Controlled Operations**

Jointly controlled operations are activities undertaken in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Balance Sheet of the Group recognises the assets that it controls and the liabilities that it incurs. The Chief Constable Accounts include Derbyshire's share of running these operations as part of the Income and Expenditure Statement.

## **LGPS Actuarial Assumptions for 31<sup>st</sup> March 2026**

From listening to LGPS employers, we understand the importance of the pension figures disclosed in your accounts. We recognise that they can have a material impact on your ability to carry out your normal business function. The pension figures, in both the balance sheet and revenue account, are heavily dependent on the choice of actuarial assumptions.

As the actuary to the LGPS fund in which you participate, we provide a set of default accounting assumptions for a 'typical LGPS employer'. Our default assumption setting approach applies to all accounting disclosures (unless otherwise stated) and the broad methodology is discussed in advance with the National Audit Office. Whilst we propose default assumptions for LGPS employers, the accounting assumptions adopted are ultimately the responsibility of your organisation's directors (or equivalent) based on actuarial advice. We expect auditors to challenge management about the appropriateness of assumptions chosen for their disclosures.

We therefore strongly recommend that you consider the suitability of the default assumptions methodology to your specific organisation. It is up to you to determine how to proceed with the choice of assumptions.

Should you wish to use different, employer-specific assumptions to the default assumptions detailed below, please let us know as part of your accounting request submission, noting that there will be an additional cost.

### **Default financial assumptions (indicative)**

This table shows our default financial assumptions at 31 December 2025 (with our 31 March 2025 assumptions included for comparison purposes), with details on the methodology explained further on page 5. Note the final assumptions for the 31 March 2026 year-end will be updated to reflect market conditions as at the accounting date.

<b>Assumption</b>	<b>Weighted average duration at most recent valuation</b>				
	<b>Ultra Short</b>	<b>Short</b>	<b>Medium</b>	<b>Long</b>	<b>Ultra Long</b>
<b>(% p.a.)</b>					
Discount Rate	5.45%	5.60% (5.80%)	5.65% (5.80%)	5.70% (5.85%)	5.75%
Retail Price Inflation (RPI)	2.95%	2.95% (3.05%)	2.95% (3.05%)	2.90% (2.95%)	2.90%
Consumer Price Inflation (CPI) – Pension Increase Rate*	2.75%	2.75% (2.75%)	2.75% (2.75%)	2.70% (2.70%)	2.70%

*\*Adjusted for observed inflation experience from September 2024*

Following ongoing discussions with LGPS auditors over 2025 to refine our methodology, we have increased the number of duration categories used at 2026 in recognition of the increased spread in employer membership profiles.

### **Weighted average duration**

The discount rate should reflect the 'term' of the benefit obligation. We have interpreted 'term' to be the weighted average duration of the benefit obligation. This is broadly defined as 'the weighted average time until payment of all expected future discounted cashflows, determined based on membership and the financial and demographic assumptions at a particular time'.

With increased divergence of LGPS employers, the weighted average durations of individual employers are different and therefore different financial assumptions are adopted for accounting purposes. Our default assumption approach sets out 5 separate discount rates

(and corresponding RPI/CPI inflation assumptions) for employers who fall into each duration category below:

<b>Weighted average duration at most recent actuarial valuation</b>	<b>Duration category</b>
Less than 11 years	Ultra Short
Between 11 and 17 years	Short
Between 17 and 23 years	Medium
Between 23 and 29 years	Long
More than 29 years	Ultra Long

#### Financial assumptions results commentary (indicative)

At all durations, the discount rate assumption has decreased by around 0.15% and the CPI assumption has stayed broadly consistent. All else being equal, a decrease in the net discount rate (ie the discount rate net of pension increases) will lead to an increase in the value placed on the obligations (ie an accounting 'loss' on the balance sheet).

#### Discount rate

FRS102/IAS19 states that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. In addition, the currency and term of the high-quality corporate bonds used to set the discount rate should be consistent with the currency and term of the obligations.

#### Corporate bond yield

Updated Government bond yield curves are available daily from the Bank of England, allowing us to easily identify a spot yield on Government bonds at any duration and at any date. However, a similarly accessible yield curve for corporate bonds is not so readily available.

We have adopted an approach to setting the discount rate whereby a "Hymans Robertson" corporate bond yield curve is constructed based on the constituents of the iBoxx AA corporate bond index.

#### Retail Price Inflation (RPI)

This assumption is typically derived from yields available on fixed interest and index linked Government bonds and should be consistent with the derivation of the discount rate. We use a market implied inflation curve over a range of maturities. Cashflow weighted single RPI rates are derived from the market implied inflation curve that recognise the weighted average duration of each corresponding duration category defined above.

Based on 31 December 2025 market conditions, these RPI rates have then been adjusted to take account of an Inflation Risk Premium (IRP) of 0 basis points (bps) during the period to 2030 and 30bps thereafter. This gives an average IRP of 10bps over Ultra Short durations and 25bps over all other durations.

#### Consumer Price Inflation (CPI) – Pension Increases

For the CPI assumption as at 31 December 2025, we have used an RPI-CPI gap of 100bps during the period to 2030 and a gap of 10bps thereafter. The former reflects differences between RPI and CPI prior to 2030 and the latter reflects differences thereafter between CPI

and CPIH (CPI including owner occupiers' housing costs), when RPI will become aligned with CPIH.

The resulting average RPI-CPI gap is 0.35% over Ultra Short durations, 0.25% over short and medium durations and 0.20% over Long and Ultra Long durations.

Allowing for the IRP and the RPI-CPI gaps derived above, this gives CPI assumptions of 2.60% pa over Ultra Short durations and 2.70% pa over all other durations.

We have then adjusted the CPI assumption to reflect 14 months of observed CPI experience from September 2024 to November 2025 of 3.95%.

Following these adjustments, our final standard CPI assumptions are 2.75% pa over Ultra Short, Short and Medium durations, and 2.70% over Long and Ultra Long durations.

### Salary growth

Our default assumption for salary growth is set relative to the derived CPI assumption at the reporting date using the same methodology as the most recent triennial funding valuation for the LGPS fund(s) you participate in. Further details on the salary growth assumption can be found in the actuarial funding valuation reports (which can be publicly found on each LGPS fund's website).

### **Default demographic assumptions (indicative)**

#### Longevity assumptions

Setting appropriate life expectancies remains a key assumption for the accounting disclosures, particularly as the country deals with the ongoing impact of COVID-19 and the cost-of-living crisis. Our default approach assumes no changes are required to the baseline longevity assumption adopted in the most recent triennial funding valuation. However, as per last year and in line with best practice, we propose to make allowance within the accounting disclosures for the life expectancy future improvement tables with appropriate parameters which capture the latest available longevity data at the time of preparing your results.

#### Other demographic assumptions

These include assumptions for commutation, withdrawal, ill-health early retirements, etc. We gathered data on recent experience of LGPS funds in order to set appropriate demographic assumptions for the most recent triennial funding valuation. Our default approach will be to use the same (non-longevity) demographic assumptions for accounting purposes as at the latest funding valuation, which can be found in the actuarial funding valuation report for the LGPS fund(s) you participate in. These demographic assumptions are intended to be best estimate.

# JARAC - Rebuilding External Audit Assurance Update

- Requirements for the regaining assurance work received from GT - 16/03/2026
- Requirements shared with final accounts team – meeting held to review requirements 19/03/2026
- Meeting between GT/CFO to agree approach/timeframe– 01/04/2026
- Initial Information requests to be uploaded by final accounts team- 15/04/2026
- Information to be reviewed by GT - April/June 2026
- Building back assurance work to be completed with audit work for 25/26 SofA- commencing in July 2026 (expected to be take an additional 4–6 weeks to complete)

## OUR PRIORITIES



Vulnerability



Fighting  
Crime



Our  
People



Prevention and  
Partnerships



Responsive and  
Visible Policing



Service to  
the Public



Trust and  
Legitimacy

Making Derbyshire Safer **Together**





**DERBYSHIRE CONSTABULARY**

**POLICE AND CRIME COMMISSIONER FOR DERBYSHIRE**

**FINANCIAL REGULATIONS &  
FINANCIAL MANAGEMENT HANDBOOK**

**April 2026**

<b>CONTENTS</b>		<b>PAGE</b>
<b>Introduction</b>		
	Overview	1
	Status	2
	Content	3
	Definitions	3
<b>Section 1 - Financial management</b>		
1.1	Financial management	5
1.2	Financial management standards	12
1.3	Accounting records and returns	13
1.4	The Annual Statement of Accounts	15
<b>Section 2 – Financial planning</b>		
2.1	Financial planning	
	• Medium Term Financial Planning	17
	• Annual Revenue Budget	19
2.2	Budgetary control	
	• Revenue monitoring	21
	• Virement	23
2.3	Capital Programme	
	• Medium Term Capital Programme	26
	• Annual Capital Programme	28
	• Monitoring of capital expenditure	29
2.4	Maintenance of balances and reserves	30
<b>Section 3 – Management of risk and resources</b>		
3.1	Risk Management, Business Continuity and Insurance	31
3.2	Internal control system	34
3.3	Audit requirements	
	• Internal audit	36
	• External audit	39
3.4	Preventing fraud and corruption	41
3.5	Assets	
	• Security	43
	• Valuation	44
	• Stocks & Stores	45
	• Intellectual property	46
	• Asset disposals	46
3.6	Treasury management and banking arrangements	

<b>CONTENTS</b>	<b>PAGE</b>
• Treasury Management	48
• Banking arrangements	49
• Imprest Accounts / Petty cash	50
• Money laundering	50
3.7 Staffing	52
3.8 Administration of evidential and non-evidential property	54
3.9 Gifts, loans and sponsorship	55
 <b>Section 4 – Systems and procedures</b>	
4.1 Introduction	56
4.2 Income	58
4.3 Ordering and paying for work, goods and services	60
4.4 Payments to employees	63
4.5 Taxation	65
4.6 Corporate credit cards	66
4.7 Purchasing cards	67
4.8 Ex-gratia payments	68
 <b>Section 5 – Contract Regulations</b>	
5.1 What is a contract	69
5.2 Why are these important	69
5.3 Key controls	69
5.4 General Responsibilities	70
5.5 Power to Delegate	72
5.6 Purchasing procedures and thresholds	72
5.7 Selection and Award Criteria	73
5.8 Contracts to be in writing	76
5.9 Specifications and Standards	78
5.10 Nominated Sub Contractors	79
5.11 Retention of Documents	79
5.12 Review of Financial Limits	79
5.13 Interpretation of the Standing Orders	79
 <b>Section 6 - External arrangements</b>	
6.1 Joint working arrangements	
• Partnerships	80
• Consortium arrangements	82
• Collaboration	83
• Commissioning of Services	83
6.2 External funding	85
6.3 Work for External Bodies	86
<i>Appendix A – Procedure for Single Tender or Quotation</i>	87
<i>Appendix B – Procedure for Post Tender Negotiations</i>	88
<i>Appendix C – Financial Scheme of Delegation</i>	90

## OVERVIEW

1. Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds. In addition, the Home Office has issued a Financial Management Code of Practice under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39 of the Police Act 1996 which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners (PCCs) and Chief Constables (CCs).
2. Each Police and Crime Commissioner (PCC) and their respective Chief Constable (CC) is established in law as a corporation sole within the 2011 Act. As such, both are enabled by law to employ staff and hold funds in their official capacity. CCs are charged with the impartial direction and control of all constables and staff within the police force that they lead. Staff of the PCC are accountable to the directly elected holder of that office.
3. The public accountability for the delivery and performance of the police service is placed into the hands of the PCC on behalf of their electorate. The PCC draws on their mandate to set and shape the strategic objectives of their force area in consultation with the CC. The PCC is accountable to the electorate; the CC is accountable to their PCC. The Police and Crime Panel within each force area are empowered to maintain a regular check and balance on the performance of the PCC in that context.
4. The PCC within each force area has a statutory duty and electoral mandate to hold the police to account on behalf of the public.
5. The PCC may appoint a Deputy PCC who may exercise any function of the PCC.
6. The PCC is the recipient of all funding, including the government grant and precept and other sources of income, related to policing and crime reduction and all funding for a force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the CC, or in accordance with any grant terms. The CC will provide professional advice and recommendations.
7. The PCC and the CC are both required to appoint a Chief Finance Officer (CFO) (also referred to as the Section 151 Officer). Within the PCC's Office (OPCC) this role is undertaken by the PCC Chief Operating Officer (PCC COO), who is also the Head of Paid Service. For the context of this document those duties which relate to the Section 151 Officer will be referred to as PCC CFO, and the duties attributed to being the Head of Paid Service will be referred to as PCC HoPS. The Chief Constable has a CFO (CC CFO).
8. To conduct its business effectively, Derbyshire Constabulary needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. The Regulations contained herein have been drawn up in such a way as to ensure that the financial matters of Derbyshire Constabulary are conducted properly and in compliance with all necessary requirements.
9. The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the CC and their officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
10. A modern organisation should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.

## STATUS

11. These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework of Derbyshire Constabulary that includes the Policing Protocol, codes of conduct, and any schemes of consent or delegation.
12. Similarly, these Financial Regulations co-exist with the current Terms of Reference (ToR) for the Joint Audit Risk & Assurance Committee (JARAC), which has a key assurance role in overseeing practical application of these Financial Regulations through their work. The user of this Handbook must have due regard to the current prevailing ToR for the JARAC and comply with the reporting mechanisms as appropriate. The JARAC ToR is reviewed at least annually and is therefore subject to change.
13. The PCC and all employees have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
14. Financial Regulations explain the working financial relationship between the PCC and the CC and their respective CFO's, having regard also to the role played by the PCC's COO as the section 151 officer and head of paid service, and the Head of Governance and Compliance who is the Monitoring Officer (PCC MO).
15. The PCC and CC are jointly responsible for approving or amending Financial Regulations. The PCC CFO is responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the PCC and CC, after consulting with the CC CFO and the PCC MO.
16. More detailed Financial Instructions to supplement these Regulations, shall be issued by the PCC and CC after consultation with the CC CFO, and the PCC MO.
17. Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with.
18. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the PCC CFO and CC CFO who shall determine, after consulting with the PCC MO, whether the matter shall be reported to the PCC and/or CC.
19. The PCC and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.

## CONTENT

20. The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority.

- ▶ Section 1 - Financial management
- ▶ Section 2 - Financial planning
- ▶ Section 3 - Management of risk and resources
- ▶ Section 4 - Systems and procedures
- ▶ Section 5 - External arrangements
- ▶ Section 6 - Contract regulations

## DEFINITIONS WITHIN THE REGULATIONS

21. For the purposes of these Regulations Derbyshire Constabulary, when used as a generic term, shall refer to:

- The Police and Crime Commissioner for Derbyshire (PCC)
- The Office of the PCC (OPCC)
- The Chief Constable for Derbyshire (CC)
- Derbyshire Constabulary

22. The PCC's Chief Finance Officer is the Chief Operating Officer/s151 Officer (referred to hereafter as the PCC CFO in terms of any CFO elements of their responsibilities).

23. The CC's Chief Finance Officer is the CC Director of Finance & Assets (referred to hereafter as CC CFO in terms of any CFO elements of their responsibilities).

24. The PCC Chief Executive (CEX) role has been split

- With a PCC Chief Operating Officer (PCC COO), being the Head of Paid Service (PCC HoPS), also including the PCC CFO duties.
- Plus, a dedicated Monitoring Officer (PCC MO), the Head of Governance and Compliance.

25. The 'Force' shall refer to the CC, police officers, police staff, police community support officers (PCSO), special police, volunteers and other members of the wider police family under their direction.

26. Chief Officers when referred to as a generic term shall mean the CC, COO (who holds the PCC CFO & HoPS duties), in consultation with the PCC MO, and the CC CFO.

27. 'Employees' when referred to as a generic term shall refer to police officers, police staff and other members of the wider police family, including staff within the Office of the PCC.

28. The expression 'authorised officer' refers to employees authorised by a Chief Officer.

29. The expression 'contract' refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services

(including commissioned and co-commissioned services) or building works made on behalf of the PCC, Derbyshire Constabulary or their affiliated bodies.

30. The expression 'best value for money' shall mean the most cost-effective means of meeting the need and takes account of whole life costs.
31. Within these Regulations, most of the references have been made to the responsibilities of the CC since most of the day-to-day financial management is vested with that post. However, where resources are under the control of the Chief Operating Officer, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Operating Officer for the PCC.
32. The terms CC, PCC COO (with both PCC CFO & PCC HoPS roles), CC CFO, and PCC MO include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level, and the member of staff given sufficient authority, training and resources to undertake the duty in hand.
33. In context of the regulations, it is important to state that the PCC CFO duties would be delegated to the PCC's Deputy CFO in the absence of the COO, and for the CC CFO duties would be delegated to the CC's Head of Finance in the absence of the CC CFO.

## 1. FINANCIAL MANAGEMENT

### The Police and Crime Commissioner (PCC)

- 1.1.1 The PCC has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the police to account on behalf of the public. The PCC is the recipient of all funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. Details of the local arrangements relating to income, such as that collected under section 25 of the Police Act 1996, should be set out in local schemes of consent. How this money is allocated is a matter for the PCC in consultation with the CC, or in accordance with any grant terms. The statutory officers (i.e. the PCC CFO, CC CFO, PCC COO and PCC MO) of the PCC and CC respectively will provide professional advice and recommendations.
- 1.1.2 The PCC shall appoint a CFO to be responsible for the proper administration of the commissioner's financial affairs. They shall also appoint a Chief Executive who will also act as Monitoring Officer. In Derbyshire's case the Chief Operating Officer holds the PCC CFO responsibilities, and Head of Paid Service, and designates a member of the OPCC staff as the Monitoring Officer.
- 1.1.3 The PCC is responsible for approving the policy framework and budget, monitoring financial outcomes and the approval of Medium-Term Financial Plans in consultation with the CC. The PCC is responsible for approving the overall framework of accountability and control and monitoring compliance. In relation to these Financial Regulations this includes:
- Police and Crime Plan
  - Financial strategy
  - Annual revenue budget
  - Capital programme
  - Medium term financial forecasts
  - Treasury management strategy, including the annual investment strategy
  - Asset management strategy
  - Risk management strategy
  - Governance policies
- 1.1.4 The PCC is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
- 1.1.5 The PCC is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
- 1.1.6 The PCC shall provide the PCC CFO with such staff, accommodation and other resources as are in the PCC CFO's opinion sufficient to allow his/her duties under this section to be performed.
- 1.1.7 The PCC may appoint a Deputy PCC (DPCC) and arrange for the DPCC to exercise any function of the PCC.
- 1.1.8 The PCC is responsible for agreeing a budget requirement and capital programme and setting the precept following advice from the PCC CFO (in liaison with the CC CFO) and in consultation with the Police and Crime Panel (PCP).

- 1.1.9 The PCC is responsible for rigorously scrutinising, challenging and monitoring aspects of financial performance and, if required, agreeing action taken to contain spending within approved plans.
- 1.1.10 The PCC is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
- 1.1.11 The PCC is responsible for identifying and agreeing the medium term financial strategy of the PCC and any long term spending commitments and levels of reserves.
- 1.1.12 The PCC shall participate in inspections and audits of the Force and the PCC.
- 1.1.13 The PCC shall comply with all relevant codes of conduct and maintain the highest standards of conduct and ethics.
- 1.1.14 The PCC shall approve Financial Regulations and any amendments to them, as drawn up between the PCC MO, the CC, the PCC CFO and the CC CFO.
- 1.1.15 The PCC shall ensure that the internal control environment meets proper requirements including a Risk Management Strategy and recommendations from internal and external audit are actioned.
- 1.1.16 The PCC is responsible for the ownership of property including the Capital and Asset Management Strategies.
- 1.1.17 The PCC shall delegate financial management of the Force budget to the CC and CC CFO so that the CC CFO has as much day to day responsibility for financial management of the Force as possible, within the framework of the agreed budget and rules of virement.
- 1.1.18 The PCC shall be responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
- 1.1.19 The PCC is responsible, where appropriate, to put in place financial procedures (subject to these Financial Regulations) to apply specifically to the Office of the Police and Crime Commissioner.

#### **The Chief Constable (CC)**

- 1.1.20 The CC is responsible for maintaining the Kings Peace and has direction and control over the Police's officers and staff. The CC holds office under the Crown but is appointed by the PCC.
- 1.1.21 The CC is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by Derbyshire Constabulary. At all times the CC, their officers and staff, remain operationally independent in the service of the public.
- 1.1.22 To help ensure the effective delivery of policing services and to enable the CC to have impartial direction and control of all officers and staff within their force, the CC should have day to day responsibility for financial management of Derbyshire Constabulary within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.

- 1.1.23 The CC shall appoint a CC CFO to be responsible for the proper administration of the CC's financial affairs.
- 1.1.24 The CC must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The CC will discharge this through the CC CFO who will lead for the force on financial management.
- 1.1.25 When the CC intends to make significant change of policy or seeks to move significant sums of their budget then the approval of the PCC should be sought.
- 1.1.26 The CC is responsible for the day-to-day financial management of Derbyshire Constabulary within the framework of the budget, rules of virement and reporting arrangements. In operating day to day financial management, the CC shall comply with the approved policies and framework of accountability.
- 1.1.27 The CC shall prepare Financial Instructions to supplement the Financial Regulations and provide detailed instructions on the operation of the specific financial processes delegated to the CC. The CC shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.
- 1.1.28 The CC shall ensure the provision of professional advice to the PCC.
- 1.1.29 The CC shall ensure proper financial management of resources allocated to or arising from income generated by activities within the operational area, including control of officers, staff, security, custody and the management and safeguarding of assets. Ensuring all resources are used efficiently and effectively.
- 1.1.30 Where consented by the PCC, the CC will be responsible for the management of property/assets and contracts.
- 1.1.31 The CC will advise the PCC on financial propriety for all areas under their control.

#### **The Independent Joint Audit Risk and Assurance Committee (JARAC)**

- 1.1.32 The Home Office Financial Management Code of Practice states that the PCC and CC should establish an independent audit committee. This should be a combined body which will consider the internal and external audit reports of both the PCC and the CC. This committee will advise the PCC and the CC according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices. In establishing the Audit Committee, the PCC and CC shall have regard to CIPFA Guidance on Audit Committees.
- 1.1.33 The Audit Committee shall comprise six members who are independent of the PCC and Derbyshire Constabulary.
- 1.1.34 The Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis.

- 1.1.35 The PCC and Chief Constable shall be represented at all meetings of the Audit Committee.
- 1.1.36 The terms of reference for the Audit Committee cover requirements in relation to Internal and External Audit appointments, plans and reports, HMICFRS reports, risk management, VfM, governance, annual accounts and related reports.

#### **The Role of Statutory Officers - The Commissioner's Chief Finance Officer (PCC CFO)**

- 1.1.37 The PCC CFO is the Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
- 1.1.38 The PCC's CFO's statutory responsibilities are set out in:
- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011.
  - Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure).
  - The Accounts and Audit Regulations
  - Section 151 – Local Government Finance Act 1972
- 1.1.39 The PCC CFO is the PCC's professional adviser on financial matters and shall be responsible for:
- ensuring that the financial affairs of the PCC are properly administered and that these financial regulations are observed and kept up to date.
  - ensuring regularity, propriety and Value for Money (VfM) in the use of public funds.
  - ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges.
  - working closely with the CC CFO.
  - developing the Medium-Term Financial Strategy and Medium-Term Financial Plan in conjunction with the CC CFO.
  - reporting to the PCC, the Police and Crime Panel, the JARAC Chair and to the external auditor:
    - any unlawful, or potentially unlawful, expenditure by the PCC or officers of the PCC; and
    - when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure.
  - advising the PCC on the robustness of the estimates and the adequacy of financial reserves.
  - overseeing the preparation of the annual statement of accounts for the PCC and the Accounts G (PCC and CC together), in conjunction with the CC CFO.
  - ensuring the provision of an effective internal audit service, in conjunction with the CC CFO.
  - securing the treasury management function, including loans and investments.
  - advising, in consultation with the PCC MO and in conjunction with the CC CFO to ensure the safeguarding of assets, including risk management and insurance.
  - arranging for the determination and issue of the precept.
  - liaising with the external auditor; and
  - advising the PCC on the application of Value for Money (VfM) principles by the force to support the PCC in holding the CC to account for efficient and effective financial management.

- 1.1.40 The PCC CFO, in consultation with the PCC MO, CC CFO and CC as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of Derbyshire Constabulary.
- 1.1.41 The PCC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the PCC on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the PCC's accounts, including group accounts.
- 1.1.42 The PCC CFO is the PCCs professional adviser on financial matters. To enable them to fulfil these duties and to ensure the PCC is provided with adequate financial advice the PCC CFO:
- must be a key member of the PCC's Executive Team, working closely with the PCC MO, helping the team to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest.
  - must be actively involved in, and able to bring influence to bear on, all significant business decisions of the PCC, to ensure that the financial aspects of immediate and longer-term implications, opportunities and risks are fully considered, and in alignment with the PCC's financial strategy.
  - must lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
  - must ensure that the finance function is resourced to be fit for purpose.

**The Role of Statutory Officers - The Chief Constable's Chief Finance Officer (Director of Finance & Assets referred to as CC CFO)**

- 1.1.43 The CC CFO is the CC's Section 151 Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
- 1.1.44 The CC CFO's responsibilities are set out in:
- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform Social Responsibility Act 2011.
  - Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure).
  - The Accounts and Audit Regulations
  - Section 151 – Local Government Finance Act 1972.
- 1.1.45 The CC CFO is responsible for:
- ensuring that the financial affairs of the force are properly administered and that these financial regulations are observed and kept up to date and accounting standards are applied consistently.
  - ensuring written procedures are in place to support the compliance with these financial regulations where necessary and appropriate.
  - ensuring regularity, propriety and Value for Money (VfM) in the use of public funds.
  - ensuring that the expenditure is made within the approved budget and all income is accounted for appropriately.
  - ensuring that the funding required to finance agreed programmes is available from

- Central Government, council tax precept, other contributions and recharges.
- developing the Medium-Term Financial Strategy and Medium-Term Financial Plan in conjunction with the PCC CFO.
- reporting to the Chief Constable, the PCC, the PCC CFO, the JARAC Chair and to the external auditor any:
  - unlawful, or potentially unlawful, expenditure by the CC or officers/staff of the CC; or
  - circumstances when it appears that any expenditure of the CC is likely to exceed the resources available to it to meet that expenditure.
- advising the CC on value for money in relation to all aspects of the force's expenditure.
- advising the CC on a budget requirement and capital programme.
- advising the CC and the PCC on the robustness of estimates and the soundness of the budget in relation to the force.
- assisting the CC to monitor all revenue and capital budgets.
- assisting the CC by advising on and signing off all business cases for change in terms of risk and assurance and all financial implications impacting on the revenue and capital budgets and resources.
- working closely with the PCC CFO.
- liaising with the external auditor.
- ensuring the preparation of the annual statement of accounts for the CC, PCC and Group including liaising with the PCC CFO in the production of group accounts for the PCC/Group.
- ensuring the provision of an effective internal audit service, in conjunction with the PCC CFO.
- providing the treasury management function, including loans and investments in conjunction with the PCC CFO.
- advising, in consultation with the PCC CFO to ensure the safeguarding of assets, including risk management and insurance.
- supporting the determination and issue of the precept in conjunction with the PCC CFO; and
- advising the CC on the application of value for money principles by the Constabulary to support the CC in demonstrating to the PCC the Constabulary's efficient and effective financial management.

1.1.46 The CC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the force on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the CC's accounts. The CC CFO will consult with the PCC CFO on the locally agreed timetable for the compilation of the group accounts.

1.1.47 The CC CFO is the CC's professional adviser on financial matters. To enable them to fulfil these duties the CC CFO:

- should be a key member of the CC's Chief Officer Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest. Where this is not possible the Force CFO should be well sighted and able to advise the CC regarding strategic financial matters.
- should be actively involved in, and able to bring influence to bear on, all strategic business decisions of the CC to ensure immediate and longer- term implications, opportunities and

risks are fully considered.

- should lead the promotion and delivery by the CC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- and should ensure that the finance function is resourced to be fit for purpose.

1.1.48 It must be recognised that financial regulations cannot foresee every eventuality. The CC CFO together with the PCC CFO, shall be responsible for interpreting these regulations to ensure the efficient and effective operation of services.

#### **The Role of Statutory Officers - The PCC 's Head of Paid Service (HoPS), and PCC Monitoring Officer (PCC MO)**

1.1.49 The PCC HoPS Officer is responsible for the leadership and general administration of the PCC's office (OPCC).

1.1.50 A separate designated Monitoring Officer (PCC MO) is appointed under section 5(1) of the Local Government and Housing Act 1989.

1.1.51 The Monitoring Officer is responsible for:

- enabling the PCC to fulfil their statutory responsibilities
- ensuring the legality of the actions of the PCC and their staff within the OPCC.
- ensuring that procedures for recording and reporting key decisions are operating effectively.
- advising the PCC and officers about who has authority to take a particular decision.
- advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.
- ensure the provision of information and reports required by the PCP.
- ensure the PCC meets their obligations in relation to statutory publications including the Police and Crime Plan, Annual Report and Council Tax Leaflet.
- develop a strong partnership with the PCC and CC ensuring the provision of effective and efficient policing is fulfilled.
- undertake the role of designated Monitoring Officer to detect and report any illegality or maladministration; and
- advising the PCC on matters relating to standards of conduct.

## 2. FINANCIAL MANAGEMENT STANDARDS

### Why is this important?

- 1.2.1 The PCC, CC and all officers/staff have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

### Responsibilities of the PCC CFO and CC CFO

- 1.2.2 To ensure the proper administration of the financial affairs of Derbyshire Constabulary.
- 1.2.3 To ensure that proper practices are adhered to.
- 1.2.4 To advise on the key strategic controls necessary to secure sound financial management.
- 1.2.5 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
- 1.2.6 To ensure that all staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- 1.2.7 To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.
- 1.2.8 To take appropriate action in the event of breaches of the Financial Management Standards and Financial Regulations.
- 1.2.9 Key Controls and objectives for financial management standards are:
- Their promotion throughout the organisation. The PCC and the CC shall ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
  - A monitoring system to review compliance with financial standards, and regular comparisons of performance indicators with benchmark standards that are reported to the JARAC Meeting.
  - All staff are to be properly managed, developed, trained and have adequate support to carry out their financial duties effectively. The PCC and the CC shall ensure that specific duties and responsibilities in financial matters are made clear to individual members of staff and that these are properly recorded.
  - Systems of internal control are in place that ensures financial transactions are lawful.
  - Suitable accounting policies are selected and applied.
  - Proper accounting records are maintained.
  - Financial statements are prepared, which present fairly the financial position of the PCC and the CC, including expenditure and income.

### 3. ACCOUNTING RECORDS AND RETURNS

#### Why is this important?

- 1.3.1 Maintaining proper accounting records is one of the ways in which the PCC and CC will discharge their responsibility for stewardship of public resources. Derbyshire Constabulary has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency, and effectiveness in the use of Derbyshire Constabulary resources.
- 1.3.2 Key Controls and objectives for Accounting Records and Returns are:
- Financial systems are used to record the financial transactions of the PCC and CC, with possible minor exceptions, these are electronic systems.
  - Finance staff and those authorised to make expenditure operate within the required accounting standards and timetables.
  - All of the organisations transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
  - Procedures are in place to enable accounting records to be reconstituted in the event of systems failure.
  - Reconciliation procedures are carried out to ensure transactions are correctly recorded.
  - Prime documents are retained in accordance with legislative and other requirements.
  - Proper system of internal control such that:
    - staff with the duty of examining or checking the accounts of cash transactions must not themselves be originators or approvers of these transactions.
    - the duties of providing information about sums due to or from the PCC and calculating, checking and recording these sums, are to be separated from the duties of collecting or disbursing them

#### Responsibilities of the PCC CFO in conjunction with the CC CFO

- 1.3.3 To determine the accounting procedures and records, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures in place.
- 1.3.4 To ensure consultation and agreement takes place between the CFOs before making any fundamental changes to accounting records and procedures or accounting systems.
- 1.3.5 To ensure that all employees operate within the required accounting policies and published timetables.
- 1.3.6 To make proper arrangements for the audit of the PCC's and Force's accounts in accordance with the Accounts and Audit Regulations.
- 1.3.7 To ensure that all claims for funds including grants are made by the due date.
- 1.3.8 To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis.

- 1.3.9 To ensure the preparation and publishing of the audited accounts in accordance with the statutory timetable.
- 1.3.10 To ensure that documentation is retained in an appropriate format in compliance with the current document retention policy

**Responsibilities of the CC and CC CFO**

- 1.3.11 To obtain the approval of the PCC CFO before making any fundamental changes to accounting records and procedures or accounting systems.
- 1.3.12 To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
- 1.3.13 To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.

## 4. THE ANNUAL STATEMENT OF ACCOUNTS

### Why is this important?

- 1.4.1 Derbyshire Constabulary has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The accounts will comprise separate statements for the PCC and CC as well as group accounts covering both entities.
- 1.4.2 The PCC CFO will set out the arrangements for the production of the group accounts. The CC CFO is responsible for producing the PCC, CC's and Group accounts in accordance with the timetable and requirements of the group accounts.
- 1.4.3 The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency, and effectiveness in the use of Derbyshire Constabulary resources.
- 1.4.4 Key Controls and Objectives for the Annual Statement of Accounts:
- The accounts are subject to detailed independent review by the external auditor.
  - This audit provides assurance that the accounts are prepared correctly and that proper accounting practices have been followed.
  - The PCC is required to make arrangements for the proper administration of its financial affairs. The PCC statement of accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

### Responsibilities of the PCC CFO

- 1.4.5 To sign and date the PCC and Group statement of accounts, stating that it presents fairly the financial position of the PCC for Derbyshire at the accounting date and its income and expenditure for the financial year just ended.
- 1.4.6 To ensure the Force Finance team (through the CC CFO) provide statement of accounts of the Group and PCC at the accounting date and its income and expenditure for the financial year just ended.
- 1.4.7 To publish the approved and audited accounts of the Group and PCC each year, in accordance with the statutory timetable.
- 1.4.8 To produce summary accounts for publication on the website.
- 1.4.9 To select suitable accounting policies and apply them consistently, in conjunction with the CC CFO.
- 1.4.10 To make judgements and estimates that are reasonable and prudent.

1.4.11 To comply with the Code of Practice on Local Authority Accounting.

#### **Responsibilities of the CC CFO**

1.4.12 To draw up the timetable for final accounts preparation, in consultation with the PCC CFO and external auditor.

1.4.13 To prepare the statement of accounts of the CC, PCC and Group at the accounting date and its income and expenditure for the financial year just ended.

1.4.14 To publish the approved and audited accounts of the CC each year, in accordance with the statutory timetable.

1.4.15 To produce summary accounts for publication on the website.

1.4.16 To select suitable accounting policies and apply them consistently, in conjunction with the PCC CFO.

1.4.17 To make judgements and estimates that are reasonable and prudent.

1.4.18 To comply with the Code of Practice on Local Authority Accounting.

#### **Responsibilities of the PCC**

1.4.19 To consider and approve the Annual Accounts of the PCC and the Group Accounts of Derbyshire Constabulary in accordance with the statutory timetable.

#### **Responsibilities of the CC**

1.4.20 To consider and approve the CC's Annual Accounts in accordance with the statutory timetable.

## **2.1 FINANCIAL PLANNING**

### **Why is this important?**

- 2.1.1 Derbyshire Constabulary is a complex organisation responsible for delivering a range of policing activities. Robust systems are required to enable scarce resources to be allocated in accordance with carefully judged priorities. Financial planning is essential if the PCC and the Force are to function effectively.
- 2.1.2 The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives.
- 2.1.3 The planning process should be continuous, and the planning period should cover at least 3 to 5 years. The process should include a more detailed annual plan - the budget, covering the forthcoming financial year. This allows the PCC and the CC to plan, monitor and manage the way funds are allocated and spent. This should be used to support the Police and Crime Plan and the alignment of business and financial planning.
- 2.1.4 It is recognised that the impact of financial planning in the police service will be constrained by the quality of information made available by central government on resource allocation and council tax referendum levels.
- 2.1.5 The format of the annual budget determines the level of detail to which financial control and management will be exercised and shapes how the rules around virement operate.

### **Medium Term Financial Planning**

- 2.1.6 The PCC and CC share a responsibility to provide effective financial and budget planning for the short, medium and longer term. They achieve this by preparing a medium term (3-5 years) revenue forecast and capital programme.
- 2.1.7 The key controls and objectives being that the PCC and CC are able to integrate financial and budget plans into service planning so that such plans can be supported by financial and non-financial performance measures

### **Responsibilities of the PCC and PCC CFO**

- 2.1.8 To identify and agree, in consultation with the CC, a Medium-Term Financial Strategy (MTFS) which includes funding and spending plans for both revenue and capital. The strategy should cover multiple years, the inter-dependencies of revenue budgets and capital investment, the role of reserves and consideration of risks. It should have regard to affordability and also to CIPFA's Prudential Code for Capital Finance in Local Authorities. The strategy should also be aligned with the Police and Crime Plan.

### **Responsibilities of the CC and CC CFO**

- 2.1.9 To determine (in conjunction with the PCC CFO) the format and timing of the medium-term financial plans to be presented to the PCC. The format is to comply with all legal requirements

and with latest guidance issued by CIPFA.

- 2.1.10 To prepare a medium-term forecast of proposed income and expenditure for submission to the PCC at a detailed level as a Medium Term Financial Plan (MTFP) to underpin the MTFS. The MTFS should be submitted to the PCC and PCC CFO and be subject to review during the financial year.
- 2.1.11 The MTFS should be informed by:
- Government, particularly Home Office financial plans at a national level.
  - Financial risks identified at national and regional levels.
  - Estimated maximum precept increases – this may differ with the annual requirements of the PCC.
  - External factors affecting funding available (such as Legislative, National Insurance, Tax and Pension changes).
  - The MTFP and associated risks and opportunities
- 2.1.12 When preparing the MTFP forecast, the CC shall have regard to:
- the MTFS – the indication of what financial resources will be available to the Force and the OPCC.
  - the Police and Crime Plan.
  - policy requirements approved by the PCC as part of the policy framework.
  - the risk management policy, ensuring that risk appraisals are embedded throughout the forecast.
  - requirements relating to collaboration budgets.
  - the Strategic Policing Requirement.
  - unavoidable future commitments, including legislative requirements.
  - initiatives already underway.
  - spending patterns and pressures revealed through the budget monitoring process.
  - revenue implications of the draft capital programme.
  - proposed service developments and plans which reflect public consultation.
  - the need to deliver efficiency and/or productivity savings.
  - known and anticipated government grant allocations.
  - potential implications for local taxpayers; and
  - public and partner consultation.
- 2.1.13 To prepare a medium-term forecast of potential resources, including options for the use of general balances, reserves and provisions, and an assumption about future levels of government funding and all other available information. This will include potential implications for local taxation.
- 2.1.14 A gap may be identified between available resources and required resources. Requirements should be prioritised by the CC to enable the PCC to make informed judgements as to future funding levels and planning the use of resources.

### **Annual Revenue Budget**

- 2.1.15 The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the PCC's strategic policies. It provides Chief Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the PCC and the Force. As such, preparation of the annual budget should be based on sound financial management principles of probity, efficiency and value for money.
- 2.1.16 The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined in accordance with the limits. The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate (see Budgetary Control Section), the operation of cash limits and sets the level at which funds may be reallocated within budgets.
- 2.1.17 The PCC should consult with the CC and other relevant partners and stakeholders in planning the overall annual budget which will include a separate force budget. This will take into consideration funding from government and from other sources and balance the expenditure needs of the policing service against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget (Police Reform and Social Responsibility Act 2011), be completed in accordance with the statutory timeframe and the format should comply with all legal requirements and CIPFA Codes of Practice.
- 2.1.18 The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the medium-term financial strategy should be clearly identified.
- 2.1.19 The key controls and objectives for the budget are:
- The format complies with all legal requirements
  - The format complies with CIPFA's Code of Practice
  - The format reflects the accountabilities of service delivery
  - Budgeting processes should be based on evidence and operational demand.

### **Responsibilities of the PCC**

- 2.1.20 To agree the planning timetable with the CC.
- 2.1.21 To obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates (Police Reform and Social Responsibility Act 2011).
- 2.1.22 To present the proposed council tax implications and precept requirements (with supporting budget commentary and detail to assist understanding) to the Police and Crime Panel for its scrutiny. The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the Medium-Term Financial Strategy being clearly identified.

### **Responsibilities of the PCC CFO**

- 2.1.23 To determine the format of the revenue budget to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
- 2.1.24 To ensure timely and accurate information is obtained from billing authorities on the council tax-base and the latest surplus/deficit position on collection funds to inform budget deliberations.
- 2.1.25 To advise the PCC on the appropriate level of general balances, earmarked reserves and provisions to be held.
- 2.1.26 To submit a report to the PCC on:
  - (1) the robustness of the estimates and the adequacy of reserves and
  - (2) the suite of prudential indicators for the next three to five years, arising from the Prudential Code for Capital Finance in Local Authorities. These indicators shall be consistent with the annual revenue budget and capital programme approved by the PCC.
- 2.1.27 Upon approval of the annual budget, to ensure submission of the council tax requirement return to central government and precept requests to appropriate bodies in accordance with the legal requirement.
- 2.1.28 To produce and issue to the billing authorities, in accordance with statutory requirements, the council tax information leaflet.

### **Responsibilities of the CC and CC CFO**

- 2.1.29 To prepare detailed budget estimates for the forthcoming financial year in consultation with the PCC CFO.
- 2.1.30 To submit estimates in the agreed format to the PCC for approval, including details of council tax implications, precept requirements prudential indicators, levels of general balances, earmarked reserves and provisions.

## **2.2 BUDGETARY CONTROL**

### **Why is this important?**

- 2.2.1 Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose, subject to virement rules and are properly accounted for. Budgetary control is a continuous process, enabling both the CC and PCC to review and adjust budget targets, responding to emerging priorities during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- 2.2.2 The key controls and objectives for managing and controlling the revenue budget are that:
- there is a single nominated budget manager for each cost-centre or account code heading who is accountable for the budgets under their direct control.
  - all changes to budgets are approved by the PCC CFO or CC CFO (if within delegated powers) or the PCC (if over the delegated limits); and
  - the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures.
  - for strategic monitoring and management purposes, the budget shall identify operational and other policing costs, PCC costs, financing items and transfers to and from general balances and earmarked reserves.

### **Revenue Monitoring**

#### **Why is this important?**

- 2.2.3 By continuously identifying and explaining variances against budgetary targets, Derbyshire Constabulary can identify changes in trends and resource requirements at the earliest opportunity.
- 2.2.4 The PCC and CC both operate within an annual cash limit, approved when setting the annual budget. To ensure that Derbyshire Constabulary in total does not overspend, the CC, CC CFO and PCC CFO are required to manage expenditure within their budget allocations, subject to the rules of virement.
- 2.2.5 The key controls and objectives for managing and controlling the revenue budget are:
- Budget managers should be responsible only for income and expenditure that they can influence.
  - Budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities.
  - Budget managers follow an approved certification process for all expenditure.
  - Income and expenditure are properly recorded and accounted for.
  - Performance levels are monitored in conjunction with the budget and necessary action is taken to align outputs and budget

#### **Responsibilities of the CC and CC CFO**

- 2.2.6 To provide appropriate financial information to enable budgets to be monitored and reported effectively.

- 2.2.7 To ensure that each element of income or expenditure has a single nominated budget manager to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision-making process that commits expenditure – usually at cost centre level. The CC and CC CFO shall also ensure also that a nominated officer is responsible for monitoring income and expenditure against the pensions account.
- 2.2.8 It is the responsibility of budget holders to manage income and expenditure within their area and to monitor performance, taking account of financial information provided. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the PCC and CC CFO, including any variances within their own areas. Budget Managers will also take any action necessary to avoid exceeding their budget allocation and alert the PCC and CC CFO to any problems.
- 2.2.9 The PCC CFO and CC CFO shall ensure that budget holders receive sufficient financial support to enable them to undertake the budgetary control responsibilities.
- 2.2.10 To ensure that total spending for operational policing remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the CC, both the PCC CFO and PCC shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the PCC. The same responsibilities apply to the PCC HoPS, PCC MO, and the PCC CFO for the OPCC budgets.
- 2.2.11 To submit a budget monitoring report to the PCC on a regular basis throughout the year, containing the most recently available financial information. The reports shall be in a format agreed with the PCC and PCC CFO.

#### **Responsibility of the PCC CFO**

- 2.2.12 To advise the PCC on the presentation to the Police and Crime Panel of required financial information, as necessary.

#### **Resource Allocation Overview and Control**

- 2.2.13 Available financial resources are inevitably limited. It is therefore imperative that spending is rigorously prioritised and that resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.
- 2.2.14 The key controls and objectives for resource allocation are:
- Performance levels are monitored in conjunction with the budget and resources are acquired in accordance with the law and using an approved authorisation process.
  - Resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for.
  - Resources are securely held for use when required.
  - Resources are used with the minimum level of waste, inefficiency or loss for other reasons.

## **Virement**

### **Why is this important?**

- 2.2.15 A virement is a planned and approved reallocation of resources between budgets or heads of expenditure. A budget head is a line in the approved budget report. The scheme of virement is intended to enable chief officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.
- 2.2.16 The overall budget is agreed by the PCC and budget managers are expected to incur expenditure in accordance with the estimates that make up their budget, subject to agreed virement rules, and within the limit of total resources allocated. Virement should not be allowed to create additional overall budget liability. Senior officers are expected to exercise discretion in managing budgets responsibly and prudently. Virements are not to be used as a tool to create future commitments. Therefore, it is vital that virement decisions do not lead to additional future spending without the prior approval of the PCC CFO.
- 2.2.17 The CC should only be required to refer back to the PCC when virement would incur substantive changes in the policy of the PCC, or is to fund a notable or potentially contentious item or where a virement might create a future year or continuing commitment. Revenue expenditure can only be funded from revenue funding. Overall, the rules on virement are designed to allow the CC greater flexibility to meet operational requirements and to facilitate the decision-making process. The CC shall be held to account by the PCC for decisions made and the way in which resources are deployed. The virement rules allow greater freedom by requiring reports on significant changes.
- 2.2.18 The PCC can withdraw the ability for virement in any year should they feel it is prudent to do so.

### **Responsibilities**

- 2.2.19 Budget holders may authorise individual virement requests up to the value of £10,000 from within their devolved budget heads in consultation with the CC CFO or the PCC CFO as appropriate.
- 2.2.20 The CC and the CC CFO may vire between budget heads under their responsibility up to a value of £100,000; sums above this figure to be approved by the PCC.
- 2.2.21 The PCC and PCC CFO are responsible for any transfers to and from PCC balances.
- 2.2.22 Where significant changes in policy are necessary, PCC approval must be sought irrespective of the amounts involved.
- 2.2.23 Virements shall not be made from/to the following estimate headings:
- Capital Financing Costs.
  - Funding Income.
- 2.2.24 Accurate records of virement transactions will be maintained by the CC CFO and be reported to the PCC as part of the regular budget monitoring.

- 2.2.25 Virement does not create additional overall budget liability.
- 2.2.26 By definition all virement is a net nil.
- 2.2.27 Subject to approved limits as set out in any delegated limits, it is a requirement that the PCC CFO and CC CFO approve virement requirements of the CC and the PCC respectively.
- 2.2.28 Each budget monitoring report reported to the PCC shall contain details where revised budgets or forecast income and expenditure varies to a significant degree from the original approved budget. However, any significant expected changes to the budget identified between reports should be reported to the PCC CFO immediately. Each budget monitoring report should include any virement requests for approval by the PCC CFO or PCC as necessary
- 2.2.29 The approval of the Commissioner shall be required:
- As part of updating the budget through the budget monitoring process.
  - If an approved change of policy results in a virement requirement.
  - If the virement results in a significant addition to commitments in future years.
  - Within this document, the term “significant” shall be determined in its value through the professional judgement of respective CFO’s

#### **Treatment of Year End Balances**

- 2.2.30 A year-end balance is the amount by which actual income and expenditure including capital costs varies from the final budget, normally identified at devolved budget holder level. Arrangements may be necessary for the transfer of resources between accounting years (i.e. a carry forward). This may increase or decrease the resources available to budget holders in the following financial year. All carry forwards recommended by the PCC CFO and the CC CFO will be presented to the CC and PCC for approval at year end for each financial year.
- 2.2.31 As part of the monitoring and control process, reporting of potential variations from budget and proposals for reallocation of resources shall be made as early as possible in the financial year
- 2.2.32 All reasonable endeavours shall be taken to provide a service that matches the approved budget.
- 2.2.33 There may be occasions when an overall overspend position occurs, particularly where exceptional events occur so close to the end of the financial year that a balanced outturn position is not possible. In this event, the overspend will be funded initially from General Balances, but full discussion will take place between the PCC, Chief Constable and their respective officers to determine any future implications.
- 2.2.34 All endeavours should be made to identify potential overspends, as early as possible during the financial year, to enable mitigating action to be taken
- 2.2.35 Key Controls and objectives for Year End Balances
- The Finance Department will ensure that regular budget monitoring reports are made available to ensure expenditure is managed within the approved budget.
  - Overspends identified within the financial year will be reported to the CC for management within the wider Force budget.
  - Exceptions to this will be discussed and approved by the PCC following discussions with the CC CFO and PCC CFO.

- As a default position, any underspends against budgets will be taken to reserves. For the Force any exception to this policy must be proposed by the CC in consultation with the CC CFO and determined by the PCC in consultation with the PCC CFO. For the PCC any exception to this policy must be proposed by the PCC CFO and determined by the PCC.

## **2.3 CAPITAL PROGRAMME**

### **Why is this important?**

- 2.3.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to Derbyshire Constabulary such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs.
- 2.3.2 A capital strategy which considers all capital requirements from the Estates Strategy, Asset Management Plan, DDaT Strategy and Fleet Strategy is produced for up to 30 years. From this, the capital programme for the next 5 years is derived.
- 2.3.3 Derbyshire Constabulary is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. CIPFA's Prudential Code and the Local Government Act 2003 sets out the framework under which the PCC will consider these spending plans.
- 2.3.4 The capital programme is linked to the approved financial strategy. A report should be addressed to the PCC annually to formally report the performance against prudential indicators in accordance with the Local Government Act 2003 and the Prudential Code for Capital Finance. Assurance should be provided during the year as part of treasury and budget monitoring reports on compliance with the prudential indicators.

### **Responsibilities of the CC and CC CFO**

- 2.3.5 To develop and implement asset management plans.

### **Responsibilities of the PCC**

- 2.3.6 To approve the asset management strategy.
- 2.3.7 To approve the annual financial capital strategy.

### **Responsibilities of the PCC CFO and CC CFO**

- 2.3.8 To identify available sources of funding for the medium-term capital programme, including the identification of potential capital receipts from disposal of property. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.
  - 2.3.9 To prepare a financial capital strategy for consideration and approval by the PCC
-

## **Medium Term Capital Programme**

### **Responsibilities of the CC and CC CFO**

- 2.3.10 To prepare a rolling programme of proposed capital expenditure for consideration by the PCC. The CC CFO must ensure each scheme identifies the total capital cost of the project and any additional revenue commitments.
- 2.3.11 To prepare project appraisals for all schemes in the draft medium-term year capital programme including an option appraisal signed off by the CC CFO which demonstrates the costs and benefits of the project to the service, these must be submitted to the PCC with a recommended solution resulting from consideration of the business case/options appraisal for consideration and scheme approval. This will include all additional revenue and capital costs.
- 2.3.12 Schemes proposed after the annual budget meeting for inclusion in the capital programme during the current financial year shall be submitted through either a decision record or the formal meetings between the CC and PCC for approval by the PCC. These requests must be supported by the CC and include a full business case with all financial implications signed off by the CC CFO.
- 2.3.13 Each individual scheme will have a nominated budget manager who will be accountable for that project. The budget manager's responsibilities include the monitoring of progress in conjunction with expenditure and comparison with approved budget and ensuring completion of the scheme.
- 2.3.14 A gap may be identified between available resources and required capital investment. Requirements should be prioritised carefully by the CC and CC CFO to enable the PCC to make informed judgements as to which schemes should be included in the capital programme, the minimum level of funding required for each scheme and the potential phasing of capital expenditure.
- 2.3.15 All schemes within the draft medium-term capital programme should incorporate an estimate of future price inflation.

### **Responsibilities of the PCC CFO**

- 2.3.16 To make recommendations to the PCC on the most appropriate level of revenue support and appropriate levels of borrowing, under the Prudential Code, to support the capital programme.

### **Responsibilities of the PCC**

- 2.3.17 To approve a fully funded medium term capital programme.
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## **Annual Capital Programme**

### **Responsibilities of the PCC**

- 2.3.18 To agree the annual capital programme, and how it is to be financed.

### **Responsibilities of the CC and the CC CFO**

- 2.3.19 No capital expenditure shall be incurred unless the scheme is included in the capital programme approved by the PCC or as subsequently modified. In this respect, the vehicle replacement programme, equipment replacement programme and DDaT replacement programme shall each be regarded as one scheme and will not be subjected to further business case/further approval processes unless otherwise determined by the CC CFO.
- 2.3.20 Schemes within the Capital Programme will be required to pass through the capital expenditure approval process before any expenditure is committed. Requests for significant new capital expenditure must be made in the format of a business case where all financial implications must be reviewed and signed off by the CC CFO prior to being presented to Board Meetings. Detailed estimates for each scheme in the approved capital programme shall be prepared as part of the options appraisal and signed off by the CC CFO before tenders are sought or commitments made. Schemes need not be referred back to the PCC for further approval unless, when negotiating contract details, amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits already approved in the Capital Programme, due to potential implications in relation to the Treasury Management Strategy.
- 2.3.21 Arrangements covering variations in contract conditions and prices are to be managed in accordance with the scheme of consent
- 2.3.22 Approval of the annual capital programme by the PCC authorises the CC to incur expenditure on schemes providing the project appraisal has been approved and expenditure on the scheme does not exceed the sum contained in the approved programme by more than 10% or £250,000 whichever is the lower amount, provided that there is no overall increase to the approved capital programme. All variations above this level require approval of the PCC.
- 2.3.23 To ensure that finance leases or other credit arrangements are not entered into without the prior approval of the PCC CFO and sufficient revenue resources must be available to meet the repayments.
- 2.3.24 To ensure that, apart from professional fees (e.g. feasibility studies and planning fees), no other capital expenditure is incurred before the scheme is approved by the PCC.
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## **Monitoring of Capital Expenditure**

### **Responsibilities of the CC**

- 2.3.25 To ensure that adequate records are maintained for all capital contracts

### **Responsibilities of the CC and CC CFO**

- 2.3.26 To monitor expenditure throughout the year against the approved programme.
- 2.3.27 To submit capital monitoring reports to the PCC on a regular basis throughout the year. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme. The reports shall be in a format agreed by the PCC and PCC CFO.
- 2.3.28 To prepare a business case for all new capital schemes [after the annual programme has been agreed] for submission to the PCC for consultation and approval. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.

### **Responsibilities of the PCC CFO**

- 2.3.29 To report on the outturn of capital expenditure as part of the annual report on the statutory accounts.

## **2.4 MAINTENANCE OF BALANCES AND RESERVES**

### **Why is this important?**

- 2.4.1 The PCC must decide the level of general reserves they wish to retain before they can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the organisation to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. Earmarked Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future. The Commissioner will approve the policy on reserves and balances and their planned use as part of the annual budget setting process.
- 2.4.2 The key controls and objectives for maintaining reserves are to maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A statement of Recommended Practice (CIPFA) and agreed accounting policies. For each earmarked reserve established, the purpose, usage and basis of transactions should be clearly identified. The PCC CFO shall approve the creation of the General Reserve and its application, in addition to the authorisation and expenditure from reserves.

### **Responsibilities of the PCC CFO**

- 2.4.3 To advise the PCC on reasonable levels of general fund balances and earmarked reserves and take account of professional best practice.
- 2.4.4 To report to the PCC on the adequacy of reserves and balances before they approve the annual budget and council tax.

### **Responsibilities for the CC**

- 2.4.5 To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval, including use of the operational reserve.
- 2.4.6 To present a business case to the PCC for one-off expenditure items to be funded from earmarked and/or general reserves.

### **Responsibilities of the PCC**

- 2.4.7 To approve a policy on reserves and balances, including lower and upper parameters for the level of general balances.
- 2.4.8 To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established.
- 2.4.9 To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process and Annual Statement of Accounts.

### **3.1 RISK MANAGEMENT, BUSINESS CONTINUITY AND INSURANCE**

#### **Why is this important?**

- 3.1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks to Derbyshire Constabulary. This should include the proactive participation of all those associated with planning and delivering services.
- 3.1.2 All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the threat or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of Derbyshire Constabulary and to ensure the continued corporate and financial wellbeing of Derbyshire Constabulary. In essence it is, therefore, an integral part of good business practice.
- 3.1.3 Business Continuity arrangements are essential for a public-sector organisation to ensure its ability to maintain service to the public in the event of factors outside of its complete control. Due regard should be made to the Business Continuity arrangements of both the PCC and CC which are detailed in separate policies due to a heavy focus on operational resilience rather than pure financial continuity.
- 3.1.4 Key controls and objectives for Risk Management, Business Continuity and Insurance incorporate the implementation of appropriate policies and procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls.

#### **Responsibilities of the PCC and CC**

- 3.1.5 The PCC and CC are responsible for approving the risk management policy statement and strategy, and for reviewing the effectiveness of risk management.

#### **Responsibilities of Chief Officers**

- 3.1.6 To prepare the Derbyshire Constabulary risk management policy statement and promoting a culture of risk management awareness throughout Derbyshire Constabulary and reviewing risk as an ongoing process.
- 3.1.7 To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.
- 3.1.8 To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis.

### **Responsibilities of the PCC CFO**

- 3.1.9 The PCC CFO is responsible for the Police and Crime Commissioner's risk register and for determining acceptable levels of risk.
- 3.1.10 To advise the PCC on appropriate arrangements for insurance and notifying the PCC promptly of all new risks which require insurance and of any alterations affecting existing insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken. All of the aforementioned activities are based on the recommendation of the CC CFO.
- 4 To arrange for an actuary to undertake a regular review of Derbyshire Constabulary's own self-insurance fund and, following that review, to recommend to the PCC a course of action to ensure that, over the medium term, the fund is able to meet all known liabilities. In practice this is done by the CC CFO, in consultation with the PCC CFO.

### **Responsibilities of the CC CFO**

- 4.1.1 To consider making provision for losses that might result from risks that remain in consultation and conjunction with the PCC CFO.
- 4.1.2 Is responsible for the daily management and operation of the Force's insurance within the terms of the approved policies including ensuring that all claims are made promptly and monitoring claims managed through legal services, in consultation with other officers where necessary.
- 4.1.3 To ensure that employees, or anyone covered by Derbyshire Constabulary insurance, are instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

### **Responsibilities of the CC**

- 4.1.4 To ensure, in consultation with the PCC CFO, that appropriate insurance cover is provided.
- 4.1.5 To ensure that claims made by Derbyshire Constabulary against insurance policies are made promptly.
- 4.1.6 To make all appropriate employees aware of their responsibilities for managing relevant risks and to promote risk management throughout the organisation.
- 4.1.7 To ensure that a comprehensive risk register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk.

### **Responsibilities of the COO/MO**

- 4.1.8 To evaluate and authorise any terms of indemnity that Derbyshire Constabulary is requested to give by external parties.

## **Responsibilities of Head of East Midlands Police Legal Services (EMPLS)**

4.1.9 To evaluate and authorise any terms of indemnity that Derbyshire Constabulary is requested to give by external parties. EMPLS shall be authorised to settle insurance liability claims up to the value of £10,000, and anything above that shall go to the Deputy Chief Constable. Beyond £10,000 claims must be referred to the PCC for approval.

4.1.10 Settlement of employment tribunal cases and grievances of staff under their direction and control will remain with the CC and the COO for OPCC staff, within the delegated limits in Section 8 with the exception of those cases felt to be sensitive because:

- They involve a high profile claimant
- There is a public interest in the case

There is a real risk that the Police and Crime Commissioner or Derbyshire Constabulary will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures.

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## 4.2 INTERNAL CONTROL SYSTEM

### Why is this important?

- 4.2.1 Internal control refers to the systems of control devised by management to help ensure Derbyshire Constabulary objectives are achieved in a manner that promotes economical, efficient, and effective use of resources and that Derbyshire Constabulary assets and interests are safeguarded.
- 4.2.2 Derbyshire Constabulary is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. Derbyshire Constabulary has statutory obligations, and, therefore, requires a system of internal control to identify, meet and monitor compliance with these obligations.
- 4.2.3 Derbyshire Constabulary faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. A system of internal control is necessary to manage these risks. The system of internal control is established in order to provide achievement of:
- efficient and effective operations.
  - reliable financial information and reporting.
  - compliance with laws and regulations.
  - risk management.
- 4.2.4 The key controls and objectives for Internal Control Systems are
- Managerial, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
  - Financial and operational procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
  - An effective internal audit function, which operates in accordance with CIPFA's Code of Practice for Internal Audit and with any other relevant statutory obligations and regulations. Key controls should be reviewed on a regular basis and the PCC should make formal statements annually to the effect that they are satisfied that the system of internal control operates effectively

### Responsibilities of Chief Officers

- 4.2.5 To implement effective systems of internal control, in accordance with advice from the PCC CFO and CC CFO. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
- 4.2.6 To ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.

- 4.2.7 To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.

**Responsibilities of the PCC CFO and CC CFO**

- 4.2.8 To produce Annual Governance Statements (AGS) for consideration and approval by the PCC and CC, these statements will be included in the Group and CC Accounts. Following approval, the relevant AGS should be signed by the PCC and PCC CFO or the CC and CC CFO (respectively). The Accounts and Audit Regulations require the PCC to review internal control arrangements at least annually.

## 4.3 AUDIT REQUIREMENTS

### Internal Audit

#### **Why is this important?**

- 4.3.1 Internal audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, designed to add value and improve and organisations operations, by evaluating its effectiveness in achieving the organisation's objectives. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. 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.
- 4.3.2 The requirement for an internal audit function for local authorities is either explicit or implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities "make arrangements for the proper administration of their financial affairs". In the Police Service the PCC and CC are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit Regulations which state that a "relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control". The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the CIPFA Code of Practice. Both the PCC and CC corporations' sole are auditable bodies.
- 4.3.3 In fulfilling this requirement, the PCC and CC should have regard to the Code of Practice for Internal Audit in Local Government in the United Kingdom issued by CIPFA. In addition, the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.
- 4.3.4 In addition to enabling the PCC and the CC to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, Internal Audit is needed:
- to satisfy the PCC, Joint Audit Risk & Assurance Committee and the CC that effective internal control systems are in place; and
  - to satisfy the external auditor that financial systems and internal controls are effective and that the Police Fund is managed so as to secure value for money so that external audit may use the work of internal audit when carrying out their functions.
- 4.3.5 The key controls and objectives for internal audit are
- That it is independent in its planning and operation.
  - That internal audit has direct access to the PCC, the PCC MO, PCC CFO, CC, CC CFO and all levels of management.
  - The internal auditors comply with Codes of Practice issued by CIPFA and other regulatory bodies.
- 4.3.6 The PCC and CC shall have a Joint Audit Committee, which has a responsibility for the continual

oversight of corporate governance, internal control and risk management. The terms of reference of the Committee should include the following key requirements:

- To provide proactive and effective leadership on audit and governance issues and champion both audit and the embedding of risk management by all PCC staff and all CC officers and staff.
- To be assured as to the adequacy of financial and other controls, corporate governance (including an anti-fraud and corruption strategy), financial regulations, VFM, contract standing orders and risk management arrangements, and ensure that they are reviewed and revised.
- To examine and consider a draft Annual Governance Statement, and to make any recommendations to the PCC in this respect.

#### **Responsibilities of the Independent Joint Audit Risk and Assurance Committee (JARAC)**

- 4.3.7 The responsibilities of the JARAC are described in the Terms of Reference which are reviewed annually and approved by the PCC and CC.

#### **Responsibilities of the PCC CFO and CC CFO**

- 4.3.8 To ensure the provision of an adequate and effective internal audit service.

#### **Responsibilities of the PCC, CC, PCC CFO and CC CFO**

- 4.3.9 To ensure that internal auditors, having been security cleared, have the authority to:
- access Derbyshire Constabulary premises at reasonable times.
  - access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance.
  - receive any information and explanation considered necessary concerning any matter under consideration.
  - require any employee to account for cash, stores or any other Derbyshire Constabulary asset under their control; and
  - access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
- 4.3.10 Any instance where the CC or CC CFO considers it inappropriate for internal audit to have the detailed access above, such as items considered to be of a sensitive operational nature, are to be confirmed with the PCC CFO.

- 4.3.11 Internal Audit shall have direct access to all Chief Officers and officers/staff, where necessary.

#### **Responsibilities of Internal Audit**

- 4.3.12 To prepare in consultation with the PCC, CC, PCC CFO and CC CFO an annual audit plan that conforms to the CIPFA Code of Practice, and takes into account the characteristics and relative risks of the activities involved, for consideration by the Joint Audit Risk and Assurance Committee (JARAC) prior to the start of the forthcoming financial year.
- 4.3.13 To attend meetings of the Joint Audit Risk and Assurance Committee and to present to each

Committee a report on the progress in delivering the annual plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.

- 4.3.14 To present an annual report to the Joint Audit Risk and Assurance Committee summarising the activities and findings for the year, including an opinion on the on the effectiveness of the internal control environment in Derbyshire Constabulary.

#### **Responsibilities of Chief Officers**

- 4.3.15 To consider and respond promptly to control weaknesses, issues and recommendations in audit reports and ensure that all critical or significant agreed actions arising from the audit are carried out in accordance with the agreed action plan included in each report. Furthermore, to ensure that all recommendations are implemented in a timely fashion with clear delegation to responsible officers with agreed timescales.

#### **Responsibilities of the CC CFO**

- 4.3.16 To ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the PCC CFO and internal audit prior to implementation.
- 4.3.17 To notify the PCC CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of Derbyshire Constabulary property or resources. Pending investigation and reporting, the Chief Constable should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- 4.3.18 Investigation of internal financial irregularities shall normally be carried out by the Professional Standards Department, who shall consult with Internal Audit as appropriate and keep them informed of progress. The operation of this Regulation shall be in accordance with the agreed protocol between the Director of People Services, the CC CFO and Internal Audit.
- 4.3.19 The CC CFO will brief (alongside the PCC CFO) the JARAC Chair of any suspected fraud, theft, irregularity, improper use or misappropriation of Derbyshire Constabulary property or resources. The CC CFO will also advise (and involve if appropriate) the JARAC Chair of the processes that follow and the conclusion of investigations.
- 4.3.20 At the conclusion of the investigation Internal Audit shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure that the risk of recurrence is minimised.

## **External Audit**

### **Why is this important?**

- 4.3.21 The PSAA (Public Sector Audit Appointments Ltd) performs the role for national procurement and is responsible for appointing external auditors to each local authority, including police under the provisions of the Local Audit and Accountability Act 2014 and regulation 3 of the Local Audit (Appointing Person) Regulations 2015. The National Audit Office's Code of Audit Practice ([https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2020/01/Code\\_of\\_audit\\_practice\\_2020.pdf](https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2020/01/Code_of_audit_practice_2020.pdf)) prescribes the way in which auditors appointed by the PSAA carry out their functions under the Local Audit and Accountability Act 2014. The external auditor has rights of access to all documents and information necessary for audit purposes. The duties of the external auditor are governed by Section 15 of the Local Government Finance Act 1982, as amended by Section 5 of the Audit Commission Act 1998. Given the national arrangements in place which procure the services of External Auditor through the PSAA, there is no requirement for any local procurement processes or waivers for this function.
- 4.3.22 The responsibilities of the external auditor are described in the Code of Audit Practice which sets out the auditor's objectives to review and report upon:
- the financial aspects of the audited body's corporate governance arrangements.
  - Whether the expenditure and income recorded in the financial statements have applied to the purpose intended by Parliament and the financial transactions recorded in the financial statements conforms to the authorities which govern them (regularity).
  - 
  - the audited body's financial statements; and
  - aspects of the audited body's arrangements to secure Value for Money.
- 4.3.23 In auditing the annual accounts, the external auditor must satisfy themselves, in accordance with both the Code of Audit Practice and relevant legislation, that:
- the accounts are prepared in accordance with the relevant regulations.
  - they comply with the requirements of all other statutory provisions applicable to the accounts.
  - They "present fairly" the financial position of the organisation
  - proper practices have been observed in the compilation of the accounts; and
  - the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.
- 4.3.24 The Code of Audit Practice also sets out other specific responsibilities of the auditor, for example regarding reporting.
- 4.3.25 The PCC and CC may also, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

### **Responsibilities of the Joint Audit Risk and Assurance Committee**

The responsibilities of the JARAC are described in the Terms of Reference which are reviewed annually and approved by the PCC and CC.

#### **Responsibilities of the PCC CFO and CC CFO**

- 4.3.26 To liaise with the external auditor and advise the PCC and CC on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.

#### **Responsibilities of the CC and PCC**

- 4.3.27 To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to Derbyshire Constabulary premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.
- 4.3.28 To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner.

## **4.4 PREVENTING FRAUD AND CORRUPTION**

### **Why is this important?**

- 4.4.1 Derbyshire Constabulary will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside Derbyshire Constabulary.
- 4.4.2 Derbyshire Constabulary's expectation of propriety and accountability is that the PCC and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 4.4.3 Derbyshire Constabulary also expects that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom it comes into contact will act with honesty and integrity.
- 4.4.4 The key controls and objectives regarding the prevention of financial irregularities are that:
- There is an effective system of internal control.
  - The organisation has an effective anti-fraud and corruption policy and maintains a culture that will not tolerate fraud or corruption.
  - All officers, staff, volunteers and members will act with integrity and lead by example.
  - Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the organisation or who are corrupt.
  - High standards of conduct are promoted amongst officers, staff, volunteers and members through adherence to codes of conduct.
  - There is an approved Gifts, Gratuities and Hospitality Policy and procedure that must be followed. This includes the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded.
  - Whistle blowing policy and procedures are in place and operate effectively.
  - Legislation including the Public Interest Disclosure Act 1998 and the Bribery Act 2010 is adhered to.

### **Responsibilities of the CC and PCC**

- 4.4.5 To maintain an effective anti-fraud and anti-corruption policy and maintain a culture that will not tolerate fraud or corruption.
- 4.4.6 To ensure that adequate and effective internal control arrangements are in place such that fraud and corruption will be prevented and these controls are reported on through appropriate channels including the JARAC.
- 4.4.7 To maintain and publish a policy for the registering of interests and the receipt of hospitality and gifts covering both the PCC and employees. A register of interests and a register of hospitality and gifts shall be maintained for the PCC and employees.
- 4.4.8 To maintain guidance that enables employees, the public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity that they are not malicious, and that appropriate action is taken to address any concerns

identified. This guidance should be published and promoted such that all employees are aware of its existence and their ability to use the reporting mechanisms where necessary.

- 4.4.9 To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by all members and employees.
- 4.4.10 The PCC and the CC shall notify the PCC CFO and the CC CFO immediately if a preliminary investigation gives rise to any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. This reporting fulfills the requirements of Section 17 of the Crime and Disorder Act 1998. In such instances, the PCC, the CC, the PCC CFO and the CC CFO shall agree any further investigative process. Pending investigation and reporting, the PCC and CC shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- 4.4.11 The PCC and CC may instigate disciplinary procedures where the outcome of an investigation indicates improper behaviour.

## 4.5 ASSETS SECURITY

### Why is this important?

4.5.1 Derbyshire Constabulary holds assets in the form of land, property, vehicles, equipment, furniture and other items, together worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service-delivery, that there are arrangements for the security of both assets and information required for service operations, and that proper arrangements exist for the disposal of assets. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

### Context

4.5.2 The PCC will initially own and fund all assets regardless of whether they are used by the PCC, by the force or by both bodies. However, with consent from the PCC, the CC can acquire property (other than land or buildings) as set out in the scheme of consent/delegation.

4.5.3 The CC is responsible for the direction and control of the force and should therefore have day-to-day management of all assets used by the force.

4.5.4 The PCC should consult the CC in planning the budget and developing a medium-term financial strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

4.5.5 The key controls and objectives for the security of resources and assets are:

- Resources are used only for approved purposes and properly accounted for.
- Resources are available for use when required.
- Resources no longer required are disposed of in accordance with the law and regulations so as to maximise benefits.
- An asset register is maintained for the organisation. Assets are recorded when they are acquired and this record is updated as changes occur with respect to the location and condition of the asset.
- All staff are aware of their responsibilities with regard to safeguarding the organisations assets and information, including the requirements of the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018 (together Data Protection Legislation) and copyright legislation.
- All staff are aware of their responsibilities with regard to safeguarding the security of the organisations computer systems, including maintaining restricted access to the information held on them and compliance with the organisations computer and internet security policies

### Responsibilities of the CC

4.5.6 To ensure that:

- an asset register is maintained to provide Derbyshire Constabulary with information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management

requirements.

- assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.
- lessees and other prospective occupiers of Derbyshire Constabulary land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate.
- title deeds to Derbyshire Constabulary property are held securely.
- no Derbyshire Constabulary asset is subject to personal use by an employee without proper authority.
- valuable and portable items such as phones, radios, computers, cameras and recording devices are identified with security markings as belonging to Derbyshire Constabulary.
- all employees are aware of their responsibilities with regard to safeguarding Derbyshire Constabulary assets and information, including the requirements of the Data Protection Legislation and copyright legislation.
- assets no longer required are disposed of in accordance with the law and the regulations of the Derbyshire Constabulary; and
- all employees are aware of their responsibilities with regard to safeguarding the security of Derbyshire Constabulary ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

## **Valuation**

### **Responsibilities of the CC**

- 4.5.7 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the PCC CFO and CC CFO. Assets are to be recorded when they are acquired by Derbyshire Constabulary and these records are updated as changes occur with respect to location, condition and ownership. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* and the requirements specified by the PCC CFO and CC CFO.

<i>Land &amp; Buildings</i>	<i>All values</i>
<i>Vehicles</i>	<i>All values</i>
<i>ICT hardware</i>	<i>All values</i>
<i>Plant &amp; Equipment</i>	<i>£10,000</i>

- 4.5.8 Assets may also be valued at market rates for asset management planning purposes and insurance purposes where this is different from other valuations.

## **Inventories**

### **Responsibilities of the Chief Constable**

- 4.5.9 To ensure that inventories are maintained in a format approved by the PCC CFO and CC CFO that record an adequate description of items such as computers, monitors, printers, mobile phones, photographic equipment and other operational equipment with a value in excess of £100. Other items of equipment should also be recorded if they are deemed to be both desirable and

portable.

- 4.5.10 There shall be at least an annual check of all items on the inventory in order to verify location, review, and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. The annual check is to be undertaken by the responsible budget holder, who shall ensure that another member of staff is responsible for maintaining the inventory.
- 4.5.11 To make sure that property is only used in the course of the business, unless specific written approval has been given by the PCC CFO or CC CFO.

### **Stocks and Stores**

#### **Responsibilities of the Chief Constable**

- 4.5.12 To make arrangements for the care, custody and control of the stocks and stores of Derbyshire Constabulary and to maintain detailed stores accounts in a form approved by the PCC CFO and CC CFO.
- 4.5.13 To undertake a complete stock check at least once per year either by means of continuous or annual stock check. The stock check shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure shall be followed and a complete stock check undertaken whenever stock keeping duties change.
- 4.5.14 Where there are significant, values of stocks and stores at the 31<sup>st</sup> March each year these shall be certified and included in the annual accounts.
- 4.5.15 Discrepancies between the actual level of stock and the book value of stock may be written off by the CC CFO up to an agreed level of £10,000. Amounts for write off by the CC CFO above this value must be referred to the PCC for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.
- 4.5.16 To write-off obsolete stock up to an agreed level of £10,000.

## **Intellectual Property**

### **Why is this important?**

- 4.5.17 Intellectual property is a generic term that includes inventions and writing.
- 4.5.18 It is Derbyshire Constabulary policy that if any intellectual property is created by the employee during the course of employment, then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within Derbyshire Constabulary may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.
- 4.5.19 In the event that Derbyshire Constabulary decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an intellectual property policy and with the express consent of the PCC. Matters should only proceed after legal advice has been received and evaluated.

### **Responsibilities of the CC and PCC**

- 4.5.20 To ensure that employees are aware of these procedures.
- 4.5.21 To prepare guidance on intellectual property procedures and ensure that employees are aware of these procedures.
- 4.5.22 To approve the intellectual property policy.

## **Asset Disposal**

### **Why is this important?**

- 4.5.23 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the regulations of the PCC.
- 4.5.24 Assets shall be disposed of provided they meet the following criteria:
- Have been declared surplus to requirements
  - When in the best interests of the PCC
  - In accordance with the Police and Crime Plan
  - In accordance with the approved Estate Strategy
  - At the most advantageous price
  - The CC may dispose of surplus vehicles and items of equipment up to an agreed value. Where this is not the highest offer, the PCC CFO shall prepare a report for the PCC outlining the reasons.
- 3.1.1 Disposals of vehicles and equipment above an agreed value are to be reported to the PCC for prior approval and will generally be disposed of by public auction or sealed bids after

advertisement, unless it can be shown that an alternative method of disposal would provide better value for the PCC.

#### **Responsibilities of the CC**

- 3.1.2 To dispose of assets at the appropriate time and at the most advantageous price with the consent of the PCC.
- 3.1.3 All asset disposals shall be recorded in the asset register or inventory as appropriate.

#### **Responsibilities of the CC CFO**

- 3.1.4 The CC CFO shall inform the PCC CFO of any disposals that may have a significant impact upon the balance sheet.
- 3.1.5 To ensure that appropriate accounting entries are made to remove the value of the disposed assets from the Commissioner's records.
- 3.1.6 To ensure that income received for the disposal of an asset is properly banked and accounted for.
- 3.1.7 To ensure that appropriate accounting entries are made to remove the value of disposed assets from Derbyshire Constabulary records and to include the sale proceeds if appropriate.

## 3.2 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

### Treasury Management

#### Why is this important?

- 3.2.1 Derbyshire Constabulary is a large organisation that handles hundreds of millions of pounds every financial year. It is important that Derbyshire Constabulary's funds are managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the Derbyshire Constabulary capital sum. All treasury management activities should be undertaken in accordance with the CIPFA Treasury Management Code.
- 3.2.2 The key controls and objectives for treasury management are:
- That the PCC borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and the Prudential Indicators and with the PCC Treasury Management Strategy.
- 3.2.3 Derbyshire Constabulary will create and maintain, as the cornerstones for effective treasury management:
- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.
  - Suitable Treasury Management Strategies (TMS) setting out the manner in which the organisation will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

#### Responsibilities of the PCC

- 3.2.4 To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code).
- 3.2.5 To approve the annual treasury management policy and annual investment strategy.
- 3.2.6 To receive and approve treasury management performance monitoring reports.
- 3.2.7 The PCCs Treasury Management Strategy:
- Defines its treasury management activities as "the management of the PCC's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
  - Regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the PCC.
  - Acknowledges that effective treasury management will provide support towards the achievement of its business and services objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employ suitable performance measurement techniques, within the context of effective risk management.

### **Responsibilities of the PCC CFO**

- 3.2.8 To prepare, keep under review and amend as necessary the Treasury Management Strategy including the list of approved counterparties for lending. The Force Finance submit their recommendations for approval.
- 3.2.9 To prepare the annual treasury management policy and annual investment strategy. The Force Finance submit their recommendations for approval.
- 3.2.10 To authorise the borrowing of funds for capital financing purposes in consultation with the CC CFO.

### **Responsibilities of the CC CFO**

- 3.2.11 To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance.
- 3.2.12 To prepare reports on the PCCs treasury management policies, practices and activities, including, as a minimum, an annual report and a mid year review, in the form prescribed in the Treasury Management Practices (TMPs). During the financial year, reports on action undertaken shall be submitted to the PCC as part of the financial monitoring information and included within budget monitoring reports.
- 3.2.13 To execute and administer treasury management in accordance with the CIPFA Code and the PCCs policy.
- 3.2.14 To arrange borrowing and investments, in compliance with the CIPFA Code and prevailing TMS.
- 3.2.15 To ensure that all investments and borrowings are made in the name of the Police and Crime Commissioner for Derbyshire.

### **Banking Arrangements**

#### **Why is this important?**

- 3.2.16 Our banking activities are controlled by a single contract which aims to provide a wide range of complex and specialist banking services to Derbyshire Constabulary departments, establishments and staff. A consistent and secure approach to banking services is essential in order to achieve optimum performance from Derbyshire Constabulary bankers and the best possible value for money.

### **Responsibilities of the PCC CFO**

- 3.2.17 To have overall responsibility for the banking arrangements for Derbyshire Constabulary.
- 3.2.18 To produce a policy on the establishment and maintenance of bank accounts, in consultation with the CC CFO.
- 3.2.19 To authorise the opening and closing of all Derbyshire Constabulary bank accounts. No other

employee shall open a bank account unless they are performing a statutory function (e.g. treasurer of a charitable body) in their own right.

- 3.2.20 To determine signatories on all Derbyshire Constabulary bank accounts, in conjunction with the CC CFO.

#### **Responsibilities of the CC CFO**

- 3.2.21 Be responsible for the daily management and operation of the accounts.
- 3.2.22 To undertake bank reconciliations on a timely and accurate basis.

#### **Imprest Accounts / Petty Cash**

##### **Why is this important?**

- 3.2.23 Cash advances may be made to an individual in a department / establishment in order that relatively small incidental payments may be made quickly. A record of disbursements from the account should be maintained to control the account and so that the expenditure may be substantiated, accurately reflected in the Derbyshire Constabulary accounts and correctly reimbursed to the account holder.

#### **Responsibilities of the CC and CC CFO**

- 3.2.24 To provide appropriate employees of Derbyshire Constabulary with cash or bank imprest accounts to meet minor expenditure on behalf of Derbyshire Constabulary. The CC shall determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made and periodically review the arrangements for the safe custody and control of these advances.
- 3.2.25 To prepare detailed Financial Instructions for dealing with petty cash and these shall be issued to all appropriate employees.

#### **Money Laundering and Proceeds of Crime**

##### **Why is this important?**

- 3.2.26 Derbyshire Constabulary is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money.
- 3.2.27 Suspicious cash deposits in any currency in excess of £15,000 (or equivalent) should be reported to the National Crime Agency (NCA).
- 3.2.28 Derbyshire Constabulary will monitor its internal control procedures to ensure they are reliable and robust.

#### **Responsibilities of the PCC CFO and the CC CFO**

- 3.2.29 To be the nominated Money Laundering Reporting Officers (MLRO) for Derbyshire Constabulary.

3.2.30 Upon receipt of a disclosure, to consider in the light of all information, whether it gives rise to such knowledge or suspicion.

3.2.31 To disclose relevant information to the National Crime Agency (NCA).

**Responsibilities of Chief Officers**

3.2.32 To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide.

**Responsibilities of officers/staff**

3.2.33 To notify the CC CFO (or the PCC CFO in the case of the OPCC) as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime.

3.2.34 Cash banking from a single source over £15,000 should be reported to the CC CFO. This instruction does not apply to seizures and subsequent banking under the Proceeds of Crime Act (see Financial Regulation 3.8).

### **3.3 STAFFING**

#### **Why is this important?**

- 3.3.1 Staffing costs form the largest element of the annual policing budget. An appropriate HR strategy should exist, in which staffing requirements and budget allocations are matched. The CC is responsible for approving the overall HR strategy for the Force in consultation with the PCC. The COO is responsible for the HR strategy for the OPCC.
- 3.3.2 The key controls and objectives for staffing are:
- An appropriate staffing strategy and policy exists, in which staffing requirements and budget allocations are matched.
  - Procedures are in place for forecasting staffing requirements and cost.
  - Controls are implemented that ensure staff time is used efficiently and to the benefit of the organisation.
  - Checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced, and trustworthy.

#### **Responsibilities of the CC**

- 3.3.3 To ensure that Constabulary employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies agreed by the PCC.
- 3.3.4 To advise the PCC on the budget necessary in any given year to cover estimated Constabulary staffing levels.
- 3.3.5 To adjust the Constabulary staffing numbers to meet the approved budget provision, and to vary the provision as necessary within policy constraints in order to meet changing operational needs.
- 3.3.6 To have systems in place to record all matters affecting payments to Constabulary staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
- 3.3.7 To approve policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for Constabulary police staff.

#### **Responsibilities of the COO**

- 3.3.8 To ensure that OPCC employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies agreed by the PCC.
- 3.3.9 To advise the PCC on the budget necessary in any given year to cover estimated OPCC staffing levels.
- 3.3.10 To adjust the OPCC staffing numbers to meet the approved budget provision and varying the provision as necessary within policy constraints in order to meet changing operational needs.

- 3.3.11 To have systems in place to record all matters affecting payments to OPCC staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
- 3.3.12 To approve policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for OPCC support staff.

## **3.8 ADMINISTRATION OF EVIDENTIAL & NON-EVIDENTIAL PROPERTY**

### **Why is this important?**

- 3.8.1 The CC is required to exercise a duty of care and safeguard evidential or non-evidential property pending decisions on its ownership, or private property of an individual (e.g. a suspect in custody).
- 3.8.2 The key controls and objectives for private property are
- Secure environment for storage of property/monies.
  - Audit trail of booking in and returning property to owners.
  - Audit trail for the disposal of property where appropriate and any income received.
  - Policy for specific items (e.g. bicycles) where these have no identifiable owner for returning these for community benefit.
  - Policy for the use of Police Property Act monies as approved by the PCC.
  - Policy for the use of the Asset Recovery Incentivisation Scheme Funds derived from Proceeds of Crime Act monies as approved by the PCC.

### **Responsibilities of the CC**

- 3.8.3 To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his/her guardianship or supervision. These procedures shall be made available to all appropriate employees.
- 3.8.4 The CC is responsible for the safekeeping of all found or seized and recovered property and shall determine procedures for the safekeeping of all evidential or non-evidential and found property. These procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items.
- 3.8.5 To issue separate Financial Instructions for dealing with all evidential and non-evidential cash, including seized cash under the Proceeds of Crime Act.

### **Responsibilities of all employees**

- 3.8.6 To notify the CC immediately in the case of loss, damage or diminution in value of such private property.

### **3.9 GIFTS, LOANS AND SPONSORSHIP**

3.9.1 This does not include the receipt of hospitality and gifts by individuals – please see Section 3.4.

#### **Why is this important?**

3.9.2 In accordance with the Police Act 1996, the PCC may decide to accept gifts of money and gifts or loans of other property or services (e.g. car parking spaces) if they will enable the police either to enhance or extend the service which they would normally be expected to provide. The terms on which gifts or loans are accepted may allow commercial sponsorship of some police force activities.

#### **Context**

3.9.3 Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes.

3.9.4 Gifts, loans and sponsorship can be accepted from any source which has genuine and well-intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.

3.9.5 The total value of gifts, loans and sponsorship accepted, should not exceed 1% of the Derbyshire Constabulary gross expenditure budget annually.

#### **Responsibilities of the PCC**

3.9.6 To approve the policy on gifts, loans and sponsorship.

#### **Responsibilities of the CC**

3.9.7 To accept gifts, loans or sponsorship within agreed policy guidelines.

3.9.8 To refer all gifts, loans and sponsorship above £10,000 to the PCC for approval before they are accepted.

#### **Responsibilities of the CC CFO**

3.9.9 To present an annual report to the PCC listing all gifts, loans and sponsorship.

3.9.10 To maintain a central register, in a format agreed by the PCC CFO, of all sponsorship initiatives and agreements including their true market value, and to provide an annual certified statement of all such initiatives and agreements. The register will be made available to the PCC CFO, who shall satisfy themselves that it provides a suitable account of the extent to which such additional resources have been received.

3.9.11 To bank cash from sponsorship activity in accordance with normal income procedures.

## 4.1 SYSTEMS & PROCESSES - INTRODUCTION

### Why is this important?

- 4.1.1 There are many systems and procedures relating to the control of Derbyshire Constabulary assets, including purchasing, costing and management systems. Derbyshire Constabulary is reliant on computers for financial management information. This information must be accurate, and the systems and procedures must be sound and well administered. They should contain controls to ensure that transactions are properly processed, and errors detected promptly.
- 4.1.2 The PCC CFO and CC CFO both have a statutory responsibility to ensure that Derbyshire Constabulary's financial systems are sound and should therefore be notified of any proposed new developments or changes.
- 4.1.3 It is imperative that operating systems and procedures are secure and that basic data exists to enable the PCC objectives, targets, budgets and plans to be formulated and measured. Performance measures need to be communicated to appropriate personnel on an accurate, complete and timely basis.
- 4.1.4 The key controls and objectives for systems and procedures are:
- Basic data exists to enable the organisation's objectives, targets, budgets and plans to be formulated.
  - Performance is communicated to the appropriate managers on an accurate, complete and timely basis.
  - Early warning is provided of deviations from target, plans and budgets that require management attention.
  - Operating systems and procedures are secure and up-to-date.

### Responsibilities of the PCC CFO and CC CFO

- 4.1.5 To make arrangements for the proper administration of Derbyshire Constabulary financial affairs, including to:
- issue advice, guidance and procedures for officers and others acting on behalf of Derbyshire Constabulary.
  - determine the accounting systems, form of accounts and supporting financial records.
  - establish arrangements for the audit of Derbyshire Constabulary's financial affairs.
  - approve any new financial systems to be introduced
  - approve any changes to existing financial systems; and
  - approve any changes to service delivery in relation to the finance function.
- 4.1.6 To ensure, in respect of systems and processes, that: -
- systems are secure, adequate internal control exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice.
  - appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously.
  - a complete audit trail is maintained, allowing financial transactions to be traced from the

- accounting records to the original document and vice versa; and
  - systems are documented and staff trained in operations.
- 4.1.7 To ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems.
- 4.1.8 To establish a scheme of delegation, identifying staff authorised to act on behalf of the CC, the PCC, the PCC CFO, the COO, the MO or the CC CFO in respect of, for example, income collection, placing orders, making payments and employing staff.
- 4.1.9 To register compliance with Data Protection Legislation and any subsequent regulations ensuring that data processing (manual or electronic) involving personal information is registered.
- 4.1.10 To ensure compliance with copyright legislation around software being used.

## **4.2 INCOME**

### **Why is this important?**

- 4.2.1 Income is vital to Derbyshire Constabulary and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly. The responsibility for cash collection should be separated from that for identifying the amount due and for reconciling the amount due to the amount received.

### **Context**

- 4.2.2 The PCC and CC should adopt the NPCC national charging policies and national guidance when applying charges under section 25 of the Police Act 1996. It should keep in mind that the purpose of charging for special policing services is to ensure that, wherever appropriate, those using the services pay for them.
- 4.2.3 The PCC and CC should ensure that there are arrangements in place to ensure that expected charges are clearly identified in their budgets and that costs are accurately attributed and charged. When considering budget levels, the PCC should ensure that ongoing resource requirements are not dependent on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery.
- 4.2.4 When specifying resource requirements, the CC will identify the expected income from charging. The CC should adopt NPCC charging policies in respect of mutual aid.
- 4.2.5 The key controls and objectives for income are that there are arrangements for the collections of all income due and effective debt recovery arrangements are in place to ensure all eligible funds are received.

### **Responsibilities of the CC and PCC**

- 4.2.6 To adopt the NPCC national charging policies and national guidance when applying charges under section 25 of the Police Act 1996.

### **Responsibilities of the PCC CFO and CC CFO**

- 4.2.7 To make arrangements for the collection of all income due to Derbyshire Constabulary and approve the procedures, systems and documentation for its collection, including the correct charging of VAT.
- 4.2.8 To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the PCC.

### **Responsibilities of the CC CFO**

- 4.2.9 To ensure that all income is paid fully and promptly into the Police and Crime Commissioner for Derbyshire's Bank Account. Appropriate details should be recorded on to paying-in slips to

provide an audit trail.

- 4.2.10 To ensure income is not used to cash personal cheques or make other payments.
- 4.2.11 To order and supply to appropriate employees all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.
- 4.2.12 To operate effective debt collection procedures.
- 4.2.13 To initiate, in consultation with the COO and PCC CFO, appropriate debt recovery procedures, including legal action where necessary.
- 4.2.14 To approve the write-off of bad debts up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reason(s) for the write-off.

<u>Value</u>	<u>Authorising Officer</u>
Between £5,000 and £10,000	CC CFO
Between £1,000 and £5,000	Head of Finance
Up to £1,000	Corporate Finance Manager

- 4.2.15 To prepare detailed Financial Instructions for dealing with income, to be agreed with the PCC CFO, and to issue them to all appropriate employees.

## **4.3 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES**

### **Why is this required?**

- 4.3.1 Derbyshire Constabulary has a statutory duty to ensure financial probity and best value, in part through economy and efficiency. The PCC's financial regulations and purchasing procedures help to ensure that the public can receive value for money. These procedures should be read in conjunction with the contract regulations and standing orders in Section 5.
- 4.3.2 The key controls and objectives for ordering work goods and services are:
- All goods and services are ordered only by appropriate persons and are correctly recorded.
  - All goods and services shall be ordered in accordance with the PCC's standing orders.
  - A computer-generated order should always be issued and authorised. This control should only be set-aside in exceptional circumstances.
  - All orders should be raised at the time of placing the order and not on receipt of the goods/services or invoice.
  - Goods and services received are checked to ensure that they are in accordance with the order. The person who placed the order should not receive goods.
  - Apart from petty cash, the normal method of payment from the PCC and CC shall be by BACS payment, cheque, faster payment or other instrument or approved method, drawn on the PCC bank account. The use of direct debit shall require the prior approval of the CC CFO.

### **Responsibilities of the CC CFO**

- 4.3.3 To maintain a procurement policy covering the principles to be followed for the purchase of goods and services.
- 4.3.4 To issue official orders for all work, goods or services to be supplied to Derbyshire Constabulary, except for purchases that are included on a list of exemptions agreed with the PCC CFO. Individual cases that require waiver from the requirement for an official order which are not on the list of exemptions are to be agreed with the PCC CFO in advance (and added to the list if expected to be repeated).
- 4.3.5 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Derbyshire Constabulary contracts.
- 4.3.6 Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these regulations.
- 4.3.7 Payments are not to be made unless goods and services have been received by Derbyshire Constabulary at the correct price, quantity and quality in accordance with any official order.
- 4.3.8 Procedures should be in place to ensure that all payments are to be made to the correct person, for the correct amount and be recorded properly, regardless of the method of payment. Systems

should ensure the invoice has not been processed for payment before and that full advantage has been taken of any discounts offered.

- 4.3.9 All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule.
- 4.3.10 To ensure that payments are made to the correct person, for the correct amount, on time (e.g. with 28 or 30 days) and are recorded properly, regardless of the method of payment.
- 4.3.11 To ensure that VAT is recovered where appropriate and a proper VAT invoice has been received for all VAT recovered.
- 4.3.12 To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- 4.3.13 To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, as set out in contract regulations as set out in Section 5. In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.
- 4.3.14 To prepare, in consultation with the PCC CFO, detailed Financial Instructions for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.
- 4.3.15 To ensure commitments incurred by placing orders are to be shown against the appropriate budget allocation and incorporated within budget monitoring reports.
- 4.3.16 All payments should be processed promptly to comply with the Late Payment of Commercial Debt (Interest) Act 1988.

#### **Responsibilities of the Chief Officers**

- 4.3.17 To ensure that all officers/staff declare any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of Derbyshire Constabulary and that such persons take no part in the selection of a supplier or contract with which they are connected.
- 4.3.18 To ensure that all officers/staff understand and ensure that all orders issued are in accordance with the approved procurement policy and financial instructions. Purchase orders must be issued for all work, goods or services to be supplied, except for supplies of utilities, periodic payments such as rent or rates, purchasing card purchases, imprest/petty cash purchases or other exceptions agreed by the CC CFO and PCC CFO.
- 4.3.19 To ensure that all officers/staff understand and ensure all purchase orders must be generated by the Constabulary's financial system unless expressly authorised by PCC CFO or CC CFO and that Derbyshire Constabulary and OPCC operates a "No P.O. – No Pay" policy.
- 4.3.20 To ensure authorisation of requisitions/orders are in accordance with the limits in Section 5 and that only authorised officers and staff raise requisitions/orders in compliance with the authorised

signatory list which will be maintained by the CC CFO. Purchasing Cards may be used in compliance with the requirements and guidance as authorised by the PCC CFO and CC CFO.

- 4.3.21 Goods and Services received should be checked to ensure that they are in accordance with the order and the person who places the order should not receive the goods or services.

**Responsibilities of the PCC**

- 4.3.22 The PCC is responsible for approving the Contract Regulations and Standing Orders.
- 4.3.23 To declare on the Decision Report any links or personal interests they may have with purchasers, suppliers and contractors, at the time the decision is made.

## 4.4 PAYMENTS TO EMPLOYEES AND POLICE OFFICERS

### Why is this required?

- 4.4.1 Employee costs are the largest item of expenditure. It is therefore important that there are controls in place to ensure accurate, timely and valid payments are made in accordance with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for.
- 4.4.2 All overtime claims and other claims for remuneration, travel and expenses should be submitted at least monthly. This is to ensure that monitoring of expenditure is more accurate, and that authorisation of claims can be certified properly.
- 4.4.3 The key controls and objectives for payments to employees and members are:
- Proper authorisation procedures are in place and there is adherence to corporate timetables in relation to:
    - Starters
    - Leavers
    - Variations
    - Enhancements

And that claims for payments are made on the approved and appropriate documentation.

- Regular reconciliation of the HR system to the Payroll system.
- Frequent reconciliation of payroll expenditure against approved budget and bank account.
- All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.
- The HM Revenue & Customs regulations are complied with.
- Recovery of overpayment.
- Responsibility of adhering to timelines.

### Responsibilities of the CC, the CC CFO, the PCC, the COO and the PCC CFO

- 4.4.4 To ensure appointments are made in accordance with approved establishments, grades and scale of pay and adequate budget provision should be available. Human Resources, Finance and Payroll staff must be notified of all appointments, terminations or variations in the correct format and to the timescales required
- 4.4.5 To ensure the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees and police officers. Adequate and effective systems are to be in place and procedures operated so that payments are only authorised to bona fide officers; staff and pensioners payments are only made where there are valid entitlement conditions and contracts of employment are applied correctly, and staff names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- 4.4.6 To ensure that tax, pension and other deductions are made correctly and paid over at the right time to the relevant body.
- 4.4.7 To pay all valid travel and subsistence claims or financial loss allowance. Such claims should be in

the prescribed form, duly completed and certified in accordance with policy. Certification is taken to mean that journeys were authorised and expenses incurred properly and necessarily and that allowances are payable properly, ensuring that cost effective use of travel arrangements is achieved. Due consideration should be given to tax implications. Payments shall be made to the value of presented receipts up to the prescribed limits, in accordance with delegated limits.

- 4.4.8 To pay salaries, wages, pensions and reimbursements by the most economical means.
- 4.4.9 To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.
- 4.4.10 To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
- 4.4.11 To prepare detailed Financial Instructions for dealing with payments to employees and these shall be issued to all appropriate employees.

## **4.5 TAXATION AND NATIONAL INSURANCE**

### **Why is this important?**

4.5.1 Tax issues and National Insurance rules are often very complex and the penalties for incorrectly accounting for tax and national insurance are severe.

4.5.2 The key controls and objectives for taxation are:

- Relevant staff are provided with relevant information and kept up to date on tax issues.
- Accurate record keeping.
- All taxable transactions are identified, properly carried out and accounted for within stipulated timescales.
- Records are maintained in accordance with instructions.
- Returns are made to the appropriate authorities within the stipulated timescale.

### **Responsibilities of the CC CFO**

4.5.3 To ensure compliance with all HM Revenue and Customs regulations.

4.5.4 To ensure the accurate recording, timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments of tax and national insurance are made in accordance with statutory requirements.

4.5.5 To ensure compliance with regulations regarding the pay over of pension deductions and other statutory or voluntary deductions from pay. Payroll staff should be notified of all employee benefits in kind to enable full and complete reporting within the income tax self-assessment system.

4.5.6 To ensure that full records are maintained of benefits in kind and that they are properly accounted for in any returns to HM Revenues and Customs.

4.5.7 To ensure the timely completion and submission of VAT claims, inputs and outputs to HMRC.

4.5.8 To ensure that the correct VAT liability is attached to all income due and that all VAT receivable and reclaimed on purchases complies with HMRC regulations.

4.5.9 Where construction and maintenance works are undertaken, the contractor shall fulfil the necessary construction industry tax deduction requirements. To provide details to the HMRC regarding the construction industry tax deduction scheme.

4.5.10 To ensure that appropriate technical staff have access to up-to-date guidance notes and professional advice.

4.5.11 To ensure up to date guidance is given to officers and staff on organisational taxation issues (e.g. VAT and CIS).

## **4.6 CORPORATE CREDIT CARDS**

### **Why is this important?**

- 4.6.1 Credit cards provide an effective method for payment for designated officers who, in the course of their official business, have an immediate requirement for expenditure which is relevant to the discharge of their duties.
- 4.6.2 The key controls and objectives for Credit Cards are:
- Detailed instructions to all authorised card holders and users are issued.
  - A procedure which controls the issue of cards and limits on each card is in place.

### **Responsibilities of the CC and CC CFO**

- 4.6.3 To provide Financial Instructions to all cardholders and to ensure all card holders are aware of these requirements.

### **Responsibilities of the PCC CFO**

- 4.6.4 To authorise and maintain control over the issue of cards.

### **Responsibilities of the CC CFO**

- 4.6.5 To undertake a periodic review of the register of individuals and limits assigned to each card.
- 4.6.6 To reconcile the credit card purchases to the general ledger on a monthly basis.

### **Responsibilities of credit card holders**

- 4.6.7 To ensure that purchases are in accordance with approved Derbyshire Constabulary policies (e.g. Gifts and Gratuities and Hospitality).
- 4.6.8 To provide receipted details of all payments made by corporate credit card each month, to ensure that all expenditure is correctly reflected in the accounts and that VAT is recovered.

## **4.7 PURCHASING CARDS**

### **Why is this important?**

- 4.7.1 Purchase cards (e.g. fuel cards) are an alternative method of buying and paying for goods, which generate a high volume of invoices. This should generate an efficiency saving from lower transaction costs (i.e. fewer invoices processed and paid for through the integrated accounts payable system), as well as reducing the number of petty cash transactions.
- 4.7.2 The key controls and objectives for Purchasing Cards are:
- Detailed instructions to all authorised card holders and users are issued.
  - A procedure which controls the issue of cards and limits on each card is in place.

### **Responsibilities of the CC**

- 4.7.3 To provide detailed financial instructions to card holders and to ensure all card holders are aware of these requirements.

### **Responsibilities of the PCC CFO**

- 4.7.4 To authorise and maintain control over the issue of cards.

### **Responsibilities of the CC CFO**

- 4.7.5 To undertake a periodic review of the register of individuals and limits assigned to each card.
- 4.7.6 To reconcile the purchase card account to the ledger on a monthly basis.

### **Responsibilities of Purchasing Card Holders**

- 4.7.7 To be responsible for ordering and paying for goods and services in accordance with the Force procurement policy, contract standing orders and any other relevant procedures.

## 4.8 EX GRATIA PAYMENTS

### Why is this important?

- 4.8.1 An ex-gratia payment is a payment made by Derbyshire Constabulary where no legal obligation has been established. An example may be recompense to a police officer for damage to personal property in the execution of duty or to a member of the public for aiding a police officer in the execution of duty.

### Responsibilities of the CC

- 4.8.2 To make ex gratia payments, on a timely basis, to members of the public up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of Derbyshire Constabulary.

Up to £10,000	Chief Constable
Over £10,000	PCC

- 4.8.3 To maintain details of ex-gratia payments in a register maintained by the CC CFO and reported to the PCC and PCC CFO on an annual basis.

- 4.8.4 To make ex-gratia payments, on a timely basis, up to the level shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.

Up to £10,000	Chief Constable
Over £10,000	PCC

## **5. CONTRACT REGULATIONS AND STANDING ORDERS**

### **5.1 What is a contract?**

- 5.1.1 A contract is an agreement between two parties for the supply of goods and/or services or works. Employees should avoid giving verbal commitments to suppliers as this can constitute a contract.
- 5.1.2 The terms and conditions to be applied to the contract provide clarity and protection to the participants, and the specification of the requirement should be clearly understood by both parties. Their length and complexity are likely to depend on the extent of cost and complexity of the goods or services or works to be supplied.

### **5.2 Why are these important?**

- 5.2.1 All employees engaged in the following activities, shall make every effort to ensure that the best value for money is achieved for the acquisition and delivery of:
- goods or materials.
  - services and consultancy.
  - building works; and
  - the supply of goods or services to third parties which provide Derbyshire Constabulary with an income.
- 5.2.2 Such efforts shall also continue throughout the lifetime of any contract through contract management to ensure that best value for money is maintained in the quality and standard of all goods, services and works supplied, and in the review of proposals to change or vary any feature of any contract during its lifetime.

### **5.3 Key controls and Objectives of Contract Regulations and Standing Orders**

- 5.3.1 No contract or project shall be deliberately or artificially divided into a number of separate contracts in order to avoid the obligations set out in the Public Contract Regulations 2015 (PCR), or the Procurement Act 2023 (PA 2023) and any amending legislation.
- 5.3.2 All procurement activities of Derbyshire Constabulary are conducted in compliance with the rules on public procurement under the PCR or PA 2023.
- 5.3.3 Competition shall be encouraged from potential providers to supply Derbyshire Constabulary with goods, services, building works, etc.
- 5.3.4 Every contract concluded on behalf of the PCC shall comply with:
- the PA 2023 and PCR (as applicable).
  - any laws of the United Kingdom including any Act of Parliament requiring the letting of contracts by competitive tendering or relating to Best Value; and
  - the requirement of the Police Reform and Social Responsibility Act 2011 to publish copies of contracts and tenders to businesses and to the voluntary community and social enterprise sector on the website.

- 5.3.5 Subject to compliance with 5.3.3, exemption from any of the following provisions of these Contract Regulations may only be made:
- by direction of the CC; or
  - by the COO
  - by a Chief Officer in an emergency.
- 5.3.6 The PCC CFO and CC CFO shall be informed of the circumstances of every exemption made under 5.3.4 at the earliest opportunity. An annual report of all exemptions should be reported to JARAC.
- 5.3.7 In addition to adhering to the above, any employee who is engaged in any activities or processes leading to the award of a contract or in its subsequent delivery, shall:
- show no undue favour to or discriminate against any contractor or potential contractor.
  - be appropriate qualified for the role (e.g. a qualified Member of the Chartered Institute of Procurement and Supply (MCIPS) Corporation) or supervised by such an individual where delegation of duties is considered appropriate.
  - carry out their work in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information).
  - not breach the requirements of the Derbyshire Constabulary Policy for Gifts and Gratuities, Hospitality, Discounts, Travel and other Potential Conflicts of Interest; and
  - complete (and keep under review) a conflicts assessment as necessary for each procurement/contract.
- 5.3.8 During the tendering period and for the life of a contract, staff and officers may not accept from organisations involved in the tendering process or the awarded contract, any gifts or any hospitality other than hospitality which is of a:
- de minimus value (less than approximately £15 worth); and
  - nature which could reasonably be considered to be associated with normal daily business such as the provision of a light refreshment or meal or the provision of parking facilities for a business visit. Where such hospitality is accepted it must be recorded. The tendering period will start when the contract is first advertised and will end after the contract is awarded and will apply to staff or officers involved in any way in the drafting or awarding and management of the contract.
- A conflicts assessment must be compiled and kept under review during the life of the contract.
- 5.3.9 These Contract Regulations shall apply, irrespective of whether the contract is financed with monies provided by the PCC or any other person or body (e.g. grants from local councils and other partnership monies).

#### **5.4 General Responsibilities**

- 5.4.1 These Standing Orders are made pursuant to the Local Government Act 1972 Section 135 and shall come into force on 28 January 2019 (with subsequent amendments) but nothing in these Standing Orders shall prejudice the validity of any actions taken before that date under any previous Standing Orders.

5.4.2 These Standing Orders shall not apply or may be varied where or to the extent that: -

- the PCC so resolves; or
- where the CC CFO acting pursuant to Appendix A of these Standing Orders so decides; or
- statute or subordinate legislation prescribes otherwise; or
- purchases are proposed against a contract or framework (identified by the Procurement Department) with a single supplier awarded by a statutory body, local authority, consortium, local policing bodies or other similar bodies, and the contract or framework has been awarded by the method prescribed by such body. (For the avoidance of doubt, where an approved Framework Agreement is in place with multiple suppliers, Standing Orders will apply, and further competition will normally take place).

5.4.3 The estimated value for the purposes of these Standing Orders of a contract shall be the value of the consideration which Derbyshire Constabulary expects to give under the contract calculated as follows:

- Where Derbyshire Constabulary has a requirement for a single contract comprising services, supplies or works in combination, then the value of the contract shall be the aggregate value, and the rules to be applied are those which apply to the largest element by consideration.
- In determining the value of the consideration which Derbyshire Constabulary expects to give under a contract it shall, where appropriate, take account of:
  - insurance services - the premium payable.
  - banking and other financial services - the fees, commissions or other remuneration payable for banking and financial services.
  - design contracts - the fees or commissions payable.
  - where Derbyshire Constabulary has a single requirement for services and a number of services contracts have been entered into or are to be entered into to fulfil that requirement the estimated value for the purposes of these Standing Orders shall be the aggregate of the value of the consideration which Derbyshire Constabulary expects to give under each of those contracts.
  - Where Derbyshire Constabulary has a single requirement for goods and a number of supplies contracts has been entered or is to be entered into to fulfil that requirement, the estimated value for the purposes of these Standing Orders above shall be the aggregate of the value of the consideration which Derbyshire Constabulary expects to give under each of those contracts.
  - The estimated value for the purposes of these Standing Orders above of a works contract which is one of a number of contracts entered into or to be entered into for the carrying out of works shall be the aggregate of the value of the consideration which Derbyshire Constabulary has paid or expects to give under all the contracts for the carrying out of the works.
  - The estimated value for the purposes of these Standing Orders above of a services contract under which services are to be provided over an indefinite period, shall be the value of the consideration which Derbyshire Constabulary expects to give over the anticipated life of the contract.
  - The estimated value for the purposes of these Standing Orders above of a supplies contract for the hire of goods for an indefinite period, or for a period which is uncertain at the time the contract is entered into, shall be the value of the consideration which Derbyshire Constabulary expects to give over the anticipated life of the contract.
  - Where a service contract includes one or more options the estimated value of the

contract for the purposes of these Standing Orders above shall be determined by calculating the highest possible consideration which could be given under the contract (i.e. value is calculated including the option terms).

- Derbyshire Constabulary shall not enter into separate contracts nor select nor exercise a choice under a valuation method with the intention of avoiding the application of these Standing Orders to those contracts.
- The relevant time for the purposes of calculating the estimated value means the date on which a notice seeking expressions of interest or a Tender Notice (for above threshold contracts) is first published.

5.4.4 Electronic methods of seeking expressions of interest, inviting tenders and/or receiving tenders will be utilised.

5.4.5 These Standing Orders apply to the entering into of any commitments of a contractual nature for the purchase of goods, services or works. While they refer to 'contracts' they are equally applicable to 'orders' for purchase (in so far as they can be applied).

## **5.5 Power to Delegate**

5.5.1 The Police & Crime Commissioner (PCC), the PCC CFO and the COO shall have power to enter into contracts on behalf of the PCC. The contract is to be awarded on the basis of an offer that offers the most advantageous outcome to Derbyshire Constabulary.

5.5.2 The request for authority to accept tenders/quotes and/or enter into contracts with a value in excess of £25,000 pursuant to paragraph 5.1.18 or 5.1.19 shall be documented by the Procurement Department in a report to PCC through the PCC CFO or the COO.

## **5.6 Purchasing Procedures and Thresholds**

### **Small contracts of £25,000 or less**

5.6.1 Tenders need not be invited for contracts estimated to have a value of £25,000 or less but written quotations shall be obtained wherever possible. For contracts estimated to have a value of more than £5,000 but not exceeding £25,000 three written quotations shall be obtained unless paragraphs 5.6.2 to 5.6.5 apply.

5.6.2 For contracts estimated to have a value of more than £5,000 but not exceeding £10,000 the requirement for a minimum of 3 written quotations shall not apply where a justification to waive this requirement has been made to and agreed by the Head of Procurement and Contract Management. Such instances shall be documented on an 'Exception Request Form' and shall be signed by the Head of Procurement and Contract Management. Instances where such waiver has been granted will be reported to the CC CFO and the PCC CFO.

5.6.3 The requirement for written quotations shall not apply where the services comprise the: -

- seeking the advice of counsel.
- services of counsel by way of representation.
- services of an expert witness; or
- engagement of temporary locum staff.

5.6.4 The requirement for written quotations shall not apply where a current and relevant framework agreement awarded in compliance with the PA 2023 or PCR is in existence, provided that the rules

governing such a framework agreement allow the use by the PCC and do not require a further competition to take place or quotations to be obtained.

5.6.5 The requirement for three written quotations shall not apply where the CC CFO or the PCC CFO authorises a single written quotation, in accordance with the procedure set out in Appendix A.

5.6.6 Contracts having a value of £25,000 or less shall be evidenced in writing but may be on Derbyshire Constabulary's purchase order form unless the CC CFO or the PCC CFO considers that a different form of contract is appropriate.

#### **Requirement for tenders: contracts above £25,000**

5.6.7 Subject to 5.6.8 and 5.6.9 tenders shall be invited where the contract sum is estimated to exceed £25,000.

5.6.8 Tenders need not be invited where:

- the PCC or PCC CFO authorises the procedure for a single tender, in accordance with the procedure set out in Appendix A; or
- the PCC or PCC CFO authorises a contract under a single supplier Framework Agreement; or
- the PCC proposes to procure services, supplies or works through a contract entered into another contracting authority (within the meaning of the PA 2023 or PCR) having followed procurement procedures similar to those set out in these Standing Orders; or
- the services comprise:
  - seeking the advice of counsel.
  - the services of counsel by way of representation.
  - the services of an expert witness.
  - the engagement of temporary or locum staff.

5.6.9 Where tenders are required to be invited, an open competitive tender shall be employed: in accordance with 5.6.10 to ensure value for money and that there is genuine and fair competition.

#### **Open competitive tenders**

5.6.10 Tenders shall be invited using the Derbyshire Constabulary electronic tendering system in accordance with 5.4.4.

- The tender will be advertised using the Derbyshire electronic tendering system and using appropriate web portals including, for example, Find a Tender and Source Derbyshire or other electronic media; and on the Central Digital Platform (CDP) where required by the PA 2023.
- The invitation to tender shall be issued and received electronically using the Derbyshire adopted e-tendering system. A written (hard copy or copies) of the tender submission may also be requested where required.

### **5.7 Selection and Award Criteria**

5.7.1 The selection and award criteria will be published within the tender documentation in accordance with the principles set out in the PA 2023.

### **Form of invitation to tender and submission of tenders**

- 5.7.2 All tenders shall be required to be submitted on a form of tender prepared by the CC's Procurement team, which shall include a certificate against collusion statement and shall specify that the PCC will not be bound to accept any tender and shall include a statement that any tender or contract may be inspected by any regulator.

### **Opening of tenders**

- 5.7.3 Tenders shall be kept within the secure area of Derbyshire Constabulary's e-tendering system until the time and date specified for their opening, or for Hard Copy tenders in the custody of the CC CFO.
- 5.7.4 Under normal circumstances an electronic tendering system will be used. Where only written (hard copy) tenders are received the tenders shall be opened at one time, which shall be as soon as possible after the closing time and date, and only in the presence of three officers appointed by the CC CFO or the PCC CFO. Those officers shall certify a list of tenders received.
- 5.7.5 Where tenders are received solely through Derbyshire Constabulary's approved E- Tendering System, they are subject to the electronic security protocols within that system which require tenders to be opened electronically by a designated group of officers.
- 5.7.6 Where both electronic and hard copy tenders are submitted for the same contract (i.e. some hard copy and some electronic), all tenders received by both means must be brought together for formal tender opening at one time, and all tenders received must be recorded on a list certified by the tender opening panel members.
- 5.7.7 Where all the tenders are received electronically any supplementary hard copies of the tender must only be opened after the electronic tenders have been opened.
- 5.7.8 The CC CFO or the PCC CFO may nominate another officer to discharge their responsibilities under this Standing Order.
- 5.7.9 The CC CFO, the PCC CFO or their nominee shall prepare and maintain a register of hard copy tenders received and shall record in that register the following particulars:
- last date and time for the receipt of tenders.
  - date and time upon which the tender was actually received.
  - estimated tender price.
  - name of the tenderer and the amount of the tender.
  - date upon which they were opened.
  - number of tenders; and
  - signature of the officer to whom the tenders were handed after opening.
- 5.7.10 All persons required to be present at the opening of hard copy tenders shall immediately thereafter sign against the relevant particulars in the register as evidence of such tenders having been opened by them or in their presence and shall initial each of the tender documents.
- 5.7.11 The record of the persons opening an electronic tender will be maintained within the approved E-Tendering System.

- 5.7.12 Unless 5.7.15 applies, no tender received after the specified closing date and time shall be considered. Any such tender will be rejected via Derbyshire Constabulary's e-tendering system. The tender may be opened to ascertain the name and address of the tenderer, but no details of the tender shall be disclosed.
- 5.7.13 In exceptional circumstances, or where the tender is the only one received and is within the budgeted estimate previously determined, the PCC, the PCC CFO or the PCC COO may accept a late tender, notifying the PCC MO at the time.

#### **Alterations to and clarification of tenders**

- 5.7.14 If an error is identified, in the specified requirements or tender documentation, before the closing date for the return of tenders, all tenderers shall be appraised of the error and invited to adjust their tenders.
- 5.7.15 If an error is identified in the specified requirements or tender documentation after the closing date for the return of tenders the tender may be cancelled, or all tenderers shall be given details of the error and afforded the opportunity of withdrawing their offer or submitting an amended tender within an amended timescale.
- 5.7.16 Where examination of tenders reveals errors, discrepancies or a lack of clarity which would affect the tender figure in an otherwise successful tender the tenderer shall be given details of such errors, discrepancies or lack of clarity by the CC Procurement and Contract Management Team and afforded an opportunity of confirming, clarifying or withdrawing their offer. The tenderer shall be given no information about other tenders, or the likelihood of their tender being accepted.
- 5.7.17 Where a tenderer is invited to confirm, clarify or withdraw a tender, any submission shall be made in accordance with and subjected to the same safeguards as the original offer.

#### **Evaluation of Tenders**

- 5.7.18 Assessment criteria may be made on appropriate technical, qualitative and financial grounds which are appropriate to the contract concerned. These should be published within the tender agreed in consultation with an appropriate stakeholder group and agreed with the Procurement Team, which should include financial and technical/practitioner representation.
- 5.7.19 Evaluations of the Tender submissions are to be carried out by the stakeholder group based on the agreed assessment criteria which shall be applied to all tenderers fairly, transparently and consistently.
- 5.7.20 Additional interviews, presentations and site visits for larger contracts may be included. Such decisions should be made prior to the invitation of tenders, not when adjudicating received offers.
- 5.7.21 Those members of staff involved in the evaluation process should be mindful of the policy on gifts, loans and sponsorship and conflicts of interest – see 3.9. Each member of staff involved shall complete a conflicts assessment at the start of the tender process and keep this under review throughout their involvement with the tender and, if applicable, the ongoing contract.

## Acceptance of tenders/quotations

5.7.22 Contracts must be evaluated and awarded in accordance with the agreed and recorded award criteria, established and published prior to receipt of completed tenders/quotations.

5.7.23 In exceptional circumstances where the urgency of the situation dictates that a contract is awarded prior to formal signature the PCC CFO is to be advised by telephone as soon as practicable before or (in exceptional circumstances) after the award. This is to be followed up in writing to the PCC CFO by email.

### 5.8 Contracts to be in writing

5.8.1 Every contract, except where the contract is awarded pursuant to paragraph 5.7.25, shall:

- be in writing in a form approved by the CC CFO or the PCC CFO.
- be executed under seal by the PCC CFO or their nominee where the Contract requires it; or
- be signed by the PCC CFO where its value does not exceed £200,000.
- where the value of the contract exceeds £200,000, (or all contracts should the PCC deem it necessary) it shall be awarded and signed by the PCC or the DPCC.

5.8.2 Every contract above £25,000 shall specify amongst other things:

- services, supplies or works to be provided.
- the price to be paid with a statement of discount or other deductions.
- where applicable, the time or times within which the contract is to be performed.
- where appropriate, provision for the payment of liquidated damages where the contractor fails to complete the contract within the specified timescales and/or be supported by sufficient security for due performance.

5.8.3 Every contract above £25,000 shall also specify a clause to the following effect:

- The Contractor agrees with the Customer that it shall, and that it shall procure that its Personnel and any other person who performs services for the Contractor in relation to the Contract shall:
  - comply with all applicable laws, statutes, regulations and codes relating to bribery and other corruption (“Anti-Corruption Requirements”) including the Bribery Act 2010.
  - not take or knowingly permit any action to be taken that would or might cause or lead the Customer to be in violation of any Anti-Corruption Requirements.
  - not bribe or attempt to bribe (which shall include any offer or form of payment, gift or other inducement, reward or advantage, whether of money or anything of value) the Customer or any of the Customer’s employees, officers, agents, representatives, affiliates or persons acting on the Customer’s behalf; and
  - at the Customer’s request and cost, provide the Customer with any reasonable assistance to enable it to perform any activity required by any relevant government or agency for the purpose of complying with Anti- Corruption Requirements.
- The Contractor represents and warrants to the Customer that neither it nor any person associated with them has bribed or attempted to bribe any person in order to obtain and/or retain any business, or advantage in the conduct of business, from the Customer.
- The Contractor agrees that in addition to the Customer’s termination rights set out elsewhere in the Contract, the Customer may (without prejudice to any other right available to it) immediately terminate the Contract in the event of any breach of the Anti-Corruption

Requirements by the Contractor in which case the Contractor shall not be entitled to any compensation or to any further payments or remuneration.

- The Customer shall not be required to make any payment to the Contractor that might otherwise be due from the Customer in respect of the Contract if the Contractor has breached the Anti-Corruption Requirements.
- The Contractor shall indemnify and keep indemnified the Customer in full and hold it harmless on demand from and against any Losses suffered or incurred by the Customer or for which the Customer may become liable arising out of or in connection with any breach of the Anti-Corruption Requirements, whether or not the Contract has been terminated.
- a clause to the following effect: The Contractor shall not (and shall ensure that the Staff and the Contractor's professional advisers shall not) make any press announcement or publicise the Contract or any part thereof in any way, without prior Approval.
- a requirement for an indemnity for the PCC for Derbyshire, or the CC of Derbyshire against any claim which may be made in respect of personal injury to any person unless due to the negligence of Derbyshire Constabulary and against any claim for damage to property due to negligence of the Contractor.
- a requirement for compliance with current legislation relating to health and safety at work.
- a requirement that all contractors carrying out functions of a public nature on behalf of the PCC for Derbyshire, or the CC of Derbyshire will comply and promote all current race and equality legislation when carrying out those functions for the duration of the contract.
- a clause requiring appropriate insurance cover.
- a clause which reflects the PCC for Derbyshire, or the CC of Derbyshire environmental and sustainability policies.
- a clause permitting the use of information for preventing and detecting fraud.
- a clause requiring the Contractor to supply sufficient information in a timely manner to enable the PCC for Derbyshire, or the CC of Derbyshire to properly comply with requests for information under the DPA 2018, Freedom of Information Act 2000, UK GDPR and the Environmental Information Regulations 2004.
- a clause requiring the Contractor to keep details of the contractual arrangements confidential and not to disclose the same without the consent of the PCC for Derbyshire, or the CC of Derbyshire
- a clause requiring Contractors to co-operate with enquiries by overview and standards committees, Ombudsmen, the Standards Board for England, the Independent office for Police Conduct, Derbyshire Constabulary's internal and external auditors, Government departments and other legally-empowered persons;
- a clause detailing the liabilities and responsibilities relating to workforce matters where the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply; and
- in the case of the engagement of professional advisers, a requirement that the adviser shall at all times be fully covered by professional indemnity insurance and that, in relation to that contract, he or she shall conform to the requirements of these Standing Orders, Derbyshire Constabulary's financial regulations and any direction from the PCC, CC or duly authorised officer.

5.8.4 Every contract required or intended to be made under seal shall be sealed on behalf of the PCC for Derbyshire by the COO or the PCC MO and the details recorded in the seal register held by the COO.

- 5.8.5 Every contract document shall bear its original date and not that ascribed by automatic updating means.
- 5.8.6 Every contract shall contain the following provisions relating to the disclosure of and requests for information under the DPA 2018, Freedom of Information Act 2000, UK GDPR and the Environmental Information Regulations 2004:
- Notwithstanding anything to the contrary contained or implied in any documents or negotiations leading to the formation of this contract:
    - the PCC for Derbyshire, or the CC of Derbyshire shall be entitled to publish and/or release any and all terms or conditions of this contract, the contents of any documentations and/or information relating to the formation of this contract under the provisions of the Environmental Information Regulations 2004, Freedom of Information Act 2000, DPA 2018, UK GDPR and/or the Local Policing Bodies (Specified Information) Orders 2012 as it sees fit;
    - nothing contained in this contract shall prevent the PCC for Derbyshire, or the CC of Derbyshire from disclosing and/or publishing under the provisions of the DPA 2018, Freedom of Information Act 2000, UK GDPR, Environmental Information Regulations 2004 and/or the Local Policing Bodies (Specified Information) Orders 2012 any term or condition or information contained in or relating to the formation of this contract.
    - The Contractor shall:
      - co-operate with the PCC for Derbyshire, or the CC of Derbyshire and supply to it all necessary information and documentation required in connection with any request received by the PCC for Derbyshire, or the CC of Derbyshire under the DPA 2018, Freedom of Information Act 2000, UK GDPR, Environmental Information Regulations 2004 and/or the Local Policing Bodies (Specified Information) Orders 2012
      - supply all such information and documentation at no cost to Derbyshire Constabulary and within seven days of receipt of any request.
      - The Contractor shall not publish or otherwise disclose any information contained in this contract or in any negotiations leading to it without Derbyshire Constabulary's previous written consent unless the contractor is bound to publish and/or disclose such information under the DPA 2018, Freedom of Information Act 2000, UK GDPR, Environmental Information Regulations 2004 and/or the Local Policing Bodies (Specified Information) Orders 2012 and such information is not exempt from such disclosure and/or publication under the provisions of the DPA 2018, Freedom of Information Act 2000, UK GDPR, and/or Environmental Information Regulations 2004.

## **5.9 Specifications and Standards**

- 5.9.1 All contracts where a specification issued by the British Standards Institution or a European Standard (or equivalent) is current at the date of the tender and is relevant shall require as a minimum that services, supplies or works shall be in accordance with that specification.
- 5.9.2 Specifications shall not refer to supplies of a particular make or source unless:
- it is justified by the contract and;
  - the contract requirement cannot otherwise be described precisely and intelligibly, provided references are accompanied by the words 'or equivalent'.
- 5.9.3 Specifications should wherever possible be output/performance based and not conformance

based, (i.e. the outcomes or results of the goods/service delivery should be stated and not the means by which they are achieved).

5.9.4 The PA 2023 and PCR must be adhered to in relation to standards specified within contracts with a value which exceed the Public Procurement thresholds.

5.9.5 All procurement activity must observe and promote equality at all stages of the procurement process. This includes advertisement, specification, selection of contractors, evaluation of contractors and managing the contract.

#### **5.10 Nominated Sub Contractors**

5.10.1 Where a sub-contractor is to proposed to by a main contractor, the nomination shall be invited and dealt with in accordance with these Standing Orders as if they were for a contract with the PCC for Derbyshire.

5.10.2 The terms of an invitation for appointment in accordance with 5.5.47 shall require an undertaking by the person requesting the proposed sub-contractor that if selected they will be willing to enter into a contract with the main contractor on terms which indemnify the main contractor against their own obligations under the main contract in relation to the work or goods included in the sub-contract.

#### **5.11 Retention of documents**

5.11.1 Contract documents including expressions of interest, invitations to tender, tender documents and contracts shall be retained for the following minimum periods, unless the CC CFO or the PCC CFO determines otherwise:

- for contracts under hand not less than 6 years from the completion of the services, supply or works.
- for contracts under seal not less than 12 years from the completion of the services, supply or works.

#### **5.12 Review of Financial Limits**

5.12.1 The financial limits shall be reviewed by the PCC CFO in consultation with the CC CFO for approval by the PCC annually.

#### **5.13 Interpretation of Standing Orders**

5.13.1 In these Standing Orders the meaning of the following terms is as set out:

"Contract" Means a contract for the execution of works or the supply of goods, materials or services.



## **6.1 JOINT WORKING ARRANGEMENTS**

### **Why is this important?**

- 6.1.1 Public bodies are increasingly encouraged to provide seamless service delivery through working closely with other public bodies, local authorities, agencies and private service providers.
- 6.1.2 Joint working arrangements can take a number of different forms, each with its own governance arrangements. In Derbyshire Constabulary these are grouped under the following headings:
- Partnerships.
  - Consortia.
  - Collaboration.
- 6.1.3 Partners engaged in joint working arrangements have common responsibilities:
- to act in good faith at all times and in the best interests of the partnership's aims and objectives.
  - to be willing to take on a role in the broader programme, appropriate to the skills and resources of the contributing organisation.
  - to be open about any conflicts that might arise.
  - to encourage joint working and promote the sharing of information, resources and skills.
  - to keep secure any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature; and
  - to promote the project.
- 6.1.4 In all joint working arrangements, the following key principles must apply:
- before entering into the agreement, a risk assessment has been prepared.
  - such agreements do not impact adversely upon the services provided by Derbyshire Constabulary.
  - project appraisal including key performance indicators and associated reporting, is in place to assess the viability of the project in terms of resources, staffing, expertise and quality.
  - all arrangements are properly documented (including a partnership agreement if required).
  - regular communication is held with other partners throughout the project in order to achieve the most successful outcome.
  - audit and control requirements are satisfied.
  - accounting and taxation requirements, particularly VAT, are understood fully and complied with; and
  - an appropriate exit strategy has been produced.
- 6.1.5 The Derbyshire Constabulary element of all joint working arrangements must comply with these Financial Regulations.

### **PARTNERSHIPS**

- 6.1.6 The term partnership refers to groups where members work together as equal partners with a shared vision for a geographic or themed policy area and agree a strategy in which each partner contributes towards its delivery. A useful working definition of such a partnership is where the

partners:

- are otherwise independent bodies.
- agree to co-operate to achieve a common goal; and
- achieve it to create an organisational structure or process and agreed programme, and share information, risks and rewards.

6.1.7 The number of partnerships, both locally and nationally, is expanding in response to central government requirements and local initiatives. This is in recognition of the fact that partnership working has the potential to:

- deliver strategic objectives.
- improve service quality and cost effectiveness.
- ensure the best use of scarce resources; and
- deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need.

6.1.8 Partnerships typically fall into three main categories (i.e. statutory based, strategic, and ad-hoc).

#### Statutory based

6.1.9 These are partnerships that are governed by statute. They include, for example, Community Safety Partnerships.

#### Strategic

6.1.10 These are partnerships set up to deliver core policing objectives and/or the PCC's own strategic objectives as set out in the Police & Crime Plan and supporting strategies (e.g. the Commissioning Strategy). They can either be force-wide or local.

#### Ad-hoc

6.1.11 These are typically locally based informal arrangements agreed by the relevant individual according to the authority delegated to them.

#### **Context**

6.1.12 As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the PCC, in exercising his/her functions, must have regard to the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, PCCs are free to pool funding as they and their local partners see fit. PCCs can enter into any local contract for services, individually or collectively with other local partners, including non-police bodies.

6.1.13 When the PCC acts as a commissioner of services, he will need to agree the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. The PCC is able to make crime and disorder grants in support of local priorities. The inclusion of detailed grant conditions directing local authorities how to spend funding need not be the default option. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.

### **Responsibilities of the PCC**

- 6.1.14 To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan.
- 6.1.15 To make appropriate arrangements to commission services from either the force or external providers.

### **Responsibilities of Chief Officers**

- 6.1.16 To consult, as early as possible, the CC CFO and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements.
- 6.1.17 To produce a Memorandum of Understanding (MOU) and/or Partnership Agreement setting out the appropriate governance arrangements for the project. This document should be signed by the Chief Operating Officer.

### **Responsibilities of the PCC CFO**

- 6.1.18 To oversee all commissioning arrangements to ensure proper practices and key strategic controls are adhered to.

### **CONSORTIUM ARRANGEMENTS**

- 6.1.19 A consortium is a long-term joint working arrangement with other bodies, operating with a formal legal structure approved by the PCC. The provision of mutual aid between Forces under the Police Act 1996 is excluded from the definition of Consortium Arrangements. Mutual aid will be provided at the discretion of the CC.

### **Responsibilities of Chief Officers**

- 6.1.20 To contact the COO before entering into a formal consortium agreement, to establish the correct legal framework.
- 6.1.21 To consult, as early as possible, the CC CFO and the COO in their PCC CFO responsibilities to ensure the correct treatment of taxation and other accounting arrangements.
- 6.1.22 To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
- 6.1.23 To produce a MOU and/or Partnership Agreement setting out the appropriate governance arrangements for the project. This document should be signed by the COO.

### **Responsibilities of the PCC**

- 6.1.24 To approve Derbyshire Constabulary's participation in the consortium arrangement.

## **COLLABORATION**

- 6.1.25 Under sections 22A to 22C of the Police Act 1996 as inserted by section 89 of the Police Reform and Social Responsibility Act 2011, CCs and PCCs have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of one or more police force or PCCs. Any collaboration which relates to the functions of a police force must first be agreed with the CC of the force concerned.
- 6.1.26 The PCCs shall jointly, and severally, hold their CCs to account for any collaboration in which their force is involved.
- 6.1.27 Any such proposal must be discussed with the PCC CFO and CC CFO in the first instance.

## **COMMISSIONING OF SERVICES**

### **Why is this important?**

- 6.1.28 Under Section 10 of the Police Reform and Social Responsibility Act 2011, the PCC is given the responsibility for co-operative working. Within the constraints of the relevant funding streams, this allows the PCC to pool funding as they and their local partners deem appropriate. The PCC can commission services or award grants to organisations or bodies that they consider will support their community safety priorities in accordance with the Police and Crime Plan. They may do this individually or collectively with other local partners including non-policing bodies. The PCC must have regard to the relevant priorities of each responsible authority.
- 6.1.29 When the PCC commissions services, agreement is required on the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. Ring-fenced provision of crime and disorder grants is allowed in support of local priorities. The inclusion of detailed grant conditions directing recipients how to spend funding need not be the default option. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.
- 6.1.30 It is important to ensure that risk management and project appraisals are in place to assess the viability – both on initiation and on an on-going basis – of all external arrangements and an exit strategy is prepared.

### **Responsibility of the PCC**

- 6.1.31 To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan.
- 6.1.32 To work effectively with other local leaders in Derbyshire who can also provide significant resources, to influence how all parties prioritise and bring together their resources to tackle local problems and priorities.
- 6.1.33 To consult with victims of crime about policing and the proposed Police and Crime Plan. To commission victim support services in Derbyshire.

6.1.34 To make appropriate robust arrangements to commission services from Derbyshire Constabulary or external providers.

6.1.35 To award crime and disorder grants.

#### **Responsibilities of the COO**

6.1.36 To develop (in conjunction with the PCC MO) a commissioning framework that will support the objectives as set out in the Police and Crime Plan. The framework should encourage a mixed economy of provider options and where necessary develop a specific PCC Compact Agreement with the Voluntary Sector.

6.1.37 As the COO holds the PCC CFO responsibilities they will consult with the PCC MO, agree awards of up to £25,000 for initiatives in line with the PCC's aims and objectives. For awards in excess of £25,000 PCC approval is required.

#### **Responsibility of the PCC CFO, which falls under the COO**

6.1.38 In addition to developing a commissioning framework with the PCC MO, to develop a financial framework as part of the wider Commissioning framework with approved authorisation levels.

6.1.39 To keep under review the performance and outcomes of any investments agreed by the PCC in respect of partnership activity.

6.1.40 Ensure financial expenditure does not exceed the budgeted level to achieve the objectives set out in the Police and Crime Plan where services are commissioned within community initiatives.

6.1.41 To assist the COO to carry out the financial aspects of their responsibilities and in particular to budget and account for incoming funding and outgoing expenditure in accordance with accounting requirements.

## **6.2 EXTERNAL FUNDING**

### **Why is this important?**

- 6.2.1 External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of Derbyshire Constabulary. Funds from external agencies provide additional resources to enable Derbyshire Constabulary to deliver its policing objectives. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Derbyshire Constabulary overall plan.
- 6.2.2 The main source of such funding for Derbyshire Constabulary will tend to be government grants, additional contributions from local authorities.

### **Responsibilities of Chief Officers**

- 6.2.3 To pursue actively any opportunities for additional funding where this is considered to be in the interests of Derbyshire Constabulary.

### **Responsibilities of the CC and the PCC**

- 6.2.4 To ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium-term financial forecasts reflect these requirements.

### **Responsibilities of the PCC CFO and CC CFO**

- 6.2.5 To ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met.

### **Responsibilities of the CC**

- 6.2.6 To ensure that funds are acquired only to meet policing needs and objectives.
- 6.2.7 To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- 6.2.8 To ensure that any conditions placed on Derbyshire Constabulary in relation to external funding are in accordance with the approved policies of the PCC. If there is a conflict, this needs to be taken to the PCC for resolution.

## **6.3 WORK FOR EXTERNAL BODIES**

### **Why is this required?**

- 6.3.1 Derbyshire Constabulary provides services to other bodies outside of its normal obligations, for which charges are made e.g. training, special policing services. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

### **Responsibilities of the CC and the CC CFO**

- 6.3.2 To ensure that proposals for assistance are costed, that no contract is subsidised by Derbyshire Constabulary and that, where possible, payment is received in advance of the delivery of the service so that Derbyshire Constabulary is not put at risk from any liabilities such as bad debts.
- 6.3.3 To ensure that appropriate insurance arrangements are in place.
- 6.3.4 To ensure that all contracts are properly documented.
- 6.3.5 To ensure that such contracts do not impact adversely on the services provided by Derbyshire Constabulary.
- 6.3.6 The submission of tenders for the supply of goods and/or services by Derbyshire Constabulary should be approved in line with section 5 of this Financial Handbook.

## Appendix A - Procedure For Single Tender Or Quotation

1. A Single tender or quotation means the selection of a supplier without competition.
2. A single tender or quotation can make it difficult to demonstrate adherence to the principle of objectivity and can reduce the opportunity for obtaining best value. It should only be used in very exceptional circumstances and shall only be authorised after taking account of the comments provided by the PCC MO, CC CFO and the CC Procurement and Contract Management Team.
3. A written record will be maintained of the reasons for approval of a single tender or quotation.
4. In the case of contracts with a value which exceeds the Public Procurement threshold, then the PA 2023 or PCR shall be observed.
5. The Procedure for single tender or quotation must not be adopted merely for the sake of convenience or because a firm has rendered satisfactory service in the past, or on occasion has been the only one to make an offer.
6. The tenderer/firm should not be advised that the Procedure for a single tender or quotation is being followed.
7. The invitation of a single tender/quotation may only be considered when one or more of the following circumstances applies:
  - a) the items are or relate to proprietary articles or those sold only at fixed prices, or the work to be executed consists of repairs to existing proprietary articles and there is no reasonable satisfactory alternative available from any other source.
  - b) the contract is required so urgently that competition is impracticable, e.g. a genuine unforeseeable operational need arises.
  - c) genuine security considerations make the use of a particular firm essential.
  - d) there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience, where a change of contractor/ supplier would cause:
    - i. disproportionate technical difficulties.
    - ii. diseconomies, or.
    - iii. significant disruption to operational requirements.
  - e) there are other reasons why there would be no genuine competition.
8. The PCC CFO may approve the procedure for a single quotation, for contracts not exceeding £25,000, in accordance with paragraph 7 above.
9. The PCC CFO may approve the procedure for a single tender, for contracts exceeding £25,000, in accordance with paragraph 7 above.
10. All other requests to use the procedure for a single tender will be subject to approval of the PCC.
11. The award of a contract to a single supplier under an approved framework agreement does not constitute single tender action.

## **Appendix B – Exemptions To Official Purchase Orders**

Regulation 4.3.3 of these Financial Regulations states that ‘official’ orders will be raised for all work, goods or services to be supplied to Derbyshire Constabulary, except for purchases that are included on a list of exemptions agreed between the CC CFO and PCC CFO. In circumstances where a Purchase Order (PO) is required urgently and it is not practicable for the Contract to be signed in advance, the Procurement and Contract Management Team will prepare a written briefing for the PCC and/or the PCC Chief Finance Officer (CFO). Following consideration of the briefing, the PCC and/or PCC CFO may instruct the Procurement and Contract Management Team to raise the PO on the understanding that the Contract will be signed as a matter of priority.

Items may be included on the list of exemptions if:

- The amount of usage of the service cannot be predicted for example Telecoms and Utilities
- The time of the requirement cannot be predicted, for example Tyres, Boarding Up, medical and Appropriate Adult services are needed in response to unplanned incidents.
- The requirement is planned but the actual costs are variable or cannot be quantified at the start, for example an agency staff member working variable hours each week, or Postage.

Official orders are Orders generated by the Agresso order system or orders generated on the contracted supplier on-line order systems utilised by the Finance Ordering Team.

The following is the list of exemptions:

1. Grant Payments
2. Government departments e.g. other Local Authorities, Police Forces, Home Office and HMRC.
3. Purchases made using Force approved credit, payment and fuel cards.
4. Purchases made using Petty Cash
5. Memberships and subscriptions
6. Medical services – Doctors, Dentists, Vet
7. Legal services
8. Postage and Couriers
9. Rent
10. TV Licenses
11. Paypoint service
12. Copyright performance licenses

The following exemptions apply **only** when the expenditure is with a Supplier who holds a current Contract for the Supply of Goods and or Services with the PCC or Derbyshire Constabulary. The Procurement team will provide details of contracted suppliers upon request to **procurement@derbyshire.pnn.police.uk**

1. Telephone charges and mobile devices
2. Utilities, Gas, electricity and water supplies.
3. Insurance premiums
4. Temporary Agency staff
5. MFD (photocopier) rental and usage charges
6. Interpreter / Translation services
7. Cleaning services
8. Private Finance Initiative (PFI) contract payments
9. Waste Disposal including destruction and disposal of drug cultivation equipment
10. Kenneling / Horse transport and stabling

11. Boarding Up Services
12. Media and Communications Services- PCC Better Times Contract
13. Eyesight tests
14. Vehicle Recovery Services
15. Capital works e.g. Construction contracts. Where the payments are managed by an application and certification process.
16. Vehicle Maintenance
17. Vehicle Tyres
18. Laundry Services
19. Grounds Maintenance
20. Financial Vetting Services
21. Hotel bookings
22. Appropriate Adult services

## Appendix C - Financial Scheme of Delegation

Financial Activity	Role	Amount / Limit
<b>Virements</b>		
Within Department devolved budget	Head of Dept (budget holder), in consultation with CC CFO	£10,000
Between budget heads	CC CFO	£100,000
Other permanent virements	PCC	> £100,000
Any virements to/from PCC budgets	DCFO OPCC	£10,000
Any virements to/from PCC budgets	PCC / PCC COO	Any value
Any virements involving significant policy change	PCC	Any value

<b>Capital Programme</b>		
Development and implementation of asset management plans	CC CFO	
Approval of the asset management strategy and annual financial capital strategy	PCC	
Identification of funding sources for medium term capital programme, including prioritisation of schemes	CC CFO (for approval by PCC)	
Preparation of financial capital strategy	CC CFO (for approval by PCC)	

<b>Capital Programme (medium term)</b>		
Prepare a rolling 5-year programme and identify costs (including revenue)	CC CFO	
Prepare project appraisals for all schemes, including capital & revenue costs, and benefits	CC CFO	
Responsibility for scheme management and monitoring	Specified departmental budget manager	
Recommendations on level of revenue support and borrowing under Prudential Code	PCC COO (for approval by PCC)	
Approve the fully funded 5-year programme	PCC	

Capital Programme (annual)		
Approval of additional costs within the approved schemes	CC CFO	< 10% or £250,000 (of approved budget) <b>NB:</b> no increase in overall capital programme
Additional / new projects and / or additional costs within existing projects	CC CFO (for submission to board for approval)	
Ensure only professional fees are incurred prior to PCC approval	CC CFO	
Preparation of project appraisals within capital programme	CC CFO	
Approval of the annual capital programme	PCC	

Valuations		
Maintain asset registers for all fixed assets in excess of the below values: <ul style="list-style-type: none"> <li>• Land &amp; Buildings – all values</li> <li>• Vehicles – all values</li> <li>• ICT Hardware – all values</li> </ul> Plant & Equipment - £10,000	CC CFO	
Maintain inventories of small items of equipment with a value in excess of £100 (and below £10,000), or deemed portable & desirable	CC CFO	

Reserves		
Advise on reasonable reserve levels and adequacy of balances	PCC COO	
Ensure annual revenue budget is sufficient	CC	
Present business cases to PCC for one-off expenditure funded from reserves	CC	
Approval of reserve balances, creation of new reserves and allocations to/from general reserve	PCC	

Stock & Stores		
Undertake a complete stock take at least once per year. Either by continuous or annual stock check, certified by an authorised independent member of staff	CC CFO	
Write-off of discrepancies between actual and book value	CC CFO	< £10,000
	PCC	> £10,000
Write-off of obsolete stock	CC CFO	< £10,000

Treasury Management		
Preparation of annual treasury management policy and investment strategy	CC CFO (approved by PCC)	
Approval for the removal or addition of a counterparty from the investment list	PCC COO	
Recommend borrowing details to PCC COO	CC CFO	
Approve the timing and substance of any borrowing that takes place, subject to the approved capital programme limits	PCC COO	
Preparation annual & quarterly reporting of performance against Prudential Indicators	CC CFO (received by PCC)	
Authorisation of banking activity, including opening & closing of accounts in the force name	PCC COO	

Bad debt write-offs		
Debtor write-offs	Corporate Finance Manager	< £1,000
	Head of Finance	£1,000 to £5,000
	CC CFO	£5,000 to £10,000
	PCC COO	£10,000 to £25,000
	PCC	> £25,000

Procurement		
Thresholds for small contracts of <£25,000:		
3 written quotations where possible	End user department	< £5,000
Tenders need not be invited but 3 written quotations shall be obtained unless: <ul style="list-style-type: none"> <li>• A waiver is agreed and reported</li> <li>• Specific services are being procured</li> </ul>	Head of Dept	£5,000 to £25,000  (up to £10,000 an Exception Request Form can be granted by the Head of Procurement and Contract Management)

<ul style="list-style-type: none"> <li>• An existing framework is in place</li> <li>• A single written quote is approved by PCC COO</li> </ul>		
Open competitive tender process required	Procurement and Contract Management (in consultation with user Dept)	> £25,000 (unless STA is agreed by PCC or PCC COO)

Other		
Ex-gratia payments to employees (including volunteers) and / or members of public	CC	< £10,000
	PCC	> £10,000



## Force Policy

**Document Title: Professional Standards Reporting (Whistleblowing) Policy**

**Document Reference: 23/450**

**Owner: Head of Department, Professional Standards**

**Review Date: Jan 2026**

**Next Review Date: Jan 2028**

**Publication:**

All policies are published on Connect.

This Force policy is suitable for public disclosure under the Freedom of Information Act 2000 and will be published on the external Force website? Yes

## 1. Introduction

1.1 Derbyshire Constabulary is committed to maintaining the highest of standards of integrity, accountability, and transparency. It is through these core values that we can build trust and confidence with the communities we serve. We recognise that, as in any organisation, there may be times when the actions of our staff may be negligent, improper, or illegal. It is important that as individuals working in policing, we ensure that we challenge and report wrongdoing and have a duty to do so, in line with the Code of Ethics and the Standards of Professional Behaviour.

1.2 The overwhelming majority of our staff are dedicated, hardworking and deliver policing services with a high degree of integrity. Regrettably, there are a small minority who are guilty of, and/or vulnerable to unethical behaviour, dishonesty, and corruption. A culture of openness and accountability is essential within the force to ensure that wrongdoing is reported via the correct channels in a timely manner. This allows them to be addressed and any malpractice identified and dealt with.

1.3 When someone blows the whistle, they are raising a concern about a danger or illegality that affects others. The person blowing the whistle is usually not directly, personally affected by the danger or illegality. Consequently, the whistleblower rarely has a personal interest in the outcome of the investigation, they are simply trying to alert others. This is different from a complaint or grievance. When someone complains or raises a grievance, they are saying that they have been personally treated poorly. This could involve bullying or a breach of their individual employment rights. The person therefore making the grievance, therefore has a vested interest in the outcome of the complaint. (For personal grievances, please see the Grievance Policy).

1.4 This policy details the broad range of options available to staff for reporting breaches of standards and how Derbyshire Constabulary will protect and support those who make these disclosures. Derbyshire Constabulary will not tolerate detrimental treatment for those who raise any concerns.

## 2. Aims

- Ensure you feel able to raise genuine concerns of potential wrongdoing, without fear of reprisal or retribution, even if these concerns turn out to be mistaken.
- Give you confidence that you will be treated with dignity and respect.
- Assure you that you will be listened too, and your concerns taken seriously and investigated properly.
- To detail the mechanisms for reporting wrongdoing.
- Explain the processes that follow when a genuine concern of wrongdoing has been raised.
- To protect our staff and the organisation from individuals or organised crime groups who would benefit from corrupting our staff and volunteers.

2.1 The procedures apply to police officers, police staff and other approved persons working for or within Derbyshire Constabulary.

## 3. Qualifying Disclosures

3.1 The aim of the Public Interest Disclosure Act 1998 is to ensure that information in the public interest is brought to the attention of the appropriate person/department in order

that it can be dealt with effectively and quickly. It encourages reporting by the creation of a statutory framework that protects against victimisation and unfair dismissal to those who make protected disclosures of wrongdoing, in the public interest. Primarily this is achieved by inserting new provisions into the Employment Rights Act 1996.

3.2 The Employment Rights Act 1996 provides that a worker has the right not to be subject to any detriment by any act, or deliberate failure to act, by his or her employer done on the grounds that the individual has made a protected disclosure.

3.3 The types of disclosures that are eligible for protection are known as qualifying disclosures which are explained in detail in this procedure. These can be reported openly or confidentially.

3.4 Section 37 of the Police Reform Act 2002 extends the provisions of the Employment Act 1996 (as amended by the Public Interest Disclosure Act 1998) to police officers. There are six categories of disclosures where an individual will qualify for protection. In all circumstances, the person reporting must reasonably believe that the disclosure of information tends to show one, or more, of the following:

- That a criminal offence has been committed, is being committed or is likely to be committed.
- That a person has failed, is failing or is likely to fail to comply with any legal obligation to which they are a subject.
- That a miscarriage of justice has occurred, is occurring or is likely to occur.
- That the health or safety of any individual has been, is being or is likely to be endangered.
- That the environment has been, is being or is likely to be damaged, or
- That information tending to show any matter falling within and one of the above has been, is being or is likely to be deliberately concealed.

3.5 There is no requirement that a protected disclosure is ultimately shown to be true, for the person sharing the information to claim the protection. They must however meet defined *general criteria* when disclosing, which are:

- That they reasonably believe their disclosure is substantially true.
- They are not disclosing information for personal gain.
- If in all the circumstances, it is reasonable to disclose, and
- They make the disclosure in good faith.

3.6 The disclosure is not a qualifying disclosure if, either, by making this disclosure they commit an offence under the Official Secrets Act 1989, or the information should be protected from disclosure by means of legal professional privilege.

3.7 It is recognised that the decision to report is a difficult one but if this meets the criteria detailed above, the protections will support this individual throughout the process. Certain disclosures may not meet the threshold for a 'protected disclosure' however it is imperative that these are still reported. All disclosures are intended to create a productive and happy workforce and are therefore important in the creation of a more transparent and accountable organisation.

3.8 If you make a disclosure that is both made in the public interest and in good faith, nothing will be held against you if this is not ultimately shown to be true.

If, however, a person makes an allegation frivolously, maliciously or for personal gain then disciplinary action may be considered.

#### **4. Anonymous Disclosures**

4.1 You are encouraged to be open regarding any expression of concern about possible wrongdoing whenever possible. Concerns expressed anonymously are harder to substantiate and are inherently more difficult to investigate. Factors that are taken into consideration for determining the extent of any investigation include:

- The seriousness of the issues raised,
- The credibility of the concern, and
- The likelihood of confirming the allegations from attributable sources.

### **5. Procedures**

#### **5.1 Mechanisms for reporting Professional Standards Issues**

##### **Reporting directly to line management**

1. Wherever possible the initial report should be made to the relevant line manager and can be done either verbally or in writing. This enables an immediate response to the concerns raised. The line manager should request or make a written report on behalf of the individual reporting, and this should be escalated either to senior management or PSD as appropriate within 24 hours of the initial report.
2. If the breach is suspected to involve the line manager, then this can be reported to an alternate manager. If there is doubt as to who is appropriate, then advice can be sought from the DI responsible for the Professional Standards Department (PSD) or alternate means of reporting can be taken. The various contact details from the PSD are outlined below. You can raise any concerns via these platforms and a member of the PSD can speak to you confidentially about your concerns.

##### **Anonymous reporting via Bad Apple**

1. The force has a confidential reporting system – Bad Apple. This facility is available for reporting suspected wrongdoing. It is accessible to all officers, staff, and volunteers.
2. It is publicised on the force intranet site and staff are encouraged to raise concerns via this platform where they do not feel able to report directly to a manager. It can be accessed via the force intranet or through the Professional Standards page.
3. This is a fully encrypted system and can be used anonymously if an individual feels unable to report openly. Only staff within the Counter Corruption Unit (CCU) receive the reports. The facility does not provide any details that could identify the maker of the report. Additionally, the facility allows a confidential two-way e-conversation which allows staff to contact the reporting persons so the matter can be discussed. This allows the CCU to obtain further information or clear up any ambiguities if required. It also provides a facility for updates. This facility is confidential and safeguards the anonymity of the sender even when requests for further information are made by CCU staff.

4. Information received from Bad Apple, or the Confidential Telephone Line (see below) will be handled in line with the physical and protective security measures required for OFFICIAL - SENSITIVE material and further protected by ensuring that access levels and individuals involved are tightly controlled.
5. In compliance with the Management of Police Information (MoPI) Guidance and the Data Protection Act, the Derbyshire Professional Standards Department will share information received via the confidential reporting facilities with Professional Standards.
6. Departments of other forces and law enforcement agencies where appropriate in respect of the disclosures made.

### **Confidential communications to CCU via telephone and email**

1. Individuals can disclose information via the confidential telephone line by internally calling 68787 or, from externally, by dialling 0300 122 8787.
2. The email address for the CCU is: [CCU.TeamOrganisers@Derbyshire.Police.UK](mailto:CCU.TeamOrganisers@Derbyshire.Police.UK)
3. Please note that these are not continually monitored and therefore, for matters which require an immediate response, contact should be made with staff within the PSD. There is a sergeant responsible for the CCU and they can be contacted personally on the above email address.

### **Concerns brought through staff associations**

1. The Police Federation, Superintendents' Association, Unison, GMB and other support associations can, and do play, a key role in acting as a conduit through which members can relay their concerns of wrongdoing. They offer independent advice on whether cases merit reporting. Each association is bound by their own internal rules regarding confidentiality which should be relayed prior to any disclosure, so that the officer or staff member is aware of the potential for further disclosure if it merits.

### **Concerns brought to the direct attention of the Professional Standards Department (PSD)**

1. Contact may be made verbally or in writing. Face to face meetings is available if this is preferable and will be conducted as soon as practicable. All reports will be handled by an officer or staff member experienced in dealing with cases involving allegations of wrongdoing. When direct reporting is chosen, an agreement on the status of the report and any degree of confidentiality necessary will be made between all parties. This will be recorded in writing.
2. The PSD can be emailed on PSD@Derbyshire.pnn.uk. This will be received into the main office and is not confidential.
3. All reports will be responded to in a timely matter. All reports will be dealt with within the department and the information managed accordingly. This method of reporting provides an element of independence and an objective assessment of the information at the earliest stage. This can be beneficial to the individual and the Force.

4. Where a report is made to the PSD via a third party, it may necessitate a meeting between PSD and the person making this third-party report. Corroboration from the individual involved will potentially be required.

## External Reporting

1. We always encourage you to raise any concerns through our internal processes first. However, in circumstances where you believe you cannot raise your concern directly to us, you may report the matter directly to an external prescribed person or regulatory body. These include:
  - **The office of the Police and Crime Commissioner (OPCC)**

The OPCC should be considered as the primary external reporting mechanism. They can be reached on 0300 122 6000 or at the following address:

The Office of the Police and Crime Commissioner for Derbyshire,  
Butterley Hall,  
Ripley,  
Derbyshire.  
DE5 3RS

- **Independent Office for Police Conduct (IOPC)**

The IOPC report line is a dedicated and secure phone line and email address which take reports of wrongdoing which can constitute a criminal offence or behaving in a way that would justify disciplinary action. You can contact the report line on [0300 0200096](tel:03000200096) between the hours of 1000 and 1700. You can also use the email address which is [enquiries@policeconduct.gov.uk](mailto:enquiries@policeconduct.gov.uk)

Further information can be found on their website <https://www.policeconduct.gov.uk/>

## Concerns raised via Crime Stoppers

1. Crimestoppers provides a medium for providing information anonymously. They have launched an anonymous police integrity line which takes reports from police employees. They can be contacted on [0800 1114444](tel:08001114444) or via the website <https://forms.theiline.co.uk/the-police-integrity-line>
2. Similarly, the standard Crimestoppers reporting methods are also available for reporting matters.
3. It is therefore considered a valid reporting option in appropriate circumstances. All Crimestoppers reports that relate to issues of professional standards are referred to the Counter Corruption Unit. Again, it is reiterated that anonymous reporting is substantially more difficult to investigate, and open reporting remains the preferred mechanism to ensure we can fully investigate any disclosures made.

## Criminal Case Review Commission (CCRC)

1. The Public Interest Disclosure Act 1998 and 2004 amendment identifies the CCRC as the body to which police officers and staff can report allegations of a miscarriage of justice without fear or recrimination of retribution. Individuals can raise concerns

with the CCRC in accordance with this procedure via email to [info@ccrc.gov.uk](mailto:info@ccrc.gov.uk)

2. Irrespective of which reporting option is selected, it is vital that the initial response is positive robust and supportive. The ensuing investigation could be undertaken by either:
  - The Independent Police Complaints Commission either Independently or directed as appropriate.
  - By an external police force.
  - Derbyshire Police.
3. In many cases the person making the Professional Standards Report may be a confidential source or a witness and/or a victim of crime. Where it is clear the person making the report is a victim of a crime then the principles of the code of practice for victims will be applied.

## **5.2 Types of activity/conduct to report**

1. These procedures are intended to cover any serious concerns an individual may have that falls outside the scope of existing internal procedures or they feel is more appropriately dealt with by the Professional Standards Department (PSD). These concerns may be broadly referred to as suspected corrupt activity or wrongdoing and include:
  - Criminal association / inappropriate relationships
  - Criminal offences and other dishonesty
  - Miscarriages of justice
  - Unmanageable debt
  - Drug related matters
  - Recruitment and vetting issues
  - Disclosure of information
  - Misuse of force systems
  - Breaches of security
  - Business interests
  - Abuse of trust / Exploitation of position or role
  - Sexual or physical abuse
  - Malpractice or ill treatment towards any Derbyshire Police employee or member of public
  - Disregard for legislation, including health and safety at work.
  - Breach of financial or contract procedure rules
  - Any activity amounting to improper or unethical conduct.
  - Any activity likely to bring the Force into disrepute.
  - That information of any of the above has been, or is likely to be, concealed.

## **5.3 Confidentiality**

1. This procedure makes it clear that individuals can speak out without fear of victimisation, discrimination, or disadvantage. Derbyshire Constabulary gives its reassurance that the protection of the identity of the provider of any information will be a priority for every investigation. In line with Derbyshire Constabulary's commitment, it also expects all individuals, who have suspicions or concerns, to raise them in the appropriate manner.

2. Professional Standards Reports may be made confidentially. Confidentiality, when requested, will be given the highest priority. Individuals should be aware that the legal rules governing disclosure will apply to cases under this procedure as they apply to all others. Where confidential information has been received this will be handled for disclosure purposes in a similar way to criminal intelligence.
3. When an open Professional Standards Report is made all documentation relating to it will carry protective marking, limiting access to those who have a legitimate need to see it. In confidential cases, knowledge of the identity of the person who has made the report will be kept to a minimum based upon strict need to know criteria.
4. Individuals who make Professional Standards Reports may be required to give evidence and support a criminal prosecution and/or misconduct proceedings where appropriate.

#### **5.4 Protections following disclosures**

1. In all cases that fall within the terms of this policy, the Head of the PSD will be contacted regarding the circumstances and any initial action that has been taken. The Head of PSD will decide upon appropriate resources where an investigation is required. The Deputy Chief Constable may be consulted. An investigating officer will be appointed, in almost all cases, from within the PSD.
2. The investigating officer will assume responsibility for the ongoing investigation once they have been formally appointed as the investigator. Where actions are time critical, line managers may be contacted to complete some initial actions. These can include scene or other evidence preservation. Where this is required, the Investigating Officer will contact this person and give clear instruction and guidance as to what is required.
3. Once a report has been made and, after relevant consultations with the person reporting (if known), the matter will be recorded and given a reference number. All documentation will carry the relevant protective marking.
4. Due regard will be taken of the circumstances of the person reporting and a risk assessment will be carried out to consider the welfare of the individual. This will encompass their current post, levels of protection and other sensitive issues.
5. The investigating officer will ensure that every effort is made to corroborate the accuracy of the information. Where the report is made openly, the investigating officer will ensure updates are given where appropriate and practicable.
6. Following the conclusion of an investigation, an important part of the process will be for the investigating officer to hold a de-brief meeting with the person reporting. This can often be helpful to the individual but may also serve as an opportunity to identify lessons learned from the investigation. At all times disclosure issues will dictate the content of the de-brief where criminal proceedings are pending.
7. Where open reports have been made i.e., the identity of the individual and the fact of the report is known to his or her colleagues, appropriate support will be given to the individual from the outset of the case and will continue until the issue is fully resolved. This includes proactive management support and action, staff association involvement and access to support services.

8. Where confidential reports have been made, knowledge of the identity of the person who has made the report will be kept to a minimum based upon strict need to know criteria and upon the terms and extent of the consent given.

## **5.5 Amnesty and Immunity**

1. Limited and defined immunity from discipline or misconduct proceedings may be given to an individual if they are able to give evidence of criminal activity or serious breaches of discipline.

2. The Head of PSD will base the decision on whether:

- The evidence being given is essential.
- The evidence is needed to support a successful prosecution.
- If the individual has taken part in the criminal offence or serious breach of discipline or have gained from it.

3. Confidentiality will be maintained wherever possible, but no absolute guarantee can be given. It is strongly emphasised that Derbyshire Constabulary cannot provide amnesty to any person who has been involved in criminal activity. Such circumstances will be reported to the Crown Prosecution Service (CPS) in the usual way.

## **5.6 Witness Protection**

1. It is anticipated that issues of witness protection will only arise in the most serious of cases. A threat assessment will be undertaken at an early stage and the appropriate facilities and tactical options will be made available and tailored to meet the requirements of the individual, commensurate with the threat assessment. Trained officers specifically tasked with managing witness protection issues would deal with these cases.

## **5.7 Support Arrangements**

1. The investigating officer or any other individual to whom alleged wrongdoing is disclosed shall:

- Provide acknowledgement, support, and positive reinforcement of the individual's actions.
- Provide protection from victimisation and harassment.
- Maintain an environment where persons feel confident in reporting wrongdoing.
- Respond promptly, genuinely and with sensitivity to the person's needs.
- Take full account of the wishes of the person reporting.
- Provide appropriate welfare including OHU referrals where necessary.

This support will be available from the outset until the matter is fully resolved.

## **5.8 Feedback on the progress of the investigation**

1. The person reporting will be kept updated, at least every 28 days. This is particularly important when open reporting has occurred. If a confidential report has been made it is up to the individual reporting as to whether they wish to be kept informed. This should be facilitated as far as practicable without compromising the confidentiality or imposing

undue burdens on the investigation.

## **5.9 Rewards and Recognition**

1. There may be occasions where the force wishes to recognise the actions of an individual who has made professional standards report. This might include a letter of appreciation or private ceremony with a senior member of staff. In some circumstances, consideration may be given to awarding a formal commendation in public or private.

2. It remains important to consider each case on its merits and be guided by the wishes of the individual concerned. The final decision regarding rewards or recognition will be made by the Head of Professional Standards and/or the Deputy Chief Constable.

## **5.10 Key Individual Responsibilities**

### **Line Managers**

- Developing and maintaining an environment where members of staff are confident in coming forward with make such reports.
- Visibly demonstrating active leadership when dealing with the person.
- Responding to reports promptly and with sensitivity.
- Acknowledging that the person has done the right thing and will be supported.
- Immediately forwards a report outlining the circumstances and the initial action taken to PSD.
- Taking initial actions which may be required to secure and preserve information/evidence.
- Providing protection and taking robust action against victimisation or harassment and to act to prevent any adverse repercussions.
- In cases of doubt contact the PSD for advice.

### **The Professional Standards Department**

- Ensuring compliance with this procedure.
- Ensure that the investigation is conducted by them (If appropriate).
- Referring the matter to the IOPC on a voluntary or mandatory basis (if necessary).
- Provide support, guidance, and advice at every stage of the process.
- Ensuring confidentiality issues are properly handled.
- Keep the relevant persons updated on a regular basis.
- Monitor the progress of the investigation throughout.
- Identify good practice and any lessons learned.

### **Head of Professional Standards**

- Receiving and reviewing the allegation to determine the appropriate course of action.
- Appointing the investigator (If necessary).
- Notifying the Chief Constable (or Deputy) and Head of Corporate Communications so that any media attention into the investigation be allayed or managed.
- Considering if the alleged offender should be suspended from duties or placed on restricted duties.
- Receiving recommendations and authorise the implementation of actions arising from the investigation, and,

- Deciding if the alleged conduct requires referral to the IOPC, CPS or via internal regulatory provisions.

## **The Investigating Officer**

- Take every reasonable step to maintain confidentiality unless it impacts on the ability to investigate the matter comprehensively and fairly.
- Report on the progress of the investigation, verbally or via email, every 28 calendar days.
- Assessing whether there has been any wrongdoing on the part of the reporter and report any such issues to the Head of PSD forthwith.
- Conducting actions in a timely manner.
- Filing all the case papers with the PSD after the actions from the investigation have been completed.

### **5.11 Data Protection**

1. The Data Protection Act 2018 provides for the regulation of the processing of information relating to individuals, including the obtaining, holding, use and disclosure of such information. Any information relating to an individual or their actions generated by the confidential reporting system will be subject to relevant legislation and treated accordingly.

2. It is the responsibility of the system owner to ensure that all aspects of the Data Protection Act are complied with. The usual conditions of data retention and disposal will apply.

### **5.12 Legislative Compliance**

1. This policy complies with the following legislation, policy, and guidance.

- Data Protection Act 2018
- Police Reform Act 2002
- Public Interest Disclosure Act 1998
- Police (Conduct) Regulations 2020
- Police (Complaint and Misconduct) Regulations 2020
- Police (Performance) Regulations 2020
- College of Policing's Code of Ethics
- HMI Thematic Inspection: Securing and Maintaining Public Confidence
- HMI Thematic Inspection: Good Practice Guide
- Dispute Resolution Policy
- Freedom of Information Act
- Equality Act 2010
- European Convention of Human Rights
- Employment Act 2002
- Employment Relations Act 1999
- Part 1 to 7 to be completed by the Policy Owner

Information for JARAC meeting

April 2026

Data from 01/04/2025 – 31/03/2026

**Cases Recorded**

Year	Sch3 Complaints	Non Sch3 Complaints	Conduct Matters	Ix's
2026 (March)	322	177	29	42
2025	1074	757	53	114
2024	946	872	79	176
2023	1001	653	73	NA
2022	845	557	65	NA
2021	516	742	62	NA
2020	525	484	43	NA

**Complaint Allegations By Type**

Police action following contact	2580
Decisions	1331
General level of service	1062
Information	730
Use of force	682
Detention in police custody	587
Impolite language/tone	446
Power to arrest and detain	411
Searches of premises and seizure of property	379
Evidential procedures	204
Bail, identification and interview procedures	182
Lack of fairness and impartiality	172
Unprofessional attitude and disrespect	156
Overbearing or harassing behaviours	142
Disclosure of information	125
Disability	117
Handling of or damage to property/premises	103
Other policies and procedures	103
Use of police vehicles	74
Handling of information	67
Impolite and intolerant actions	58
Race	49
Discreditable conduct	42
Other	41
Obstruction of justice	39

Abuse of position for other purpose	31
Stops, and stop and search	29
Sex	23
Use of police systems	20
Out of court disposals	14
Accessing and handling of information from other sources	12
Investigation	12
Other sexual conduct	6
Sexual Orientation	6
Sexual assault	5
Sexual harassment	5
Abuse of position for sexual purpose	3
Organisational corruption	3
Performance	3
Religion or belief	3
Arrest	2
Gender reassignment	2

#### Method Of Complaint Recording

Web form	1538
E-mail	161
Letter	87
Orally	83
IOPC	46
Custody	34
Telephone	32
Incident	17

#### IOPC Referrals (Update since the previous meeting (Date Range -01/09/2025 – 31/03/2026)) – 15 Referrals (Conduct & Complaints)

Reason Referred	No. of referrals	IOPC Decision	No. of Officers
Death or serious injury	6	Local x6	26
Voluntary	3	Pending x3	13
Abuse of authority for sexual gain	2	Local x 2	2
Relevant offence	2	Local x2	3
Serious assault	1	Local x 1	3
Serious Corruption	1	Local x1	2

#### Finalisation of complaints

There has been a total of 1065 allegations recorded in the above timeframe (01/04/2025 – 31/03/2026). Of these, 6596 of them have been finalised.

Finalisation	Number of Allegations
Service Acceptable	4418
Resolved	839
Service Not Acceptable	561
Not able to Determine Service is Acceptable	507
No Further Action	117
Withdrawn	54
No Case to answer	35
De-Recorded	30
Not Resolved No further Action	15
Case to answer	13
SAT1	2
Case to Answer	1
Discontinuance	1
L	1
No Case to Answer	1
RSN3	1

#### Organisational learning

A complaint has enabled us to identify organisational learning.

##### What happened?

A male was arrested and taken to custody, following an assessment, he was deemed unfit for interview and was released on bail due to the complexities of his mental health. The officer in the case encountered several delays during the subsequent investigation which were out of their control. Once enquiries were completed, the officer in the case decided that there would be no further action and submitted the case to a supervisor for review and to sanction the NFA decision. The case was not reviewed for 3 months and no update was placed on the occurrence. The officer in case did not record any attempts to flag the case to the reviewing Inspector or his supervisor”

A complaint was received following the investigation, part of which related to the time the male under investigation was left without an update. The complainant alleged that the 3 month wait had a detrimental effect on the wellbeing of the male.

##### Learning

In similar cases consideration should be given to reviewing cases involving those who are vulnerable as a priority. This may involve highlighting the case to the reviewing officer so that they are aware of any vulnerabilities.

Investigators should be aware of suspect welfare and wellbeing particularly during re-bail procedures. When extending bail, officers and staff should consult with the suspect, this consultation must include asking about the suspect's welfare and wellbeing. This should be completed at every re-bail. Any concerns raised must be acted upon immediately, and a detailed entry should be made on the occurrence.

Additionally, suspects should be provided with timely updates and provided appropriate responses to any contact they make.

Further information can be found on Connect Pre-charge bail - Connect

A recent DSI referral has highlighted learning for the HRDA team in relation to arrest attempts for wanted persons.

A male was wanted in relation to breaching bail conditions, the victim lived in Derbyshire and the suspect was believed to be in Nottinghamshire. There was a lack of either force taking ownership of the enquiries to try and locate the suspect. Some arrest attempts were made by both forces and the suspect was ultimately found deceased at an address he wasn't linked to by a member of the public. There was a period of around 10 days where enquiries could have been progressed to locate the HRDA suspect.

For further incidents of this nature the department dealing with the crime should take ownership of the wanted person, provide guidance and monitoring of the arrest attempts, especially with high-risk investigations. It appears that there is no specific guidance or policy in place regarding ownership of this type of investigation. The department who has the investigation should lead and guide arrest attempts for the wanted person.

A recent DSI referral has highlighted learning. Learning re; communication plans

A recent IOPC referral has highlighted learning in respect of promptly updating force systems with information concerning an individual's vulnerability and/or officer safety. For example, requesting an appropriate flag, adding warning markers to the person or a copy of a communication passport.

A communication passport is a short, easy to read document that gives essential information about how a person communicates and how others can best communicate with them. It's often used for people who have communication difficulties, such as learning disabilities, autism, brain injury, or conditions that affect speech. The communication passport can be created and shared by the person themselves, family members/carers, speech and language therapists, education staff or multi-disciplinary teams.

It is essential this information is added to force systems as soon as possible as it is often vital information needed by officers and staff having future contact with the individual and may form part of any on-going risk assessment.

There is a wealth of information on the vulnerability hub on Connect.

## WhatsApp

WhatsApp groups should not be used to share operational information and personal data.

The use of WhatsApp is often well intended amongst individuals who believe that it is often the most effective and quickest means of sending information. They, however, may not be aware of the security issues arising from the use of WhatsApp for operational purposes. These security issues have the potential to place you in situations where you may unknowingly divulge sensitive police information to people who would not normally have legitimate access to it. It is easy to send information to the wrong group, leaving you and potentially your colleagues in a compromised situation.

WhatsApp groups should not be used to share operational information, to do so leaves you vulnerable to misconduct and offences under the data protection act.

Further information is contained in the Policy: Safe use of the Internet and Social Media by Police Officers and Police Staff.

A recent referral to the IOPC has highlighted an opportunity for learning.

What happened?

A male was arrested and taken to custody; on release he was dropped off by officers.

Just over day later the male called 999 and told the call handler that he was trying to hang himself. He was treated as a missing person, and officers were deployed to find him. He was later found deceased. Due to the previous police involvement, a mandatory referral was made to the IOPC (Independent Office for Police Conduct).

What can we learn

The custody log had been updated to say that the male was being “dropped off” on release from custody but no further information.

Officers and staff transporting anyone from custody should ensure that the relevant occurrence is updated with sufficient detail, for example time, date the person was dropped off, who transported them, where they were taken, who they were left in the care of (if applicable) and any other relevant information. This information should be updated on the relevant occurrence as soon as practicable after dropping the detainee off.

It is crucial to record this information as it may be pertinent in the future.

It is important to mention that during a review there were positive actions noted in relation to the interactions between the male and the officers in terms of safeguarding and contact.

25/02/2026 - Intermediary page on Connect updated

Officers and staff are reminded that should a person request information held by the Police in relation to them, there is a duty to action this. It appears on occasions Officers and Staff are often saying they cannot facilitate this and therefore ignoring the request or stating the OIC can facilitate this.

The ICO Right of Access guidance (Dec 25) advises that: A person can make a Subject Access request (SAR) verbally or in writing, including by social media. They can make it to any part of your organisation, and they do not have to direct it to a specific person or contact point. The person does not have to include the phrases “subject access request”, “right of access” or “article 15 of the UK GDPR” in their request. It just needs to be clear that they are asking for their personal information. Any employees may receive a valid request. You therefore must identify and handle each request correctly.

Should a member of Derbyshire Constabulary receive such a request they should advise the member of public of the available options to request this information, either via the online application process (Ask for, delete or change information | Derbyshire Constabulary), or provide them with the telephone number (telephone Tel: 0300 122 87520) or email address FOI@Derbyshire.police.uk so that the appropriate team can process this.

If a member of the public is unable to complete any of the above processes then the member of Derbyshire Constabulary should contact the freedom of information team on their behalf. It is imperative that such requests are forwarded straight away as a response must be complied with within one month of receipt.

Officers and staff are reminded of the importance of updating businesses when they have been the victim of crime. Whilst businesses are not defined as victims, the victims code states that businesses are entitled to the same service if they nominate a representative.

There have been several instances recently where OEL entries on Niche state that no victim updates are required because the victim is a business. This includes supervisor review OEL entries to that effect. In one case a business was not updated when they were subject to theft by an employee.

The code of practice for victims of crime in England and Wales (victims code):  
Legal persons (eg businesses or other enterprises such as charities) are not included with the definition of a victim. However, businesses and other enterprises such as charities can receive the services in this code and make an impact statement where a criminal offence has been committed against them, subject to provision of a named point of contact to the relevant service provider.

All police drivers are reminded of the importance of careful driving and vehicle maintenance. A recent investigation has highlighted that, in some instances, basic vehicle checks are not being carried out. It is imperative that vehicles are kept in good condition, and that local supervisors and drivers ensure that daily and weekly vehicle checks are completed. Everyone is responsible for carrying out pre-use checks on any vehicle they use, before driving.

Everyone should have now read the recent 'Drive to arrive' guidance on connect. This guidance sets out the behaviours expected to ensure we always drive to arrive.

The Completing vehicle checks - Connect page also contains a number of 'how to' videos including how to perform fleet checks – oil, tyres and electrics etc.

The force is committed to giving you the tools, training, and information you need. But the decisions made in the moment are yours.

- Check the vehicle is fit to drive.
- Call out unsafe or reckless driving.
- Support colleagues who need a reminder - and report concerns when necessary.

Driving to the correct standard isn't just a policy requirement; it's a personal responsibility and a professional obligation.



**Derbyshire  
Police and Crime  
Commissioner**  
*Safer and Stronger Together*

*Protecting Communities  
Fighting Crime*



**Police and Crime Commissioner's Office for Derbyshire**  
**Complaint Review Report**  
**2024 - 25**

January 2026

Head of Governance and Compliance: Marie Romano

Contents

[Introduction](#).....Page 2

[Complaint Numbers](#).....Page 3

[Ethnicity of Complainants](#).....Page 4

[Age of Complainants](#).....Page 5

[Force Area who Dealt with the Complaint Originally](#).....Page 6

[Timescales of a review response](#)..... Page 6

[Complaint Trends](#).....Page 7

[Outcome of Review](#).....Page 9

[Recommendations, Learning and Feedback Identified from the Reviews](#).....Page 11

[Accepted Recommendations, Learning and Feedback](#).....Page 29

[Positive Outcomes from Complaint Reviews](#).....Page 29

[Negative Outcomes from Complaint Reviews](#).....Page 32

[Conclusions](#).....Page 37

## **Introduction**

From 1<sup>st</sup> February 2020 new rules were introduced for dealing with appeals following complaint investigations that have been recorded under Schedule 3 of the Police and Reform Act 2002. Where a complaint has been concluded by Derbyshire Constabulary and the complainant has received a complaint outcome letter from the Professional Standards Department (PSD), that complainant has a right to apply for a review of that outcome to the Police and Crime Commissioner.

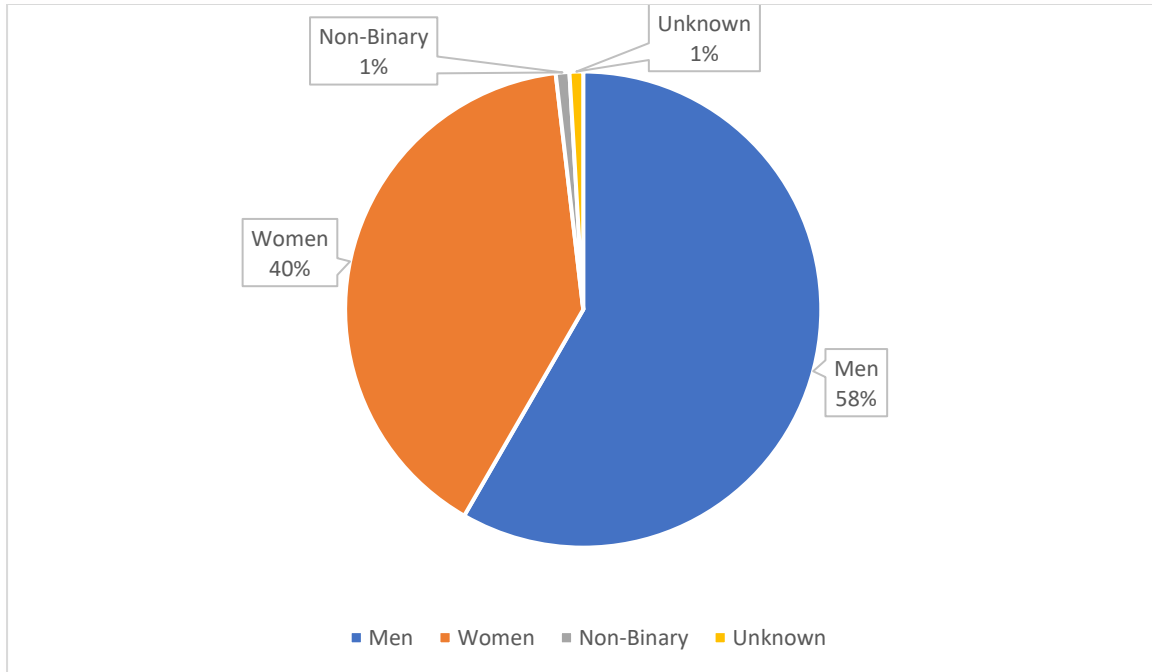
The Commissioner's purpose for undertaking the complaint reviews is to ensure that any inadequate service given by the Constabulary when handling complaints, is identified and passed through to the Constabulary to consider accordingly. The Commissioner reviews the complaints and makes unbiased determinations based on the facts of the case and whether the complaint has been handled in a reasonable and proportionate manner by the Constabulary.

Below, is the overview of the complaint reviews undertaken by the Police and Crime Commissioner from April 2024 to the end of March 2025.

## **Complaint Numbers**

Number of complaint reviews received from April 2024 to March 2025 – **109**.

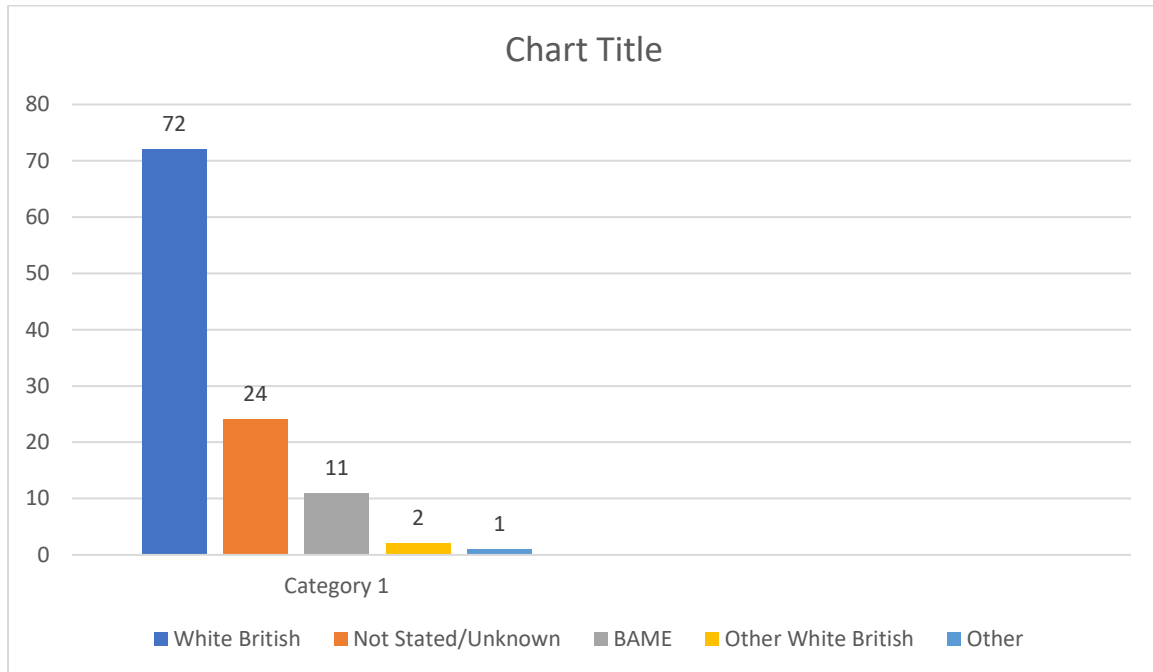
***N.B.*** Previous year the OPCC received **73** complaint reviews.



The majority of individuals who requested a complaint review from the Commissioner were male (63), 43 were female.

***N.B.*** Previous Year - Male 46 (61%), Female 27 (35%).

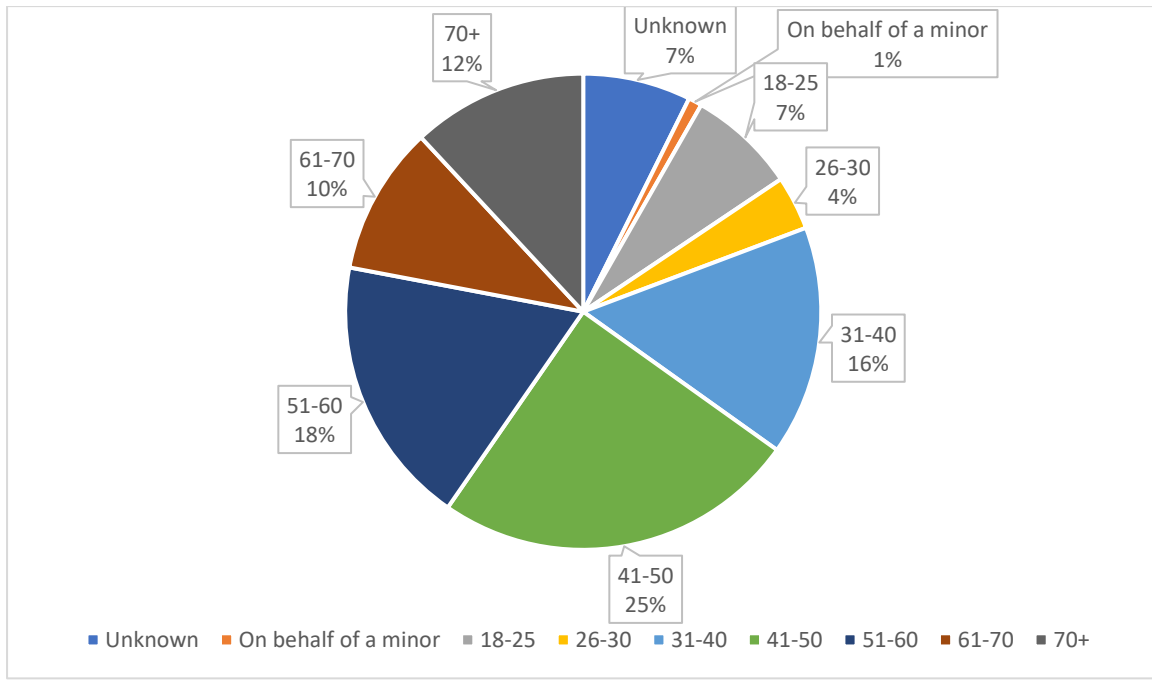
## Ethnicity of Complainants



As shown in the graph above, the majority 72 out of 109 (66%) of complainants were White British. 24 complainants (22%) refused to reveal their ethnicity and 11 (10%) were from a BAME background, 2 complainants were other White British, and 1 complainant were other mixed background.

***N.B.*** Previous year – 37 out of 73 (51%) White British, 24 (33%) refused to reveal their ethnicity and 6 (8%) BAME background.

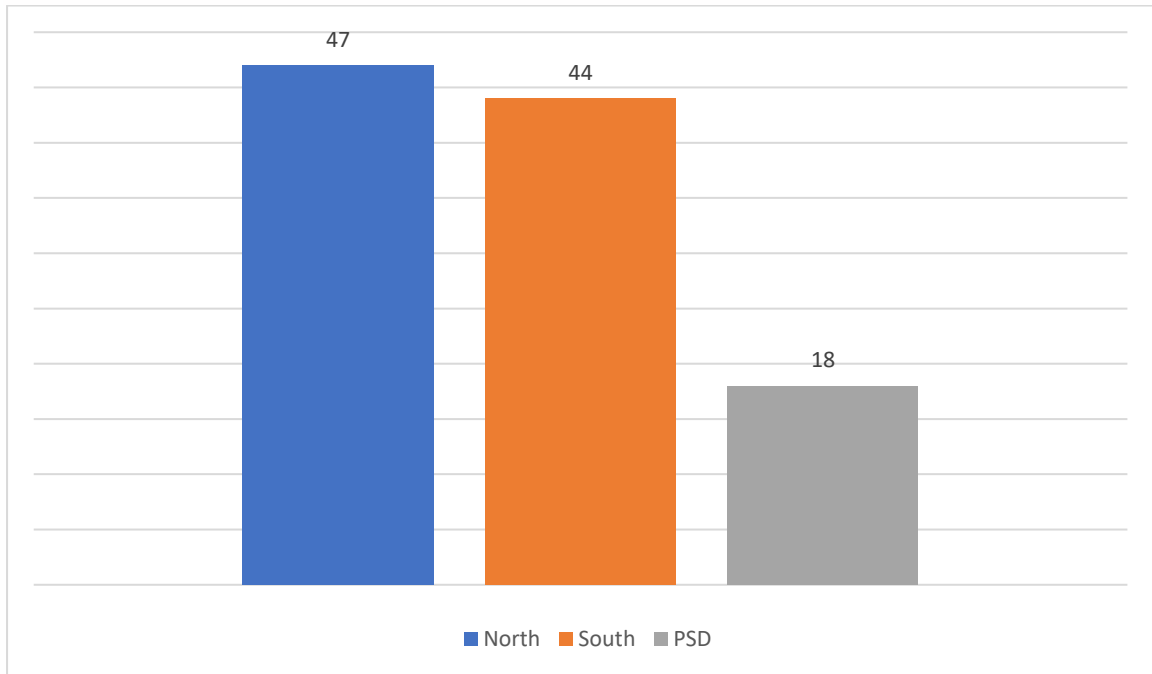
## Age of Complainants



Most complaints 27 (25%) were from individuals aged between 41 - 50 years old, with the second highest being 20 (18%) from individuals aged between 51 – 60 years old.

**N.B.** Previous year – the highest was ages 51-60 (30%).

**Force area who dealt with the complaint originally**



**Timescales of a review response**

The average timescale that it takes for the Office of the Police and Crime Commissioner to deal with a complaint review is **104 working days**.

***N.B.** In the previous year, the average review timescale was 50 working days. During 2024–25, timescales increased due to a rise in both the volume and complexity of reviews received. Throughout this period, complainants continued to receive regular updates every 28 days to ensure they were kept informed of progress.*

**Complaint Trends**

Complaint Category	Number of Complaints	Examples	Observed Trend
Data protection / records	4	Not happy with the information on PNC held about them.; Possible data protection issue and breach of personal data.	Trust/confidence issues in accuracy and lawful handling of data.
Deaths & serious harm	4	Not happy with the investigation into her family members death.; Regarding the investigation into the death of his family member.	Challenges to official conclusions; belief-driven narratives
Domestic / family-related	15	Not happy with the police investigation regarding a family member and fraud allegations.; Not happy with the police investigation and how officers spoke to him.	High emotional impact; repeated escalation of family matters.
Harassment / stalking / ASB	7	Criminal damage and stalking and not happy with how the Constabulary have investigated the case.; How stalking was dealt with by the force.	Expectation gap when thresholds not met; desire for proactive action
Arrest / custody / interview	11	Not happy with how he was treated in custody.; Not happy with being arrested by the police.	Treatment and process concern during high-stress encounters.
Traffic / driving / vehicles	8	Speeding, not happy with the force response.; Regarding an RTC	Service-level dissatisfaction around enforcement

Complaint Review Report 2024 - 2025

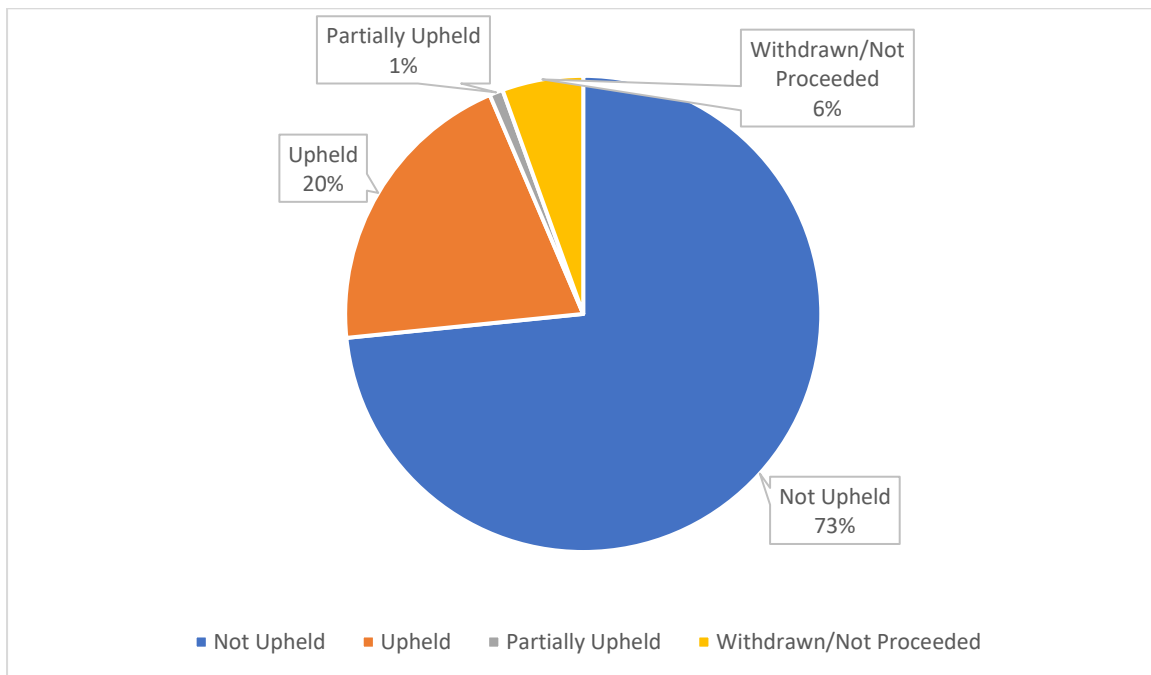
		involving his motorbike.	
Complaints process / PSD	9	Historic issues raised that have already been addressed previously. NFA taken by PSD.; Regarding historic complaints	Repeat/historic complaints; dissatisfaction with rationale/closure.
Officer conduct / professionalism	6	Not happy with officers' comments regarding them and that child abuse was not investigated further.; Not happy with the way the force have addressed him as an informant in correspondence he has received from them.	Concerns over tone/comments; fairness of interactions
Investigation handling / quality	42	Believes that an officer has given incorrect information at a LADDO meeting.; Not happy that a harassment investigation was handled correctly.	Dominant theme: perceived incomplete or poor investigations; communication gaps
Other / operational	3	Increase to MOSOVO visits from police.; Regarding a CPS going to the wrong address.	Isolated operational decisions (licensing, MOSOVO, CPS, searches)

**N.B.**

*Previous year 2023 - 24*

- *Not happy with property destruction x 5*
- *Not happy with treatment from officers/constabulary x 13*
- *Not happy with the complaint response and updates from the Constabulary x 2*
- *Not happy that the Constabulary action taken or not taken further action x 50*
- *Not happy with Constabulary's legal department x 1*
- *Not happy with bail conditions x 2*

**Outcome of the review**



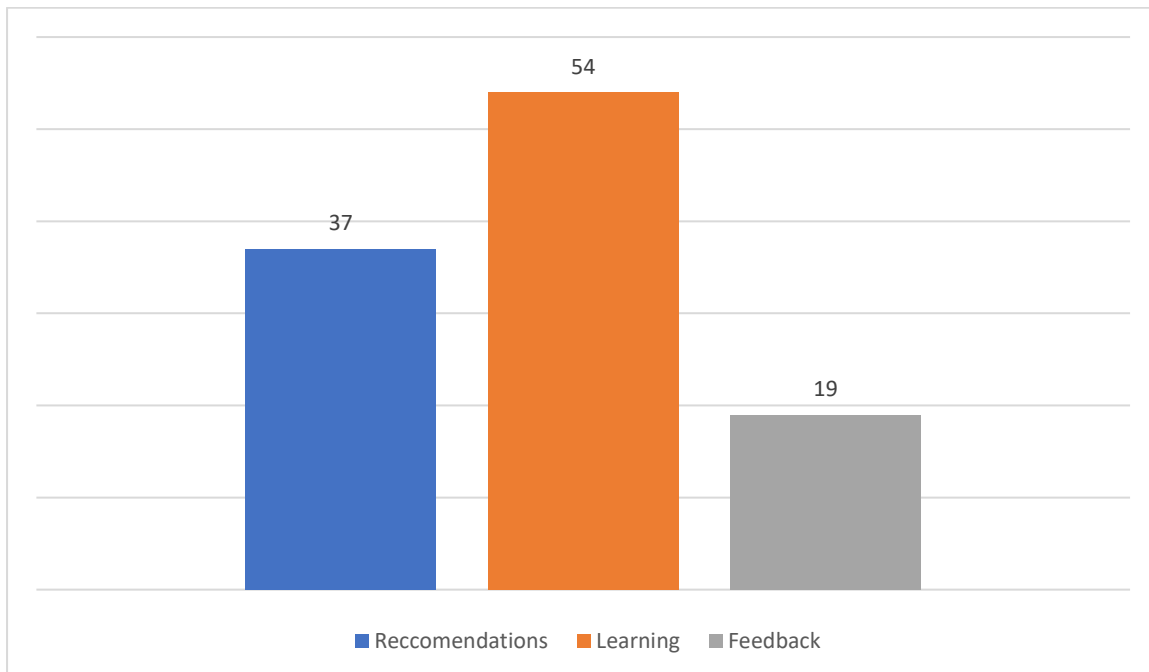
The data available shows that 80 of the complaint reviews have not been upheld by the Commissioner, meaning that the Commissioner determined that the actions taken by the Constabulary regarding the original complaint were reasonable and proportionate in the circumstances of the case.

## Complaint Review Report 2024 - 2025

However, 23 complaint reviews were either upheld or partially upheld, which means the Commissioner determined that the actions taken by the Constabulary were not reasonable and proportionate in the circumstances of the case and recommendations, learning and/or feedback will have been provided back to the Constabulary for them to consider further and take any relevant action on.

***N.B. Previous year – Not Upheld 67, Upheld or Partially – Upheld 6.***

### Recommendations, Learning and Feedback identified from the reviews



At the end of the review the Commissioner can make recommendations back to the Force – i.e.

- **Recommendations** – The Commissioner is recommending the Constabulary takes some sort of action (recommend that an apology is given to the complainant for example).
- **Learning** – The Commissioner is giving some learning that has been identified as part of the complaint review back to the Constabulary or individual officer.

- **Feedback** – The Commissioner is giving some general feedback that has been identified as part of the complaint review back to the Constabulary or individual officer.

On some reviews there may only be learning that has been identified however, on some other reviews there may also be recommendations and feedback that have been identified, it all depends on the determinations made by the Commissioner regarding that complaint review. Also, some reviews may be determined as not – upheld however, some feedback may have still been identified on the back of the review, which will be fed back to the Constabulary for consideration.

***N.B.** More than one piece of learning or a recommendation could be given per review therefore, the numbers will not match up exactly to the amount of complaint reviews undertaken.*

***N.B.** Previous year –*

*Recommendations 6, Learning 7, Feedback 4.*

### **Recommendations - 37**

- The Constabulary should consider reissuing the complaint handling report, ensuring that each allegation is accompanied by a clearly stated outcome. Each outcome must be explicitly aligned with one of the three determination categories set out in the IOPC guidance. If the outcome of any allegation is determined to be 'service unacceptable', the Constabulary should consider issuing an apology and identifying any learning points arising from this determination.
- Furthermore, despite acknowledging the existence of administrative issues, no apology has been offered or learning identified which I also consider unreasonable. I also note that there has been no explanation or

## Complaint Review Report 2024 - 2025

acknowledgement as to the Constabulary's identification of the wrong suspect nor has there been any apology offered to you for the delay this may have caused to the investigation.

- I find that this response fails to adequately explain what the administrative issues were, what actions were taken to address them and why they occurred.
- Issue a more comprehensive response. This should include a clear explanation of the administrative issues identified by the officer, the reasons for any delays to the investigation and whether those delays were attributable to the Constabulary's actions.
- The Constabulary should look to understand why the officer has not updated the individual regarding their other live case since May 2023, when updates should be given every 28 days under VCOP. Especially when this officer has already received learning previously relating to the importance of providing regular updates to victims. Additionally, the officer's case load should be reviewed to ensure regular updates are being given on all cases.
- The Constabulary should look to understand why evidence got sent to the wrong court to ensure that this does not happen again in another cases.
- The Constabulary should look to answer the complainant's questions relating to speaking to the officer who he believes made the comments relating to his complaint, as this was detailed in his original complaint and has not been addressed.
- I believe that the inspector has not given the correct outcomes to each allegation as part of his report which has left the complainant without a clear outcome to the complaint. Therefore, I am recommending that PSD reissue you with a new complaint handling report, with the correct determinations for each allegation. I also recommend that they provide you with an apology for their error.
- I have identified a recommendation from the complaint review I can see that the complainant was not given an opportunity to review their complaint points as they were not provided with a Record of Complaint (ROC) by the Constabulary, as you should have been. Therefore, I will be making a recommendation back to the Constabulary that they should consider liaising with the complainant to establish what other areas of the original complaint have not been answered, and to look to answer these concerns asap. Including supplying a new ROC, so that the complainant can review the points prior to any new complaint investigation commencing.
- I have identified a recommendation from the complaint review I believe that the Constabulary should look to provide another response to allegation two of the original complaint, as the response received does not seem sufficient. In the

## Complaint Review Report 2024 - 2025

complaint, it is mentioned that a report was made with errors. Although the officer acknowledged that no statement had been taken at the time he should have investigated further into the concerns around what correspondence contained errors. Addressing this properly could have provided a more accurate and comprehensive response and offered a valuable learning opportunity for the officer involved, which was missed due to the lack of effort in identifying the document with errors.

- I believe that after considering the points recorded under Point 2 of the complaint review, the officer never acknowledged or provided a response to the part of your complaint where you explained you had received no updates from the officer after making your report. At no point in the complaint handling report does the officer address this or provide any explanation. Therefore, I am recommending that this part of your complaint is re-opened, investigated accordingly and a response sent you to asap. Also, I believe an apology should be issued to the complainant for this error and any inconvenience caused.
- Having carefully reviewed the complaint handling report completed by the Inspector, I must respectfully note that the report does not appear to provide a formal outcome for each of your allegations, as required under the IOPC guidance. I am recommending that the PSD consider revisiting each individual allegation and provide a clear outcome in accordance with paragraph 17.4 of the statutory guidance. This will ensure that your complaint is handled in a way that is both thorough and compliant with national expectations, and that you receive the clarity and resolution you are entitled to.
- I believe that the Constabulary should issue you wish an apology for the incorrect outcome communicated to you in your original complaint. Additionally, the Constabulary should consider re-issuing the complaint outcome letter to you with the correct outcome of your original complaint.
- The Constabulary should look into how this error occurred to understand why it took so long to come to light and why it was not flagged in previous applications you submitted. By doing this, it will ensure that similar errors are prevented in the future. I will be requesting an update regarding this directly from the Constabulary.
- Issue an apology to the Complainant for not fully answering his original complaint and the inconvenience this has caused.
- During my review of your complaint, I have identified that the outcome letter you received does not provide a clear and specific determination for each of the individual allegations you raised. This approach does not align with the requirements set out in paragraph 17.4 of the IOPC Statutory Guidance. Taking this into account, I recommend that the Constabulary consider issuing a revised outcome letter to you. This revised letter should clearly set out the outcome for

## Complaint Review Report 2024 - 2025

each individual allegation, to ensure that each part of your complaint has a determination in line with statutory guidance.

- I recommend that the Constabulary consider providing a clear summary of any learning identified in relation to allegations determined as 'service unacceptable,' along with details of any learning that has already been implemented to date.
- The Constabulary should seek to understand why the Record of Complaint (ROC) in this case failed to accurately reflect the complainant's detailed original complaint. The original complaint alongside the ROC should be thoroughly reviewed, and a determination made about what action should be taken regarding the areas of the complaint that were not addressed originally.
- Any further response to the complainant thereafter should provide sufficient information to ensure a clear explanation is given to the complainant of how the complaint was handled, the actions undertaken, the findings reached, and the final outcome. Additionally, an assessment of whether any further action is required regarding the alleged harassment should be included. If no further action is deemed necessary, a clear explanation should be provided outlining the reasons why.
- The Constabulary should look to re-issue the complaint review IOC's report to the complainant ASAP with the individual allegations/complaint outcomes listed clearly.
- I have identified a recommendation for the Constabulary to consider under Point 1 of this complaint review. As PSD never made contact with you after receiving your complaint submission referral from the IOPC and you state that this meant some of your complaint allegations were misrepresented, I recommend that PSD consider liaising directly with you to understand if parts of your original complaint have been omitted and if they have, then deciding what they should do to rectify that situation for you in a reasonable and proportionate manner. In addition, during this review, I have noted that the PSD did not provide an outcome for each of your allegations in line with the Independent Office for Police Conduct guidance. Paragraph 17.4 of the statutory guidance requires complaints handled outside formal investigations to be assessed based on the overall quality of service, not individual blame. The outcome should state whether the service was acceptable, not acceptable, or undetermined. As this framework was not applied to your allegations, I recommend that the Constabulary consider whether your complaint report is re-issued to rectify the situation.
- I have identified a recommendation for the Constabulary to consider under Point 2 of this complaint review. As PSD have issued you with an outcome letter with incorrect information in it, they have not provided you with an accurate or reasonable and proportionate response to your complaint allegations. Due to this, I recommend that PSD consider this allegation again, ensuring that they are

looking at the correct information when they are providing you with the new response. In addition, I would also recommend that the Constabulary issue you with a written apology for the error that they have made.

- During my review, I have identified a recommendation in Point 1 for the Constabulary to consider. As no one made contact with you originally, even after your request to be contacted, I believe that the PSD should provide you with the opportunity to fully express your concerns regarding this part of your original complaint and assess if this part of your complaint needs to be re-considered. In addition, I am also recommending that the Constabulary consider offering you a written apology for their oversight regarding not making contact with you initially to discuss your complaint.
- During my review, I have identified a recommendation in Point 3 for the Constabulary to consider. After reviewing both of the outcome letters, I do not believe that you have had an outcome to both allegations as per the IOPC guidance. Therefore, I would like to recommend that the Constabulary issue you two new IO letters, detailing the relevant outcomes to your complaint. In addition, I believe PSD should issue you with an apology to account for this mistake.
- The Constabulary should consider if re-opening the complaint for the concerns raised under Point 1 that have not been addressed. This process would ensure that each allegation is fully addressed, appropriate follow-up actions are implemented, any action taken is fully explained and the outcomes are clearly communicated to the complainant. Specifically, the following steps I would determine are essential:
  - Identify the officers who responded to the 101 call made by the complainant and review any available evidence so that a full explanation as to what happened can be given to the complainant.
- Examine all available evidence related to the follow-up meeting between the complainant and officer in response to the allegations that the complainant felt dismissed, unsupported and received contradictory information from the officer.
- I note that in the complaint handling report, the officer concludes that their actions in response to your third allegation were unacceptable. However, it appears that no learning has been identified as a result. When the Constabulary's service falls below acceptable standards, it is reasonable to expect that steps will be taken to address any shortcomings. Therefore, the Constabulary should consider providing individual training to the relevant officer on the proper storage of evidence to prevent similar issues from arising in the future.
- During my review of your complaint, I have identified that the outcome letter you received does not provide a clear and specific determination for each of the individual allegations you raised. This approach does not align with the requirements set out in paragraph 17.4 of the IOPC Statutory Guidance. Taking

## Complaint Review Report 2024 - 2025

this into account, I recommend that PSD consider issuing a revised outcome letter. This revised letter should clearly set out the outcome for each individual allegation, in line with the statutory guidance, to ensure that the complaint is fully and properly addressed.

- I have identified some important learning points for the PSD to consider. It is my belief that the PSD need to ensure that both my office and I are informed if they decide to re-examine an allegation once a complaint review has been submitted. In this instance, the review was logged, but had not been started, and although the timing did not cause any issues regarding the complaint review, the PSD should still have communicated their decision to re-examine the allegation to both my office so that we were aware of the situation. Additionally, it is crucial to keep you, the complainant, informed, as you were not aware of the re-examination either and should have been informed from a customer service perspective.
- The Constabulary should consider issuing a formal complaint handling report that provides sufficient detail to ensure the complainant receives a clear and comprehensive explanation of how their complaint was managed. This should include a summary of the actions taken, the findings, and the outcome reached. The outcome must be explicitly stated and aligned with one of the three determinations outlined in IOPC guidance. Additionally, any learning identified as a result of the complaint should be clearly communicated, along with details of any steps taken to implement that learning to date.
- Derbyshire Constabulary should provide a response to the concerns raised in the complainants letter of 5 March 2025.
- Derbyshire Constabulary should provide the complainant with an outcome for the complaint that complies with IOPC statutory guidance. In particular this should provide an explanation of why the service was acceptable, not acceptable or cannot be determined
- The Constabulary should consider reassessing the significance of the video footage, which appears to support the complainant's decision to contact social services in this instance. The review should assess whether, taking into account this footage alongside any other available evidence, the Constabulary's decision to refer the restraining order extension request to the CPS remains appropriate and acceptable. The outcome of this re-assessment should then be clearly communicated to the complainant.
- The Constabulary should consider re-investigating this allegation to address why the complainant received no response from the Constabulary in response to his legitimate concern around his children being transported without appropriate child seats.
- The Constabulary should consider issuing an apology to the complainant regarding the mistaken assessment of the video footage he submitted in support of his allegation.

## Complaint Review Report 2024 - 2025

- I recommend that the officer rectify the error in your complaint report and issue a revised version. This recommendation follows the identification of an error on the force system, which incorrectly indicated that a bail extension had been applied for. The officer relied on this information in good faith when preparing your complaint report and therefore had no reason to question its accuracy at the time. However, after further enquiries prompted by our discussion, she discovered that the application had not been submitted. As the original report was based on incorrect system information, it is appropriate that it be amended to reflect the correct position.
- Derbyshire Constabulary should assess the service provided in accordance with Schedule 3, Police Reform Act 2002 and the IOPC statutory guidance, and provide a determination whether the service provided was acceptable, not acceptable or cannot be determined. Alternatively, if it is intended to take 'no further action' on the complaint a clear rationale should be provided for why this is the case. 2. The complainant should be provided with a clear explanation why offences of Misconduct in Public Office and attempting to pervert the course of justice are not made out.

### **Learning – 54**

- PSD should check that the complainant is satisfied with the allegations recorded on the Record of Complaint before providing a complaint outcome to the complainant.
- I believe that the Constabulary should still have thanked the complainant for the feedback and informed them that this part of the complaint would not be processed as part of the normal complaint processes. They should have informed the complainant of the work the Constabulary was undertaking in this area of policing, to give them some reassurance and comfort. I believe therefore that the Constabulary should respond to you further with the points I have suggested above.
- The Constabulary should consider giving the officer some learning around understanding the importance of noting updates, actions and rationales on case files, so that other officers/staff members are aware of the case progression. Also, meaningful case notes ensures that the officer has some record of what was discussed and determined, including the rationale, which can be easily understood by all and referred to at a later date if necessary.
- The Constabulary should consider directing the officer to update the case file with the relevant data that is missing pertaining to the decisions/rationale for not taking any further actions regarding the emails to school, as at present the notes

## Complaint Review Report 2024 - 2025

on the case file lack clarity and a valid ration for the decisions made and actions taken.

- The Constabulary should consider providing the officer with additional training to ensure they understand that each allegation addressed in a complaint review must include a clearly stated outcome, explicitly aligned with the categories outlined in the IOPC guidance.
- The Constabulary should consider providing the officer with additional training to reinforce the importance of recording all correspondence with complainants within the Constabulary's complaint handling system. Where a complainant specifies a preferred method of contact, it is essential that this preference is documented to ensure effective communication and a positive complaint-handling experience.
- The Constabulary should consider providing the officer with further training to emphasise the importance of delivering complaint outcome responses that are both comprehensive and detailed to complainants. It is essential that whatever outcome determination is reached that the complainant is provided with sufficient information to be able to clearly understand the rationale behind any decision.
- The Constabulary should consider providing broader organisational training for Investigating Officers to ensure that any errors or learning identified are accurately and consistently recorded within the complaint handling system, thereby promoting transparency, accountability, and continuous learning.
- The Constabulary should look to give the officer some additional learning regarding the importance of keeping victims updated, as per VCOP legislation.
- The Constabulary should look to give some learning back to individuals or force wide if it is discovered that the error made regarding the evidence going to the wrong court was an error made by the Constabulary.
- The Constabulary should look to give some learning back to the complaint Investigation Officer in PSD, as both recommendations and learning has not been addressed fully as part of the original complaint and the Constabulary do not appear to understand why the error occurred, which is not acceptable, as if the Constabulary do not understand how the error happened they cannot give assurances that the same issues will not occur in the future.
- The PSD should look to ensure in future that all parts of the original complaint are answered in full. This ensures that a complainant does not need to raise a complaint review with the Commissioner regarding part of their original complaint not being answered.

## Complaint Review Report 2024 - 2025

- During the complaint review, I have identified learning for the Constabulary to consider. Although the inspector was unable to identify the officer who answered your call, I believe it would be beneficial for all officers who might answer that particular phone to receive some learning on the importance of informing other officers about received calls and ensuring messages are passed on promptly. This would help improve communication and prevent similar issues in the future. By providing this learning, the Constabulary can ensure that all officers are aware of the critical role they play in maintaining effective communication within the establishment, ultimately leading to better service and support for everyone involved.
- During the complaint review, I have identified some learning for the Constabulary to consider. As PSD have not given you an outcome to each allegation, I believe it would be beneficial for PSD and the Investigation Officer involved in your complaint to have some learning on the importance of adhering to the IOPC guidelines, particularly the requirement to provide complainants with a clear and definitive outcome. Clearly defining outcomes not only fulfils legal obligations but also promotes transparency and strengthens public trust in the complaints process.
- I believe that the Constabulary should consider giving some learning back to the officer regarding the importance of completing a ROC and sending it out to the complainant before they start the investigation. Additionally, I believe that some learning also needs to be given back to the PSD, to ensure that the officers signing off the complaints check that a ROC has been completed by the Investigation Officer in all relevant complaints, and to challenge this accordingly with the officer if this is not the case.
- I believe that the Constabulary should give some learning back to the officer directly, as well as consider if any wider organisational learning is needed, relating to contact preferences from complainants.
- I believe that the Constabulary should consider giving some learning back to the officer regarding ensuring that they thoroughly review all their emails/police system updates upon returning to work, to ensure they are fully up to date with any developments in the cases they are working on. Not only will this prevent complainants giving information they have already provided previously but ensures that officers time and police resources are used more efficiently. This in turn builds trust with complainants, fostering better relationships and improving cooperation overall.
- The officer referred to the wrong reference number when corresponding with you. Therefore, I believe that the Constabulary should give some learning back to the relevant officer regarding attention to detail and the importance of accuracy in reports and the adverse impact that errors like this have on complainants trust in the complaints process.

## Complaint Review Report 2024 - 2025

- Additionally, the Constabulary should consider some learning back to the officers in PSD who sign off the complaints, to ensure that they proofread all complaint reports and check for any errors before sending out to complainants.
- The officer clarified that no statement was made in response to the allegation about errors. I believe it is important to recognise that there might have been a misunderstanding about what the public perceives a statement to be, versus what an officer understands it to be. I believe that the officer should have acknowledged this potential confusion and made an effort to understand and identify the document received with errors. This approach would help ensure clearer communication and better handling of similar situations in the future. Therefore, the Constabulary should consider giving some feedback back to the officer regarding the above.
- During the review, I have found that once your complaint was re-opened, there was an admin error which meant you were not contacted again by PSD until four months after reopening your complaint, which is not acceptable and not in line with complaint legislation. After raising this with the officer they have provided an apology to you for the error and asked the Administration Supervisor to review the details of what happened on this occasion and put measures and learning in place to ensure that this does not happen again.
- During my review, I have identified some learning for the Constabulary to consider. The officer in charge of your complaint did not acknowledge or provide a response to the concerns you raised as part of your complaint about not receiving any further updates following your initial report. Due to this oversight, I believe it would be beneficial for the officer to receive some learning on the importance of thoroughly addressing all aspects of a complainant's allegations, as failing to do so can significantly affect the outcome of the complaint. Additionally, I believe that there needs to be some training for the senior officer in the Professional Standards Department (PSD) who signed off the complaint response before sending it to you, as they should have identified that this part of your complaint had not been answered and rectified that situation before you received a response.
- I am aware that the officer was given learning about the importance of adhering to the Victims Code of Practice by continuing to progress investigations and re-assess the risk levels of the crime throughout, especially if new information is brought to light. The Sgt was given learning about the need for the reallocation of crimes if officers are off for a long period of time. However, I do believe that additional learning needs to be given back to both the officer and sergeant on this occasion as follows:  
Firstly, I believe that from a customer service perspective the officer needs to fully understand the impact of not following through with actions that they have informed victims and complainants they will undertake, and the subsequent

negative effect that this can have on public confidence in the police force. Secondly, I believe that the sergeant should also consider more support for the officer if they are struggling with workload demands, and a closer level of management of the officer may be needed to ensure that any other victims or complainants allocated to them are receiving the correct level of service and care at all times.

Additionally, I believe the Constabulary should consider giving some learning of the importance of progressing summary only offences (offences that must be laid before court within six calendar months of the commission of the offence) to the officer, and also ensure that the sergeant is reviewing the officer's summary only offences on a regular basis to ensure that the six month deadline is adhered to wherever possible.

- Therefore, as PSD have not given you an outcome to each allegation, I have identified some learning for the Constabulary to consider as part of this review. I believe it would be beneficial for PSD and the Investigation Officer involved in your complaint to have some learning on the importance of adhering to the IOPC guidelines, particularly the requirement to provide complainants with a clear and definitive outcome. Clearly defining outcomes not only fulfils legal/legislation and guidance obligations but also promotes transparency and strengthens public trust in the complaints process.
- I believe that the Insp should look to enhance their understanding of providing timely updates, particularly given the necessity of delivering 28 updates. Therefore, the Constabulary should look to consider giving some learning to the Insp relating to this.
- I believe that the Constabulary should consider some learning for the officer who signed off the final complaint outcome report, regarding ensuring in future that the outcome of the complaint points aligns correctly with what has been discovered when the complaint has been investigated. A complaint cannot be service unacceptable without any learning being identified.
- I have identified some learning in Point 1 of your complaint review for the Constabulary to consider. I believe it would be beneficial for the officer to receive some additional training regarding the different outcomes for complaints. This training would help clarify how the outcomes of complaints should be recorded, particularly in distinguishing between service acceptable and unacceptable outcomes, especially if an error by the Constabulary is identified. Such learning could enhance the officers understanding and ensure that similar errors are avoided in the future.
- I have identified some learning to be passed back to the Professional Standards Department, as I believe that including the reason as to why there was a second statement from the officer would have answered the complainants concerns in full and helped to reassure them that there was an actual reason for the alterations in the statement. The Constabulary may want to consider if a policy needs to be

## Complaint Review Report 2024 - 2025

created with regards to officers giving/changing statements if one does not exist already. Thus, ensuring that there is a clear process and policy in place for officers and the Constabulary to adhere to in the future.

Additionally, the Complaint Handling Report (detailed on page two of this review) states the following 'The officer has simply provided an updated statement clarifying his account which is not usual'. I believe that it should read 'not unusual' as otherwise it would contradict the Constabulary's rationale as to why the statement was updated by the officer. If this is the case, then the Constabulary needs to give some learning back to the Investigation Officer and the member of police staff who signed off the complaint in PSD, to ensure that attention to detail is applied in future and that complaint responses are accurate in their context.

- The Constabulary should ensure that they are answering complaints in full, and adding clarity and context to concerns that are raised, especially when complainants are questioning the law or legislation. The Constabulary should provide enough context that the complainant can easily understand why certain actions have been taken, or not taken, in conjunction with any relevant laws/legislations or codes.
- I have identified that the sergeant responsible for overseeing the officer did not receive any learning. As part of their role, it is crucial for Sergeants to regularly check in on their officers and ensure that issues like this do not occur. Therefore, I will be asking the PSD to consider giving some learning back to the Sergeant to address this oversight, which will hopefully prevent similar situations in the future. This learning should help to ensure that all officers working underneath this Sergeant are properly supervised and supported, ultimately improving the service provided to the community.

In addition, I will ask the Constabulary to consider whether the officer and the sergeant should undergo some additional learning on summary only offences and the critical importance of adhering to time limits, as these offences must be prosecuted within six months. Understanding these time constraints is essential to prevent cases from being dismissed due to procedural errors. This learning should enhance knowledge in this area of policing.

- I have identified some learning in your complaint review for the Constabulary to consider. I believe that the officer should receive some learning regarding providing a thorough explanation of the complaints process and reasons for the PSD's involvement instead of the IOPC's to complainants. This approach will improve customer service and reduce confusion in the future.
- I have identified some learning in your complaint review for the Constabulary to consider. I believe that the officer would greatly benefit from some additional learning to emphasise the importance of accuracy in future reports. This will help prevent mistakes in the future. Additionally, I believe that the Constabulary should send you a corrected copy of the complaint report with the error rectified.

## Complaint Review Report 2024 - 2025

- As the outcome letter you received does not provide a clear and specific determination for each individual allegation, I have identified a learning point for the Constabulary to consider regarding the Investigation Officer and the Professional Standards Department. This relates to the importance of delivering clear, allegation-specific outcomes in line with IOPC guidelines, as well as ensuring that any learning identified, particularly where service has been deemed unacceptable, is clearly communicated to the complainant.
- The Constabulary should consider giving some learning back to the PSD on drafting Record of Complaints that accurately capture and reflect a complainants key concerns and issues from their original complaint correspondence.
- The Constabulary should consider providing some individual or force-wide learning if it is discovered subsequently that the categorisation of the harassment element in the complaint was indeed an error made by the Constabulary.
- The Constabulary should consider providing the Sgt with further training to emphasise the importance of delivering complaint outcome responses that are both comprehensive and detailed to complainants.
- The IO should be given some learning regarding the importance of ensuring that the complaint report clearly details the determination made for each allegation clearly, and that the service should not be acceptable if it can be seen that the Constabulary and its officers/staff have made error, especially when training has been identified etc.
- I have identified some learning for the Constabulary to consider under Point 1 of this complaint review. PSD never made contact with you after they received your submission from the IOPC which goes against the IOPC guidelines that PSD should be adhering to. For this reason, I would like to suggest that PSD receive some learning on the importance of adhering to the IOPC guidelines to contact the complainants to ensure that their complaint has been fully understood before starting to investigate their allegations.

Furthermore, I believe it would be appropriate for PSD to provide the Sgt with learning on the importance of accurately communicating complaint outcomes to complainants in the complaint handling report, in line with the IOPC's Statutory Guidance. Specifically, paragraph 17.4 outlines that outcomes must be framed using one of three clear determinations: that the service provided was acceptable, not acceptable, or that it could not be determined. It is therefore essential that the Sgt is fully aware of these requirements and applies them consistently going forward, to ensure transparency, procedural fairness, and alignment with national standards.

## Complaint Review Report 2024 - 2025

- I have identified some learning for the Constabulary to consider under Point 2 of this complaint review. As the Sgt included incorrect information in your complaint outcome letter, I believe it is important that she receives feedback and learning on the importance of thoroughly checking information before drafting such reports. Additionally, I recommend that the Inspector who reviewed and signed off the letter also receives learning on the importance of carefully verifying the accuracy of information before approving complaint responses. This would help reinforce the standards expected in the review process and reduce the risk of similar errors occurring in the future.
- During my review, I have identified some learning in Point 1 for the Constabulary to consider. I believe that Sgt Gilburn should receive some learning to better understand that a member of the public may not be aware of operational policing procedures as officers are. For this reason, I believe it is crucial for officers to explain these details more thoroughly when corresponding with the public. I have also identified some further learning within Point 1 for the Constabulary to consider. I believe that all officers and staff involved in your complaint should receive some learning to highlight the importance of recognising, considering and implementing (where reasonable and necessary) reasonable adjustments for individuals with specific needs, such as those with a care card.
- During my review, I have identified some learning in Point 2 for the Constabulary to consider. I believe it would be incredibly beneficial for all call handlers to receive some refresher training on call cards on a frequent basis. This training would ensure that all call handlers, including the newer team members, are well-versed in the Care Card process and up to date with the latest processes and procedures.
- During my review, I have identified some learning in Point 3 for the Constabulary to consider. As PSD have not given you an outcome to each allegation, I believe it would be beneficial for PSD and the Investigation Officer involved in your complaint to have some learning on the importance of adhering to the IOPC guidelines, particularly the requirement to provide complainants with a clear and definitive outcome. Clearly defining outcomes not only fulfils legal obligations but also promotes transparency and strengthens public trust in the complaints process.
- The Constabulary should consider providing the Sgt with additional learning to reinforce the importance of conducting thorough investigations into all complainants allegations, ensuring that all matters raised by complainants are adequately addressed. Furthermore, the learning should emphasise the need to deliver complaint outcome responses that clearly and comprehensively detail the information and evidence gathered, as well as the manner in which it has been evaluated.

## Complaint Review Report 2024 - 2025

- During my review of your complaint, I noted that the outcome letter you received does not provide a clear and specific determination for each of the individual allegations raised. This falls short of the expectations outlined in paragraph 17.4 of the IOPC Statutory Guidance. Therefore, I have identified some learning for the PSD to consider on the importance of delivering clear outcomes to complainants that align with IOPC guidelines.
- The Constabulary should consider providing Inspector Winterbottom with further training to emphasise the importance of delivering written complaint outcome responses that are both comprehensive and detailed to complainants.
- The Constabulary should consider implementing a standard policy requiring that all complainants receive a formal complaint handling report. This report should provide a clear and comprehensive account of how each complaint was addressed, including a detailed explanation of the actions taken, the findings, the outcome reached, the rationale behind the decision, and any identified learning. Establishing such a policy would help ensure consistency, transparency, and fairness across all cases, and reduce the risk of misunderstandings.
- The Constabulary should consider providing the Inspector with further training to emphasise the importance of delivering written complaint outcome responses that are both comprehensive and detailed to complainants.
- The Constabulary should consider implementing a standard policy requiring that all complainants receive a formal complaint handling report. This report should provide a clear and comprehensive account of how each complaint was addressed, including a detailed explanation of the actions taken, the findings, the outcome reached, the rationale behind the decision, and any identified learning. Establishing such a policy would help ensure consistency, transparency, and fairness across all cases, and reduce the risk of misunderstandings.
- Derbyshire Constabulary should give some learning back to the complaint Investigation Officer regarding ensuring that complaint outcomes are in line with IOPC guidance and that a clear level of service determination is given for each allegation.
- A clearer explanation should have been provided of the factors leading to the decision of police to take no further action. This may have led to the complainant not feeling they were being blamed.
- I acknowledge that an error occurred during the investigating officer's review of the video footage submitted by the complainant. While identifying learning opportunities, errors caused by genuine human error can be challenging, therefore I believe the Constabulary should consider providing some individual learning to the officer involved. This learning should focus on reinforcing the

importance of attention to detail when reviewing evidence, thereby supporting improved accuracy and reliability in future decision-making.

- Although the officer included the bail extension incorrectly in her report, I have decided to propose learning for the officer who originally recorded the intention to apply for the bail extension but did not complete the necessary paperwork. This learning is based on the fact that the error occurred due to a failure to follow through with a documented action. It is essential that officers understand the importance of completing procedural tasks once they have been noted, particularly in cases involving bail, where legal timelines and responsibilities are critical. This learning should reinforce the need for accuracy and accountability in case handling.
- The Constabulary should consider giving some learning back to the officer regarding ensuring the outcome of complaints is in line with IOPC guidance. The Constabulary should consider giving some learning to the officer to ensure that in future complaint responses the rationale for why a decision is taken is explained, unless against law or legislation to do so.

### **Feedback - 19**

- PSD should give the complainant the opportunity to make a further complaint about the issues which have not been covered as part of this complaint and provide him with an outcome on these additional points in a timely manner.
- The Constabulary should consider enforcing more comprehensive procedures for recording correspondence between complainants and investigating officers within its complaint handling system. This would help reduce discrepancies in future cases, particularly when complaints are referred to a Local Policing Unit for investigation.
- Upon review of the complaint, some feedback has been identified for the Constabulary to consider, in respect of their current policy on public complaints. Currently, there is nothing detailed in the complaints policy regarding officers not giving a comment regarding a complaint against them. Therefore, the PSD cannot take any further action if an officer declines to make a comment regarding a complaint, they are the subject of. However, I feel if a member of the public is making a complaint, then the officers should have to provide their version of events for the complaint investigation to be sufficiently thorough, and for PSD be able to finalise the complaint.

## Complaint Review Report 2024 - 2025

- During the complaint review, I have identified some feedback for the Constabulary to consider. During my review, I noticed that the learning identified by the officer as part of his investigation, had not been added to the learning tab on the complaint system. Therefore, I would like to suggest as feedback that the Constabulary add all of the relevant learning to the complaint system to ensure it is a true reflection of the actions taken.
- I believe that when a referral has come in from the IOPC, then the complainant should be notified that the Constabulary have received the referral and what action is being taken. Therefore, the Constabulary should consider giving some feedback back to the officer regarding making complainants aware when IOPC referrals are being reviewed as part of their complaint, so that from a customer service perspective the complainant is aware of what is happening with their complaint and which organisation is handling the matter.
- The Constabulary should consider if any of the data on the desktop can be retrieved and if it can, then this data should be checked thoroughly to determine if any of it needs retrospectively adding on to any open or closed case files.
- The Constabulary should ensure that sufficient time and care is dedicated to the drafting of complaint handling reports, maintaining grammatical accuracy and excellent written English to uphold the highest standards of customer service, quality and professionalism.
- The Constabulary should consider issuing a formal apology to the complainant for their decision not to serve a CPNW against the neighbour, despite apparently the grounds for doing so being met.
- The Constabulary should consider ensuring that it clearly explains and differentiates between the guidelines for home visits to registered sex offenders before and after the 2017 policy change, to avoid any potential confusion. In this case, the review response did not sufficiently distinguish between the two periods, which may have led to the incorrect impression that the complainant should have been receiving a minimum of two visits per year. Providing greater clarity on this distinction would be beneficial in future responses addressing similar issues.
- The Constabulary should consider whether the home visits conducted by officers to the complainant between two years met the required minimum standards, however it is acknowledged that the Constabulary is now working to new standards and guidelines as per the details above.

## Complaint Review Report 2024 - 2025

- While I understand that the outcome of the complaint handling report may not be what you were hoping for, I believe that the officer has carried out a thorough and well-considered investigation. The findings are clearly explained and carefully set out in the report for your review. In my view, this represents a high-quality response that ensures you are fully informed, outlining how your complaint was managed, the actions taken, the conclusions reached, and the final outcome.
- The Constabulary should consider issuing a formal apology to the complainant in light of the misunderstanding and miscommunication that resulted in officers unnecessarily attending his address to carry out an arrest. This situation arose due to a failure to update the occurrence report, and it is reasonable to conclude that this error would have caused the complainant and his family considerable distress. An acknowledgment of this oversight should be considered.
- While I acknowledge that typographical errors can occur, it would be appropriate for the Constabulary to consider providing feedback to reinforce the importance of attention to detail, particularly in sensitive matters involving gender identity. Given the nature of the subject and the potential impact of misgendering, even unintentional errors can cause significant harm and distress. As such, heightened care and precision are essential. The Constabulary should consider whether issuing an apology to the complainant for any distress caused by this error is reasonable and proportionate.
- I have identified some feedback advising PSD that the complainant's additional complaint(s) should be formally recorded in accordance with Schedule 3, Police Reform Act 2002, and dealt with as appropriate.
- The officer attended the complainant's address on a date the complainant had previously indicated he would not be available. Going there knowing this information, may not have been a good use of the officers time. While there are circumstances— such as arrests—where timely attendance is critical and unavoidable, this particular case warrants reflection. The officer should consider whether the visit could have been rescheduled to a more suitable time, taking into account the complainant's stated availability and the nature of the matter.
- Complaint handler should ensure they review all relevant material provided by a complainant and should confirm they have done this within their complaint report.
- Within the complaint handler report reference was made to the crime finalisation code (in this case 'no suspect'). It would have been better to explain what this meant in more detail.

## Complaint Review Report 2024 - 2025

- I have identified some potential feedback for the Constabulary to consider under Point 1 of the complaint review. I believe that although an apology has been issued from the officer regarding their admin error, the Constabulary has determined that Point 1 of your original complaint was Service Unacceptable, as such if service is unacceptable then there should be some learning recorded for that part of your complaint, therefore the Constabulary might want to consider whether this is recorded down as formal learning for the officer as currently no learning has been formally identified from your complaint.
- During my review, I have identified feedback in relation to Point 6. The review letter issued by the detective inspector was not fully dated, which does not align with IOPC guidance stating that outcome letters must be dated and sent on the same day. This is important to ensure clarity around the 28-day review period available to complainants. While this error did not affect the overall outcome of the complaint, I will be providing feedback to detective inspector to highlight the importance of including full and accurate dates in future correspondence to avoid any potential confusion and to maintain procedural integrity.

### **Accepted Recommendations, Learning and Feedback**

Once the Commissioner has determined any recommendations, learning or feedback PSD must state whether they agree with the determinations made and if so, what action they are going to take, and if they are not taking any action, then why that is the case.

### **Positive outcomes from Complaint Reviews**

The below are some of the positive outcomes from complaint reviews which have been identified in the last year –

- Learning provided to the relevant officer and has been cascaded through the department.
- Learning has been identified for the DSI, and this has been forwarded for actioning.
- Feedback will be given to Complaint Handler regarding points raised to ensure all future complaint handling reports answer/address fully all complaints.

## Complaint Review Report 2024 - 2025

- The PCSO mentioned in complainants' email has been identified and an account has provided. The complainant has been updated as to this fact and the subsequent findings.
- When this complaint was being dealt with, PSD had recently had several new members of staff join the complaints and admin dept, all of whom were in the process of learning their own role and understanding the process. I am now satisfied that all those members of staff are now well established in their roles.
- Processes are now in place to ensure that this does not happen again, and regular reviews are completed to ensure that all complaints are being progressed and dealt with in a timely manner.
- This complaint only had one allegation recorded. Within part of that allegation, it related to officer updates. This should have been recorded as a separate allegation to ensure this was answered. Within the complaint handling report it is explained to the complainant what happened during a meeting, what actions an officer took and why. While I accept that we have not fully answered this part of the complaint. Re-opening the complainant to provide a further explanation will not change the outcome of the complaint.
- I have previously discussed with the complaint handler team the requirement to answer all complaints recorded. Since the complainant submitted their Right to Review, the newer members of the team, including myself have all attended the SANCUS course.
- I have reviewed this complaint and the review completed by the OPCC and accept that we have not answered and fully addressed this complaint. In hindsight there are other depts that we could have reached out to for assistance to answer this complaint and provide an explanation to the complainant. This complaint will be re-opened, and a further report sent to the complaint taking into consideration the points raised by the OPCC.
- The officer has now attended his SANCUS course. I am satisfied that having now received this training, the officer understands how complaints should be recorded and the appropriate outcomes that can be used to answer a complaint.
- In respect to letters sent by divisional staff when handling complaints the process has been amended as of 16/1/25 and the divisional allocated officer will now send their findings to PSD, and the AA will write to the complainant with findings and finalisation

## Complaint Review Report 2024 - 2025

- The complainant referred to the Highway Code within his original complaint, and we recorded this as part of his complaint allegation. Within in our complaint report and outcome to the complaint we did not refer to this specific point of law raised by the complainant in answering the complaint. I can see as part of the review that the PCC has covered this point and sought further clarification from CREST. I now ensure that during our triage process, that if as part of the complaint the complainant refers to legislation, this is also covered and answered within the complaint report to ensure we have fully answered the complaint. I have addressed this my complaint handling team and their supervisor. At the time this complaint was dealt with, the complaint handler had not been on his SANCUS course. The officer has since attended the SANCUS course.
- The complaint has been reallocated to the officer and retained within PSD. They will contact the complainant to ensure that the allegations are recorded correctly and those not answered will be investigated. The fact that the complaint was allocated to division and a ROC sent to the complainant goes some way to explaining why PSD did not contact the complainant themselves. Clear instructions were contained within the PCR/1 instructing the complaint handler as to the process which included contacting the complainant. The new ROC's sent put the onus on the complainant to notify PSD if the recorded allegations are incorrect.
- At the time the complaint has finalised the endorsing Supervisor had been in post for a matter of weeks with no handover. Sancus course has now been attended. Learning will be given to the Sgt and is being rolled out Force wide by PSD with all Sgts.
- Letter has been sent to complainant acknowledging the review and identifying the complaint handler. Thank you, I fully accept the findings.
- We did respond to the further contact from the complainant as you have detailed in your review. There were no further or new complaints and what the information/complaint made was the same as previous complaints. We informed the complaint of this at the time, and this is all recorded on centurion for this complaint.
- We have recently employed a new Admin Supervisor and ISM. They are currently reviewing all our templates that we use for complaint correspondence to ensure they are all up to date and in line with current legislation/guidelines and policy regarding public complaints.
- We are aware of the issues we face when officers/staff do not respond to complaints. We are going to discuss this at our next regional meeting to ask how other forces manage/deal with this in relation to public complaints. Moving forward, we feel it is proportionate to seek/request an officers account to allow us to answer the complaint(s) and no response is received. We will escalate to the officer(s) Insp to explain why we need an account. A progress

## Complaint Review Report 2024 - 2025

entry will be recorded on Centurion to show we have made proportionate enquiries to try and obtain an account. We will also work with Federation on this, and this issue will continue to be monitored.

- Feedback has been given to the officer as highlighted by PCC  
Feedback noted and discussed with Complaint Handler supervisor and CH team.
- Feedback noted. Will discuss with team as whole for consideration.  
I have discussed this point with the complaint handler who accepts that they made a mistake and I apologies for the error in their report. The OPCC has also recommended learning for the same officer regarding this point. This learning has been addressed with all my complaint handling team to ensure the importance of attention to detail when reviewing video evidence provided by a complainant.
- Discussed with Admin the feedback from PCC regarding dates on letters.  
Feedback accepted.
- I fully accept that the letter did not state whether the service received was acceptable or not.
- Derbyshire PSD has sought advice from the Force Crime Registrar (FCR) to provide a clear explanation of why the offences you reported are not made out based on the available information.
- Derbyshire PSD has reviewed the original handling of the complaint and the PCC's recommendations and assessed the service determination as Service Acceptable. This will be communicated to the complainant by email.

### **Negative outcomes from Complaint Reviews**

The below are some of the negative outcomes from complaint reviews which have been identified in the last year –

- I accept that there has been an error on our part for now supplying the complainant with a ROC, which is a requirement under IOPC Statutory Guidance. But I feel to now go back to the complainant 6-7 months after we sent them our outcome and findings, would not be beneficial to the complainant.
- The complainant clearly stated in their original complaint that statements had been re-worded. The officer established no statements had been taken. I do not believe it is reasonable and proportionate to the search through a crime report/investigation to see what other documents or correspondence there might be within it and whether it relates to the complaint. This goes beyond

## Complaint Review Report 2024 - 2025

the scope of an OTBI complaint. We must also consider if it is for a policing purpose to start reviewing all documents linked to that complaint on that investigation and we are only able to review readily available material for an OTBI complaint, looking any further would be an investigation. I do not believe it is proportionate to provide a further response to the complaint.

- I am aware that the complainant had requested all correspondence via e-mail. I encourage all my team to be pro-active in their enquiries and where they feel it necessary, have face to face meetings with the complainants to ensure we understand their complaint fully. In this case the officer was out on other enquiries in the area and deemed it suitable to go and see the complainant to engage with them.
- This learning is completely unrealistic given the demands that frontline officers face on a day-to-day basis. Officers are often called straight out to incidents and are not always able to review admin until the end of their shift due to emergency incidents.
- This has been raised previously by the OPCC. As an organisation we strive to support our staff who have identified needs and require adjustments. We are all busy and make mistakes. I have read the officers report again after receiving this outcome, and while I have noted one or two errors, the report covers and answers the complaint and provides the complainant with an outcome. This learning would suggest the report is full of errors.
- This has been raised in a previous complaint above. The IOPC website clearly explains what happens when a complaint is submitted via their online portal. This was not part of the original complaint and falls outside the review process.
- There were several allegations recorded on this complaint. The complaint related to matters dealt with several years ago by Derbyshire Police. On my review of the complaint and the findings of the complaint handler we deemed it appropriate to find one of the allegations as 'Service Not Acceptable'. I felt this was the most appropriate outcome from the enquiries. As the complaint related to matters dealt with several years ago, I did not deem it appropriate to issue learning, as the officers involved had either retired or moved on. The most appropriate outcome should have been 'Unable to Determine'. I do not believe it is proportionate to send further correspondence the complainant.
- It is unrealistic to consider trying to retrieve data from so long ago. Some of the systems used at the time, may not be available now for us to review.
- At no point while dealing with this complaint did the complainant question why the IOPC were not dealing with his complaint. This was not part of the

## Complaint Review Report 2024 - 2025

original complaint so is therefore no part of the review of the complaint. The IOPC website makes it quite clear how a complaint is handled when making a complaint via the IOPC online portal.

- When completing this review, the PCC's office has spoken to the officer about the mistake/error that he made in his report. The officer was extremely apologetic, and this is documented in the OPCC Outcome Letter that has been sent to the complainant. As this point has already been raised with the officer by the OPCC already and made him aware, he does not need any further learning. The officer is an experienced and competent officer. Sending a corrected copy of the complaint report will not change the outcome to this review as the complaint has not been upheld.
- I have reviewed NICHE and cannot see anything recorded or reported around this date. To try and identify the purported 101 call by the complainant's ex-wife would involve interrogating our Control Works system, which I do not believe is reasonable and proportionate as this is not a complaint that required an investigation. As there is no recorded occurrence relating to the date's provided by the complainant, it is feasible that the officer will have nothing recorded. To now ask an officer to recall this interaction some 8 months later is unrealistic.
- All Sgts attend 'One Derbyshire Input' every year, which is a 2-day event involving inputs from various depts. These started in May and run through to November to ensure all Sgts attend. I now give an input at each of these events in relation to complaint handling. The Sgt involved in this complaint will be attending one of these events, so will have an input from PSD on Complaint Handling.
- It has taken over 10 months for this complaint to be reviewed. There was only one allegation recorded. To go back to the officer some months after the complaint is made to provide feedback is not proportionate or beneficial to the officer. In the complaint handling report the complaint handler provided an explanation and offered an apology. In my view this is sufficient for the nature of the complaint/allegation.
- I have further reviewed the complaint handling report, and I am satisfied that a sufficient response was provided to the complainant. A Complaint handler can only provide information/response on the material available to them. It is not their role to complete a further investigation. It has taken over 7 months to complete this review. No feedback will be provided to the officer.
- All complainants get a Record of complaint, which details the complaints/allegations that we have recorded. This is sent out to the complainant as soon as the complaint and allegations have been recorded. We are in the process of updating the letter template that is sent out with this record to ask the complainant to check the allegations recorded and confirm if they wish to add any further allegations to their original complaint. As the complainant will have regular contact with the complaint handler and updates.

## Complaint Review Report 2024 - 2025

I do not feel it is proportionate to then ask the complainant if they are satisfied with the allegations recorded before we provide them with the complaint outcome. This could cause delays with the progress of the complaint and how many days it is taking us to deal with a complaint from a performance aspect. The complainant will have the opportunity to check and confirm the allegations when we first send out the initial correspondence.

- At the time of dealing with this complaint, learning was identified for the officer, completed with his supervisor and recorded on ILR. It would not be proportionate to provide further learning to the officer, 12 months after the complaint was dealt with.
- This complaint was recorded and sent out for LCH during a time where there was recruitment within PSD in September 2024. Regular inputs are now given to Sgt's to provide them with guidance on handling complaints, which includes the 3x outcomes that are to be used when providing an outcome to the complainant. No learning has been given to the Sgt as felt with was organisational issue, not individual.
- The Inspector has already been spoken to regarding the feedback/learning. No learning will be given to officers regarding telephone calls they answer, as this review had taken over a year to review and would not be proportionate.
- We identified from this complaint, that the service was unacceptable, and the officer was given learning. The Sgt was not part of the original complaint so should not have formed part of this review. To go back and suggest they need learning when they have not been subject to a complaint and not had an opportunity to respond to that complaint is wholly unfair.
- I don't consider this is necessary to raise with a complainant as part of their review and believe this could be fed back directly to PSD without including as part of the complainants review process.
- At the time of dealing with this complaint. Learning was identified for the officer; this has been addressed with his supervisor and recorded on an ILR. The request for a review was submitted in December 2024. It is not proportionate to give the officer further learning 6 months after the event and learning has already been identified and addressed.
- This complaint was recorded in November 2024. The complaint handler had only been with PSD for some 6 weeks at time of being allocated this complaint and was yet to attend their SANCUS course. Service unacceptable was the right outcome, but learning should have been addressed with the officer. The complainant handler is now aware of this from their course, and I am satisfied this was an error/mistake due to inexperience in complaint handling. I do not think it is proportionate to now address learning with the officer 8 months after the review was requested.

## Complaint Review Report 2024 - 2025

- The constabulary's decision to refer the restraining order extension request to CPS remains appropriate and acceptable. As detailed in the Complaint Handling report the material submitted by the police was considered by the courts who granted the extension to the order.
- We will not be completing any further enquiries about this allegation as it would not be reasonable and proportionate to interrogate the police system used to record incidents from a call made to police.
- I have considered the feedback. I am satisfied that as the officer reflected on the error/mistake at the time. No formal recording of any learning is required.
- I do not believe it proportionate to complete a further report for the complainant. The PCC review explains the error/mistake.
- The officer has already spoken with their Sgt, and this mistake has been addressed. PCC needs to be aware that the DC works in PCOT which is an extremely busy dept with all officers carrying high workloads. DC has reflected on their mistake. No further learning will be given.
- I fear that the complainant will never be accepting of the outcome and will continue to find issues and dissatisfaction. It would have been helpful had we discussed this point during the review.
- In respect to point 3 given the time that has elapsed I do not believe sending a new finalisation letter will serve any purpose other than give the complainant unrealistic expectations.
- Given the time that has elapsed since the finalisation of the complaint I feel that to send a letter with the level of service would serve no purpose other than to raise the expectations of the complainant.
- Given the time that has elapsed and the delicate nature of the matters complained about to send a letter to the complainant now would not be proportionate and would give the complainant unrealistic expectations. The matter was referred to the coroner's court subsequently. The finalisation letter included the fact that learning had been identified, and apologies given.
- To offer an apology so long after the initial complaint and finalisation is not proportionate and would provide false expectations to the complainant.
- All matters have been subsequently addressed in a further complaint which has now been finalised and subsequently reviewed by the IOPC - not upheld.

- We will send an email to the effect that if there are any further dissatisfactions then to make a fresh complaint. Email will include service level re complaints.

## **Conclusions**

The amount of complaint reviews that were upheld/partially upheld by the Commissioner has increased significantly from the previous years (23 this year to 6 the previous year), however these numbers are still low in comparison to the amount of complaint reviews received in total.

Looking at the reasons for upholding the reviews, several recurring themes can be identified. A key issue is the need for the Constabulary to consistently cross-reference the original complaint against the response sent to the complainant, ensuring that every part of the complaint is addressed in full. This not only ensures that, for audit purposes, there is a clear record of the rationale behind decisions made by the Constabulary but also ensures that the complainant receives a thorough response to all areas of concern they have raised.

In addition, a number of upheld reviews have identified further issues, including:

- Outcome letters not providing clear and specific determinations for each allegation, contrary to IOPC statutory guidance.
- Incorrect, incomplete or inconsistent information being included within complaint handling reports or outcome letters, leading to unclear or inaccurate responses.
- A lack of timely or meaningful updates to complainants, particularly where Victims Code of Practice (VCOP) requirements apply.
- Failure to make necessary contact with complainants at the start of the process to ensure their concerns are fully understood and accurately recorded (e.g., missing or incorrect Records of Complaint (ROC)).
- Instances where apologies, learning or recommendations were clearly justified but were not identified or offered by the Constabulary during the original handling of the complaint.
- Poor record-keeping or missing case-file notes, resulting in gaps in explanation, or rationale.
- Administrative errors—such as material being sent to the wrong court, incorrect reference numbers, or misinterpretation of submitted evidence—which subsequently impacted the quality or accuracy of the complaint response.

These themes demonstrate the importance of accurate recording, clear communication, and adherence to statutory guidance to ensure complaint responses are reasonable, proportionate, and transparent.

## Complaint Review Report 2024 - 2025

The Commissioner is satisfied that the Constabulary are acting quickly on all recommendations, learning or feedback that are identified as part of the complaint review process, and that positive outcomes are being considered and handled in a reasonable and proportionate manner.

The next complaint review report is due in October 2026.