

From: Matthew Scott, Kent Police and Crime Commissioner
To: Kent and Medway Police and Crime Panel
Subject: Annual Report 2020/21
Date: 7 September 2021



INTRODUCTION:

1. Attached at Appendix A is the Police and Crime Commissioner's (PCCs) Annual Report for 2020/21.
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 2020 and 31 March 2021 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 2020/21; and
 - reports on the number of deaths and serious incidents in Kent Police custody suites².
4. Clearly the year was dominated by the coronavirus pandemic which created unprecedented challenges, and for many led to profound sadness, anxiety, hardship and stress. My thanks go to the NHS and all of our emergency services; my deepest condolences to those who lost loved ones.

STATEMENT OF ACCOUNTS 2020/2021:

5. 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 PCC and the Group.
6. There is no statutory requirement for the Statement of Accounts to be presented to the Police and Crime Panel. However, the financial information contained within the PCC's Annual Report is taken directly from the narrative foreword to the accounts. For Members' information, please find below the Chief Finance Officer's (CFO's) update on the current progress for the completion of the Statement of Accounts for 2020/2021.
7. The production of the Statement of Accounts for 2020/21 has been a significant challenge. The ongoing complexities arising from the pandemic; a number of significant vacancies within the Force Finance Team; and the continuing challenge of the 2021/22 budget have all complicated the closedown process. The extended deadlines for publishing the draft and final accounts were retained for this year meaning that the draft accounts had to be published by the end of July 2021. The draft accounts were made available for public inspection on 1 July ahead of the statutory deadline although slightly later than previous years. Ernst and Young (EY), the external auditors have been fully supportive throughout the process and accommodated changes to the audit timetable accordingly. As a result, they completed their initial audit in four weeks and in line with expectations.
8. Clearly there is still some significant work required but the external auditors have examined the draft accounts and initial feedback is that the accounts are compliant and that there are no significant changes required. We still have to wait for the audit of the Pension Fund operated by KCC the timing of which sits outside of our control, but it is hoped that this will be completed ahead of the final sign off at the end of

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'.

September. This is likely to 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.

9. The Force CFO resigned in January 2021 and all S151 duties were passed to the OPCC CFO on a temporary basis. An interim Force CFO was appointed in March who upon appointment was tasked with reviewing the financial position and internal processes. This review identified that the Medium Term Financial Plan (MTFP) as authorised, agreed and being used in late 2020/21 required revision to ensure the correct levels of expected costs were incorporated for future years planning. The MTFP has been updated and accurate levels of predicted costs included to enable a savings plan to be formulated. To ensure the future robustness of projections, Internal Audit (RSM), with input from the external Audit (EY) and the Joint Audit Committee (JAC) as well as both Force and OPCC management have undertaken reviews of the processes and controls.
10. The external auditors have requested further assurance over the MTFP and in line with national changes to guidance on audits focussing on their value for money opinion. At this stage there is no expectation that the deadline for publication of the final accounts will not be met.
11. Both CFO's are pleased at how well the accounts and audit have been progressing this year despite facing numerous challenges and competing demands. This is down to the fantastic work of the both the Interim Force CFO and Interim Chief Accountant, the Force Finance Team and the External Auditors who have continued to utilise new ways of working whilst managing their own personal circumstances during the challenging lockdown period.
12. The draft Statement of Accounts were discussed by the JAC at their meeting on 26 May 2021, with full scrutiny of the accounts at their meeting on 22 June 2021. The audited 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.

Recommendation:

13. The Kent and Medway Police and Crime Panel is asked to review and comment on the Annual Report.