

From: Matthew Scott, Kent Police and Crime Commissioner
To: Kent and Medway Police and Crime Panel
Subject: Annual Report 2019/20
Date: 8 September 2020



INTRODUCTION:

1. Attached at Appendix A is the Police and Crime Commissioner's (PCCs) Annual Report for 2019/20.
2. As per the requirements outlined in Section 12 of the Police Reform and Social Responsibility Act 2011, the Annual Report documents progress made between 1 April 2019 and 31 March 2020 in meeting the objectives within the Police and Crime Plan.
3. In addition, the Annual Report:
 - discharges the PCC's duty under the Ministry of Justice's Grant Agreement for victim services funding¹;
 - includes Key Financial Information for 2019/20; and
 - reports on the number of deaths and serious incidents in Kent Police custody suites².

STATEMENT OF ACCOUNTS 2019/20:

4. The Statement of Accounts is a statutory document that is produced annually. It presents financial performance in a legally defined way in line with The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice. As the PCC and Chief Constable are both classified as corporations sole, they both have to produce their own set of accounts. The Chief Constable accounts show the financial resources used for operational purposes during the year. The PCC accounts incorporate the Chief Constable's accounts and are the financial statement for the Group.
5. There is no statutory requirement for the Statement of Accounts to be presented to the Police and Crime Panel. However, for Members' information, and in light of the full set of accounts running to over 200 pages, please find below the Chief Finance Officer's update on the Statement of Accounts for 2019/20.
6. The Covid-19 pandemic hit the UK in the last quarter of 2019/20 with the country going into lockdown in March 2020. Although financially the impact on the Statement of Accounts for 2019/20 was minimal the impact on the process, our staff and the auditors was significant. In the early days after lockdown there was a national discussion around simplifying the accounts process and amending the statutory deadlines. In the end only the deadlines for publishing the draft and final accounts were amended. This gave authorities including the PCC longer to complete the closedown process and publish the accounts. Kent were already well into the closedown process by this stage and there was a risk that any delay would mean that our external auditors would be unavailable until much later in the year. Therefore, we maintained our original timetable.
7. The closedown of the financial year was completed and the [draft Statement of Accounts](#) made available for public inspection on 1 June 2020. This was a day later than planned due to the complexities of completing the accounts while staff were in lockdown. However, it was well ahead of the national deadlines and kept us on track to have the accounts audited during May and June. The external auditors have examined the draft accounts and initial feedback is that the accounts are compliant and that there are 'no governance or control issues'. There are still two outstanding issues that are outside of our control, namely the audit of the Pension Fund and Property, Plant and Equipment valuations. These will have been affected by the impact of Covid-19 and depending on the level of difference between our initial estimates and the final valuations may result in amendments to the accounts.

¹ Section 3.2 'The PCC must specify the Support Services they have commissioned or provided with a Grant, including referral services, in any Annual Report they produce pursuant to Section 12 of the Police Reform and Social Responsibility Act 2011

² Recommendation 53, Independent Review of Deaths and Serious Incidents in Police Custody 'PCCs should report annually on deaths and serious incidents in police custody in their jurisdictions'.

8. Whilst the impact of Covid-19 on the accounts is minimal there is undoubtedly an impact on the financial environment within which the PCC and Kent Police operates. The auditors have requested further assurance over the Medium Term Financial Plan and potential changes in our original assumptions, especially over council tax collection rates, collection fund and tax base. A note is being prepared to be included in the accounts, but as the overall picture is changing regularly this will delay the signing off process from the usual July deadline to later in the year. Nationally, the deadline for the publication of the final accounts has been extended from 31 July to 30 November 2020. It is expected that the final audited Statement of Accounts will be published in November, ahead of the statutory deadline.
9. Both Chief Finance Officers are pleased at how well the accounts and audit progressed this year, being one of the easiest and smoothest audits yet. This is down to the fantastic work of the both the Finance Team and the External Auditors who have discovered new ways of working whilst managing their own personal circumstances during the challenging lockdown period.
10. The draft Statement of Accounts were scrutinised by the JAC at their Annual Review meeting on 29 May 2020, with further scrutiny of the process at their meeting on 10 July 2020. The full Statement of Accounts, Audit Results Report and details of the changes between the draft and final audited accounts are scheduled to be discussed at a future JAC meeting.