



SWYDDFA COMISIYNYDD HEDDLU  
A THROSEDD GOGLEDD CYMRU

OFFICE OF THE POLICE & CRIME  
COMMISSIONER NORTH WALES



**HEDDLU  
GOGLEDD CYMRU  
NORTH WALES  
POLICE**

## CYDBWYLLGOR ARCHWILIO

1pm – 31 Hydref 2024  
Ar-lein ar Microsoft Teams

### AGENDA

#### Yn bresennol:

<b>CYDBWYLLGOR ARCHWILIO:</b>	
Rachel Barber – Cadeirydd John Cunliffe Allan Rainford	Julie Perkins Dr Norma Barry
<b>SWYDDOGION YR HEDDLU:</b>	
Amanda Blakeman – Y Prif Gwnstabl Seb Phillips – Y Cyfarwyddwr Cyllid ac Adnoddau Guto Edwards – Y Pennaeth Cyllid Helen Williams – Y Cyfrifydd Rheoli Ariannol Anne Matthews – Y Swyddog Cyllid a Chyllidebau	Anna Pretious – Y Rheolwr Amgylcheddol/Arbed Ynni
<b>SWYDDFA'R COMISIYNYDD HEDDLU A THROSEDD:</b>	
Andrew Dunbobbin – Y Comisiynydd Heddlu a Throsedd Wayne Jones – Y Dirprwy Gomisiynydd Heddlu a Throsedd Stephen Hughes – Y Prif Swyddog Gweithredol	Kate Jackson – Y Prif Swyddog Cyllid Angharad Jones – Cynorthwydd Personol i'r Prif Weithredwr Rebecca Jackson – Prentis Modern
<b>ARALL YN BRESENNOL</b>	
Fiona Roe – TIAA	Michelle Phoenix – Archwilio Cymru

			<b>Diben</b>	<b>Tudalen</b>	<b>Amser</b>
1	<b>Ymddiheuriadau a Datganiadau o Ddiddordeb</b>	Cadeirydd			
2	<b>ISA 260 a llofnodi cyfrifon</b>	Archwilio Cymru / Y Cyfarwyddwr Cyllid ac Adnoddau / Y Prif Swyddog Cyllid	Cymeradwyaeth	3-268	30 mun
3	<b>Diweddariad Cynaliadwyedd</b>	Rheolwr yr Amgylchedd ac Arbed Ynni	Gwybodaeth	269-287	10 mun
4	<b>Diweddariad ar y Rhaglen Gyfalaf</b>	Pennaeth Cyllid	Gwybodaeth	Llafar	15 mun
5	<b>Diweddariad Argymhellion Archwiliad Swyddfa'r Comisiynydd Gwybodaeth</b>	Y Pennaeth Sicrwydd Gwybodaeth	Sicrwydd	288-291	10 mun

	<b>Unrhyw Fater Arall (Hysbyswch y cadeirydd cyn y cyfarfod)</b>				
	<b>DYDDIADAU CYFARFODYDD YN Y DYFODOL</b> 4 Rhagfyr 2024 25 Mawrth 2025 29 Gorffennaf 2025 28 Hydref 2025 16 Rhagfyr 2025				

# Adroddiad ar yr Archwiliad o'r Cyfrifon – Comisiynydd Heddlu a Throsedd Gogledd Cymru a Phrif Gwnstabl Heddlu Gogledd Cymru

Blwyddyn archwilio: 2023-24

Dyddiad cyhoeddi: Hydref 2024

Cyfeirnod y ddogfen: 4506A2024

Paratowyd y ddogfen hon fel rhan o waith a gyflawnir yn unol â swyddogaethau statudol. Ceir rhagor o wybodaeth yn ein [Datganiad o Gyfrifoldebau](#).

Archwilio Cymru yw'r enw torfol anstatudol ar gyfer Archwilydd Cyffredinol Cymru a Swyddfa Archwilio Cymru, sy'n endidau cyfreithiol ar wahân y mae ganddynt ill dau eu swyddogaethau cyfreithiol eu hunain fel a ddisgrifir uchod. Nid yw Archwilio Cymru yn endid cyfreithiol ac nid oes ganddo ef ei hun unrhyw swyddogaethau.

Ni chymerir unrhyw gyfrifoldeb gan yr Archwilydd Cyffredinol, staff Swyddfa Archwilio Cymru na, lle y bo'n berthnasol, yr archwilydd a benodwyd mewn perthynas ag unrhyw aelod, cyfarwyddwr, swyddog neu gyflogai arall yn eu cymhwyster unigol, nac mewn perthynas ag unrhyw drydydd parti.

Os ceir cais am wybodaeth y gall y ddogfen hon fod yn berthnasol iddi, tynnir sylw at y Cod Ymarfer a gyhoeddwyd o dan adran 45 Deddf Rhyddid Gwybodaeth 2000. Mae Cod adran 45 yn nodi'r arfer o ran trin ceisiadau a ddisgwyllir gan awdurdodau cyhoeddus, gan gynnwys ymgynghori â thrydydd parti'n berthnasol. Mewn perthynas â'r ddogfen hon, mae Archwilydd Cyffredinol Cymru, Swyddfa Archwilio Cymru a, lle y bo'n berthnasol, yr archwilydd a benodwyd yn drydydd parti'n berthnasol. Dylid anfon unrhyw ymholiadau ynglŷn â datgelu neu aildefnyddio'r ddogfen hon at [Swyddfa Archwilio Cymru yn swyddog.gwybodaeth@archwilio.cymru](mailto:swyddog.gwybodaeth@archwilio.cymru).

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Saesneg. This document is also available in English.

## Ein nodau a'n huchelgeisiau

### Rhoi Sicrwydd



i bobl Cymru bod arian cyhoeddus yn cael ei reoli'n dda

### Egluro



sut mae arian cyhoeddus yn cael ei ddefnyddio a sut mae'n diwallu anghenion pobl

### Ysbrydoli



a grymuso'r sector cyhoeddus yng Nghymru i wella



Manteisio'n llawn ar ein persbectif, ein harbenigedd a'n dyfnder mewnwelediad unigryw



Cryfhau ein sefyllfa fel llais awdurdodol, dibynadwy ac annibynnol



Cynyddu ein gwelededd, ein dylanwad a'n perthnasedd



Bod yn sefydliad enghreifftiol ar gyfer y sector cyhoeddus yng Nghymru a thu hwnt

Cyflwyniad	5
Cipolwg ar eich archwiliad	6
Adroddiad manwl	
Perthnasedd y datganiadau ariannol	7
Cydymffurfio moesegol	8
Barn archwilio arfaethedig	9
Materion a gododd yn ystod yr archwiliad	10
Argymhellion	11
Atodiadau	
Atodiad 1: Adroddiad archwilio arfaethedig – Comisiynydd Heddlu a Throsedd Gogledd Cymru	12
Atodiad 2: Adroddiad archwilio arfaethedig – Prif Gwnstabl Heddlu Gogledd Cymru	18
Atodiad 3: Llythyr sylwadau – Comisiynydd Heddlu a Throsedd Gogledd Cymru	23
Atodiad 4: Llythyr sylwadau – Prif Gwnstabl Heddlu Gogledd Cymru	26
Atodiad 5: Crynodeb o gywiriadau a wnaed	29
Ansawdd archwilio	30
Eich cefnogi chi	31

Rwyf bellach wedi cwblhau fy archwiliad i raddau helaeth yn unol â'm Cynllun Archwilio Manwl 2024 dyddiedig Gorffennaf 2024.

Mae'r Adroddiad hwn ar yr Archwiliad o'r Cyfrifon yn crynhoi prif ganfyddiadau fy archwiliad o'ch cyfrifon 2023-24. Mae fy nhîm eisoes wedi trafod y materion hyn gyda Phrif Swyddog Cyllid y Comisiynydd Heddlu a Throsedd a Chyfarwyddwr Cyllid ac Adnoddau'r Prif Gwnstabl a'u timau cyllid.

Rwy'n ddiolchgar iawn i'ch swyddogion am eu cymorth wrth gynnal yr archwiliad hwn.



**Adrian Crompton**

Archwilydd  
Cyffredinol Cymru



## Barnau archwilio

Rydym yn bwriadu rhoi barn archwilio ddiamod ar y cyfrifon.

Nid oes gennym unrhyw beth i adrodd arno dan yr adrannau eraill o'm hadroddiad h.y. y rhai sy'n ymwneud â busnes gweithredol; gwybodaeth arall; materion eraill; neu faterion y cyflwynaf adroddiad arnynt drwy eithriad.



## Materion arwyddocaol

Nid oes unrhyw faterion arwyddocaol i'w nodi.



## Perthnasedd

### Perthnasedd

Comisiynydd yr Heddlu a Throsedd	£2.647 miliwn
Prif Gwnstabl	£2.647 miliwn
Cronfa Bensiwn yr Heddlu	£1.121 miliwn

### Trothwy adrodd ('dibwys')

Comisiynydd yr Heddlu a Throsedd	£132,000
Prif Gwnstabl	£132,000
Cronfa Bensiwn yr Heddlu	£ 56,000



## Grwp:

Byddwn hefyd yn cynnal archwiliad o Grŵp Comisiynwyr yr Heddlu a Throsedd.





## **Perthnasedd £2.647 miliwn (Comisiynydd yr Heddlu a Throsedd a'r Prif Gwnstabl)**

## **Perthnasedd £1.121 miliwn (Cronfa Bensiwn yr Heddlu)**

Fy nod yw adnabod a chywiro camddatganiadau perthnasol, h.y. y rhai a allai achosi fel arall i ddefnyddiwr y cyfrifon gael ei gamarwain.

Ar sail perthnasedd, rwyf wedi defnyddio'r isaf o wariant gros Grŵp y Comisiynydd Heddlu a Throsedd a gwariant gros y Prif Gwnstabl.

Cyfrifir perthnasedd gan ddefnyddio:

- gwariant gros gwirioneddol Prif Gwnstabl 2023-24 o £264.799 miliwn
- Canran perthnasedd o 1%

Mae perthnasedd ar wahân yn cael ei gymhwyso i Gronfa Bensiwn yr Heddlu, ac yn cael ei gyfrifo gan ddefnyddio:

- gwariant gros gwirioneddol Cronfa Bensiwn yr Heddlu 2023-24 o £56.066 miliwn
- Canran perthnasedd o 2% (i adlewyrchu'r corff llai)

Rwy'n cymhwyso'r ganran perthnasedd i wariant gros i gyfrifo perthnasedd.

Byddaf yn adrodd wrthyich ar unrhyw gamddatganiadau uwchlaw £132,000 (Comisiynydd a Phrif Gwnstabl) a £56,000 (Cronfa Bensiwn yr Heddlu), a gyfrifir fel 5% o berthnasedd (a elwir yn 'lefel ddibwys').



## **Meysydd o ddiddordeb penodol**

Ceir rhai meysydd yn y cyfrifon a all fod o fwy o bwysigrwydd i ddefnyddiwr y cyfrifon. Rydym yn pennu lefelau perthnasedd is ar gyfer y rhain fel a ganlyn:

- Tal Uwch Swyddogion £1,000
- Datgeliadau partion cysylltiedig £10,000 (unigolion), £110,000 (cyrff eraill)



## Cydymffurfio â safonau moesegol

Rydym yn credu:

- ein bod wedi cydymffurfio â'r safonau moesegol y mae'n ofynnol i ni eu dilyn wrth wneud ein gwaith;
- ein bod wedi aros yn annibynnol arnoch chi;
- nad yw ein gwrthrychedd wedi cael ei beryglu; ac
- nad oes gennym unrhyw berthnasoedd a allai danseilio ein hannibyniaeth neu ein gwrthrychedd.



## Barn archwilio

Rydym yn bwriadu cyhoeddi barn archwilio ddiamod ar gyfrifon eleni unwaith y byddwch wedi darparu Llythyr Sylwadau ar ein cyfer (gweler isod).

Caiff ein hadroddiad archwilio arfaethedig ar gyfer y Comisiynydd a'r Prif Gwnstabl ei nodi yn **Atodiad 1 a 2**.



## Llythyr sylwadau

Llythyr ffurfiol yw Llythyr Sylwadau sy'n eich galluogi i gadarnhau wrthym bod yr wybodaeth a ddarparwyd ar ein cyfer yn ystod yr archwiliad yn gywir ac yn gyflawn. Mae peth o'r wybodaeth hon wedi'i nodi'n wybodaeth sy'n angenrheidiol yn ôl safonau archwilio; gall gwybodaeth arall ymwneud yn benodol â'ch archwiliad.

Mae'r llythyr yr ydym yn gofyn i chi ei lofnodi wedi'i gynnwys yn **Atodiad 3 a 4**.



## Camddatganiadau

Mae camddatganiad yn digwydd lle nad yw gwybodaeth yn y cyfrifon yn unol â safonau archwilio.

### Camddatganiadau nas cywirwyd

Nid oedd unrhyw gamddatganiadau heb eu cywiro y mae angen i ni adrodd amdanynt i chi.

### Camddatganiadau a gywirwyd

Yn ystod ein harchwiliad, canfuom gamddatganiadau sydd wedi cael eu cywiro gan y rheolwyr, ond y dylid eu dwyn i'ch sylw chi yn ein tyb ni.

Caiff y rhain eu nodi yn **Atodiad 5**.



## Materion arwyddocaol eraill

Yn ychwanegol at y camddatganiadau a ganfuwyd yn ystod yr archwiliad rydym hefyd yn adrodd wrthyich ar faterion arwyddocaol eraill.

Ni chanfuwyd unrhyw faterion o'r fath yn ystod yr archwiliad.

Rydym yn bwriadu cynnal ymarfer dysgu ôl-prosiect gyda staff allweddol i nodi cynllun gweithredu i wella ymhellach y broses o gynhyrchu ac archwilio cyfrifon ar gyfer y blynyddoedd i ddod.

# Adroddiad archwilio arfaethedig yr Archwilydd Cyffredinol i Gomisiynydd Heddlu a Throsedd Gogledd Cymru

## Adroddiad Archwilydd Cyffredinol Cymru i Gomisiynydd Heddlu a Throsedd Gogledd Cymru

### Barn ar y datganiadau ariannol

Rwyf wedi archwilio datganiadau ariannol:

- Comisiynydd Heddlu a Throsedd Gogledd Cymru;
- Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru sy'n cynnwys Comisiynydd Heddlu a Throsedd Gogledd Cymru a Phrif Gwnstabl Heddlu Gogledd Cymru; a
- Cronfa Bensiwn Heddlu Gogledd Cymru

ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2024 dan Ddeddf Archwilio Cyhoeddus (Cymru) 2004.

Mae datganiadau ariannol Comisiynydd Heddlu a Throsedd Gogledd Cymru yn cynnwys y Dadansoddiad o Wariant a Chyllid, y Datganiad Incwm a Gwariant Cynhwysfawr, y Fantolen, y Datganiad Symudiadau mewn Cronfeydd wrth Gefn, Datganiad Llifoedd Arian Parod, a'r nodiadau cysylltiedig, gan gynnwys y polisiau cyfrifyddu perthnasedd arwyddocaol.

Mae datganiadau ariannol Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru yn cynnwys Dadansoddiad o Wariant a Chyllid y Grŵp, Datganiad Incwm a Gwariant Cynhwysfawr y Grŵp, Mantolen y Grŵp, Datganiad Symudiadau mewn Cronfeydd wrth Gefn y Grŵp, Datganiad Llifoedd Arian Parod y Grŵp a'r nodiadau cysylltiedig, gan gynnwys y polisiau cyfrifyddu arwyddocaol.

Mae datganiadau ariannol Cronfa Bensiwn Heddlu Gogledd Cymru yn cynnwys Cyfrif a Datganiad Asedau Net y Gronfa.

Y fframwaith adrodd ariannol a gymhwyswyd wrth eu paratoi yw'r gyfraith berthnasol a'r safonau cyfrifyddu rhyngwladol a fabwysiadwyd yn y DU fel y'u dehonglwyd ac y'u haddaswyd gan y Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2023-24.

Yn fy marn i, ym mhob ffordd berthnasol, mae'r datganiadau ariannol:

- yn rhoi darlun gwir a theg o sefyllfa ariannol Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru ar 31 Mawrth 2024 ac o'i incwm a'i wariant ar gyfer y flwyddyn a ddaeth i ben ar y dyddiad hwnnw; ac
- wedi'u paratoi'n briodol yn unol â gofynion deddfwriaethol a'r safonau cyfrifyddu rhyngwladol a fabwysiadwyd yn y DU fel y'u dehonglwyd ac y'u haddaswyd gan y Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2023-24.

## **Sail y farn**

Cynhaliais fy archwiliad yn unol â'r gyfraith berthnasol a'r Safonau Rhyngwladol ar Archwilio yn y DU (ISAs (Y DU)) a Nodyn Ymarfer 10 'Archwilio Datganiadau Ariannol Endidau'r Sector Cyhoeddus yn y Deyrnas Unedig'. Caiff fy nghyfrifoldebau dan y safonau hynny eu disgrifio ymhellach yn yr adran o'm hadroddiad sy'n nodi cyfrifoldebau'r archwilydd am archwilio'r datganiadau ariannol.

Mae fy staff a minnau'n annibynnol ar Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru yn unol â'r gofynion moesegol sy'n berthnasol i'm harchwiliad o'r datganiadau ariannol yn y DU, gan gynnwys Safon Foesegol y Cyngor Adrodd Ariannol, ac rwyf wedi cyflawni fy nghyfrifoldebau moesegol eraill yn unol â'r gofynion hyn. Credaf fod y dystiolaeth archwilio yr wyf wedi'i chael yn ddigonol ac yn briodol i ddarparu sail i'm barn.

## **Casgliadau sy'n ymwneud â busnes gweithredol**

Wrth archwilio'r datganiadau ariannol, rwyf wedi dod i'r casgliad bod defnyddio'r sail gyfrifyddu busnes gweithredol i baratoi'r datganiadau ariannol yn briodol.

Yn seiliedig ar y gwaith yr wyf wedi'i gyflawni, nid wyf wedi adnabod unrhyw ansicrwydd perthnasol mewn perthynas â digwyddiadau neu amodau a all, yn unigol neu ar y cyd, fwrw amheuaeth sylweddol ar allu Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru i barhau i fabwysiadu'r sail gyfrifyddu busnes gweithredol am gyfnod o ddeuddeng mis o leiaf o'r dyddiad pan awdurdodir cyhoeddi'r datganiadau ariannol.

Caiff fy nghyfrifoldebau i a chyfrifoldebau'r swyddog cyllid cyfrifol mewn perthynas â busnes gweithredol eu disgrifio yn yr adrannau perthnasol o'r adroddiad hwn.

## **Gwybodaeth arall**

Mae'r wybodaeth arall yn cynnwys yr wybodaeth yn yr adroddiad blynyddol, heblaw am y datganiadau ariannol a'm hadroddiad i fel archwilydd ar y rhain. Y Swyddog Cyllid Cyfrifol sy'n gyfrifol am yr wybodaeth arall yn yr adroddiad blynyddol. Nid yw fy marn am y datganiadau ariannol yn cwmpasu'r wybodaeth arall a, heblaw i'r graddau a nodir yn benodol fel arall yn fy adroddiad, nid wyf yn mynegi unrhyw fath o gasgliad sicrwydd ar yr wybodaeth arall honno.

Fy nghyfrifoldeb i yw darllen yr wybodaeth arall ac, wrth wneud hynny, ystyried a yw'r wybodaeth arall yn berthnasol anghyson â'r datganiadau ariannol neu wybodaeth a gafwyd wrth gyflawni'r archwiliad, neu'n ymddangos fel arall fel pe bai wedi cael ei chamddatgan yn berthnasol. Os wyf yn canfod anghysonderau perthnasol o'r fath neu wybodaeth berthnasol o'r fath sy'n ymddangos fel pe bai wedi cael ei chamddatgan, mae'n ofynnol i mi benderfynu a yw hyn yn achosi camddatganiad perthnasol yn y datganiadau ariannol eu hunain. Yn seiliedig ar y gwaith yr wyf wedi'i wneud, os wyf yn dod i'r casgliad bod yr wybodaeth arall hon wedi'i chamddatgan yn berthnasol, mae'n ofynnol i mi nodi'r ffaith honno.

Nid oes unrhyw beth gennyf i'w nodi yn hyn o beth.

## **Barn ar faterion eraill**

Yn fy marn i, yn seiliedig ar y gwaith a wnaed yn ystod fy archwiliad:

- mae'r wybodaeth a geir yn yr Adroddiad Naratif ar gyfer y flwyddyn ariannol y paratowyd y datganiadau ariannol ar ei chyfer yn gyson â'r datganiadau ariannol ac yn unol â'r Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2023-24;
- mae'r wybodaeth a roddir yn y Datganiad Llywodraethu ar gyfer y flwyddyn ariannol y paratowyd y datganiadau ariannol ar ei chyfer yn gyson â'r datganiadau ariannol ac yn unol â'r canllawiau.

## **Materion y cyflwynaf adroddiad arnynt drwy eithriad**

Yng ngoleuni'r wybodaeth a'r ddealltwriaeth am Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru a'i amgylchedd a gafwyd yn ystod yr archwiliad, nid wyf wedi nodi unrhyw gamddatganiadau perthnasol yn yr Adroddiad Naratif na'r Datganiad Llywodraethu.

Nid oes gennyf unrhyw beth i'w nodi o ran y materion canlynol, y cyflwynaf adroddiad i chi arnynt os bydd yr amgylchiadau canlynol yn berthnasol, yn fy marn i:

- nid wyf wedi cael yr holl wybodaeth ac esboniadau y mae eu hangen arnaf ar gyfer fy archwiliad;
- ni chadwyd cofnodion cyfrifyddu digonol, neu ni chafwyd ffurflenni sy'n ddigonol ar gyfer fy archwiliad o ganghennau nad ymwelodd fy nhîm â hwy;
- nid yw'r datganiadau ariannol yn gyson â'r cofnodion a'r ffurflenni cyfrifyddu.

## **Cyfrifoldebau'r swyddog cyllid cyfrifol am y datganiadau ariannol**

Fel a esbonnir yn fanylach yn y Datganiad o Gyfrifoldebau am y Datganiad Cyfrifon, y swyddog cyllid cyfrifol sy'n gyfrifol am:

- baratoi'r datganiad cyfrifon, gan gynnwys datganiadau ariannol Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru, sy'n rhoi darlun gwir a theg ac sy'n cydymffurfio ag arferion priodol;
- cadw cofnodion cyfrifyddu priodol;
- pa bynnag reolaethau mewnol sy'n angenrheidiol ym marn y swyddog cyllid cyfrifol i allu paratoi datganiadau cyfrifon heb unrhyw gamddatganiadau perthnasol, boed hynny trwy dwyll neu wall;
- asesu gallu Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru i barhau fel busnes gweithredol, gan ddatgelu fel y bo'n gymwys, faterion sy'n ymwneud â'r busnes gweithredol a defnyddio sail gyfrifyddu busnes gweithredol oni bai bod y swyddog cyllid cyfrifol yn rhagweld na fydd y gwasanaethau a ddarperir gan



Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru yn parhau i gael eu darparu yn y dyfodol.

## **Cyfrifoldebau'r archwilydd am archwilio'r datganiadau ariannol**

Fy nghyfrifoldeb yw archwilio'r datganiadau ariannol yn unol â Deddf Archwilio Cyhoeddus (Cymru) 2004.

Fy amcanion yw cael sicrwydd rhesymol ynghylch p'un a yw'r datganiadau ariannol yn eu cyfanrwydd yn rhai heb unrhyw gamddatganiad perthnasol, boed hynny trwy dwyll neu wall, a chyhoeddi adroddiad archwilydd sy'n cynnwys fy marn. Mae sicrwydd rhesymol yn lefel uchel o sicrwydd, ond nid yw'n gwarantu y bydd archwiliad a gynhelir yn unol â'r Safonau Rhyngwladol ar Archwilio yn y DU wastad yn canfod camddatganiad perthnasol pan fo'n bodoli. Gall camddatganiadau ddeillio o dwyll neu wall ac fe'u hystyrir yn berthnasol os, yn unigol neu gyda'i gilydd, gellid yn rhesymol ddisgwyl iddynt ddylanwadu ar benderfyniadau economaidd defnyddwyr a wneir ar sail y datganiadau ariannol hyn.

Mae afreolaidd-dra, gan gynnwys twyll, yn golygu achosion o ddiffyg cydymffurfio â deddfau a rheoliadau. Rwy'n dylunio gweithdrefnau yn unol â'm cyfrifoldebau, a nodir uchod, i ganfod camddatganiadau perthnasol mewn perthynas ag afreolaidd-dra, gan gynnwys twyll.

Roedd fy ngweithdrefnau'n cynnwys y canlynol:

- Holi'r rheolwyr, Comisiynydd Heddlu a Throsedd Gogledd Cymru, pennaeth archwilio mewnol Comisiynydd Heddlu a Throsedd Gogledd Cymru a'r rhai sy'n gyfrifol am lywodraethu, gan gynnwys cael ac adolygu dogfennaeth ategol mewn perthynas â pholisïau a gweithdrefnau Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru sy'n ymwneud ag:
  - adnabod, gwerthuso a chydymffurfio â deddfau a rheoliadau a pha un a oeddent yn ymwybodol o unrhyw achosion o ddiffyg cydymffurfio;
  - canfod ac ymateb i'r risgiau o dwyll a pha un a oes ganddynt wybodaeth am unrhyw dwyll gwirioneddol, tybiedig neu honedig; a hefyd
  - y rheolaethau mewnol a sefydlwyd i liniaru risgiau sy'n gysylltiedig â thwyll neu ddiffyg cydymffurfio â deddfau a rheoliadau.
- Ystyried fel tîm archwilio sut a ble allai twyll ddisgwyl yn y datganiadau ariannol ac unrhyw ddangosyddion posibl o dwyll. Fel rhan o'r drafodaeth hon, canfûm botensial ar gyfer twyll drwy gofnodi dyddlyfrau anarferol;
- Cael dealltwriaeth am y fframwaith awdurdod sydd gan Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru, yn ogystal â fframweithiau cyfreithiol a rheoleiddiol eraill y mae Comisiynydd Heddlu a Throsedd Gogledd Cymru a Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru yn gweithredu oddi mewn iddynt, gan ganolbwyntio ar y deddfau a'r rheoliadau hynny a gafodd effaith uniongyrchol ar y datganiadau ariannol neu a gafodd effaith sylfaenol ar weithrediadau Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp

Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru; a

- Cael dealltwriaeth am berthnasoedd partïon cysylltiedig.

Yn ychwanegol at yr uchod, roedd fy ngweithdrefnau i ymateb i risgiau a ganfuwyd yn cynnwys y canlynol:

- adolygu'r datgeliadau yn y datganiadau ariannol a phrofi yn erbyn dogfennaeth ategol i asesu cydymffurfiaeth â deddfau a rheoliadau perthnasol a drafodir uchod;
- holi'r rheolwyr, y Cydbwyllgor Archwilio ac ymgynghorwyr cyfreithiol ynghylch ymglyfuriaeth a hawliadau gwirioneddol a phosibl;
- darllen cofnodion cyfarfodydd y rhai sy'n gyfrifol am lywodraethu;
- wrth fynd i'r afael â'r risg o dwyll trwy wrthwneud rheolaethau gan reolwyr, profi priodoldeb cofnodion dyddlyfr ac addasiadau eraill; asesu a yw'r dyfarniadau a wnaed wrth lunio amcangyfrifon cyfrifyddu'n rhoi arwydd o wyrduedd bosibl; a gwerthuso'r rhesymeg fusnes dros unrhyw drafodion arwyddocaol sy'n anarferol neu y tu allan i gwrs arferol busnes.

Fe wnes i hefyd gyfleu deddfau a rheoliadau dynodedig perthnasol a risgiau posibl o dwyll i holl aelodau'r tîm archwilio ac aros yn effro i unrhyw arwyddion o dwyll neu ddiffyg cydymffurfio â deddfau a rheoliadau trwy gydol yr archwiliad.

Effeithir ar y graddau y mae fy ngweithdrefnau'n gallu canfod afreolaidd-dra, gan gynnwys twyll, gan yr anhawster cynhenid o ran canfod afreolaidd-dra, effeithiolrwydd rheolaethau Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru a natur, amseriad a hyd a lled y gweithdrefnau archwilio a gyflawnwyd.

Ceir disgrifiad pellach o gyfrifoldebau'r archwilydd am archwilio'r datganiadau ariannol ar wefan y Cyngor Adrodd Ariannol yn [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). Mae'r disgrifiad hwn yn rhan o'm hadroddiad archwilio.

## **Cyfrifoldebau eraill yr archwilydd**

Rwy'n cyfathrebu gyda'r rhai sy'n gyfrifol am lywodraethu ynghylch, ymhlith materion eraill, cwmpas ac amseriad arfaethedig yr archwiliad a chanfyddiadau archwilio arwyddocaol, gan gynnwys unrhyw ddiffygion arwyddocaol mewn rheolaeth fewnol yr wyf yn eu hadnabod yn ystod fy archwiliad.

## **Tystysgrif cwblhau'r archwiliad**

Yr wyf yn tystio fy mod wedi cwblhau'r archwiliad o gyfrifon Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru yn unol â gofynion Deddf Archwilio Cyhoeddus (Cymru) 2004 a Chod Ymarfer Archwilio Archwilydd Cyffredinol Cymru.

Adrian Crompton  
Archwilydd Cyffredinol Cymru  
4 Tachwedd 2024

1 Cwr y Ddinas  
Stryd Tyndall  
Caerdydd, CF10 4BZ

# Adroddiad archwilio arfaethedig yr Archwilydd Cyffredinol i Gomisiynydd Heddlu a Throsedd Gogledd Cymru

## Adroddiad Archwilydd Cyffredinol Cymru i Brif Gwnstabl Heddlu Gogledd Cymru

### Barn ar y datganiadau ariannol

Rwyf wedi archwilio datganiadau ariannol:

- Prif Gwnstabl Heddlu Gogledd Cymru; a
- Cronfa Bensiwn Heddlu Gogledd Cymru

ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2024 dan Ddeddf Archwilio Cyhoeddus (Cymru) 2004.

Mae datganiadau ariannol Prif Gwnstabl Heddlu Gogledd Cymru yn cynnwys y Dadansoddiad o Wariant a Chyllid, y Datganiad Incwm a Gwariant Cynhwysfawr, y Fantolen, y Datganiad Symudiadau mewn Cronfeydd wrth Gefn, Datganiad Llifoedd Arian Parod a'r nodiadau cysylltiedig, gan gynnwys y polisiau cyfrifyddu perthnasedd arwyddocaol.

Mae datganiadau ariannol Cronfa Bensiwn Heddlu Gogledd Cymru yn cynnwys Cyfrif a Datganiad Asedau Net y Gronfa.

Y fframwaith adrodd ariannol a gymhwyswyd wrth eu paratoi yw'r gyfraith berthnasol a'r safonau cyfrifyddu rhyngwladol a fabwysiadwyd yn y DU fel y'u dehonglwyd ac y'u haddaswyd gan y Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2023-24.

Yn fy marn i, ym mhob ffordd berthnasol, mae'r datganiadau ariannol:

- yn rhoi darlun gwir a theg o sefyllfa ariannol Prif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru ar 31 Mawrth 2024 ac o'i incwm a'i wariant ar gyfer y flwyddyn a ddaeth i ben ar y dyddiad hwnnw; ac
- wedi'u paratoi'n briodol yn unol â gofynion deddfwriaethol a'r safonau cyfrifyddu rhyngwladol a fabwysiadwyd yn y DU fel y'u dehonglwyd ac y'u haddaswyd gan y Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2023-24.

### Sail y farn

Cynhaliais fy archwiliad yn unol â'r gyfraith berthnasol a'r Safonau Rhyngwladol ar Archwilio yn y DU (ISAs (Y DU)) a Nodyn Ymarfer 10 'Archwilio Datganiadau Ariannol Endidau'r Sector Cyhoeddus yn y Deyrnas Unedig'. Caiff fy nghyfrifoldebau dan y safonau hynny eu disgrifio ymhellach yn yr adran o'm hadroddiad sy'n nodi cyfrifoldebau'r archwilydd am archwilio'r datganiadau ariannol.

Mae fy staff a minnau'n annibynnol ar Brif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru yn unol â'r gofynion moesegol sy'n berthnasol i'm harchwiliad o'r datganiadau ariannol yn y DU, gan gynnwys Safon Foesegol y Cyngor Adrodd Ariannol, ac rwyf wedi cyflawni fy nghyfrifoldebau moesegol eraill yn unol â'r gofynion hyn. Credaf fod y dystiolaeth archwilio yr wyf wedi'i chael yn ddigonol ac yn briodol i ddarparu sail i'm barn.

## **Casgliadau sy'n ymwneud â busnes gweithredol**

Wrth archwilio'r datganiadau ariannol, rwyf wedi dod i'r casgliad bod defnyddio'r sail gyfrifyddu busnes gweithredol i baratoi'r datganiadau ariannol yn briodol.

Yn seiliedig ar y gwaith yr wyf wedi'i gyflawni, nid wyf wedi adnabod unrhyw ansicrwydd perthnasol mewn perthynas â digwyddiadau neu amodau a all, yn unigol neu ar y cyd, fwrw amheuaeth sylweddol ar allu Prif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru i barhau i fabwysiadu'r sail gyfrifyddu busnes gweithredol am gyfnod o ddeuddeng mis o leiaf o'r dyddiad pan awdurdodir cyhoeddi'r datganiadau ariannol.

Caiff fy nghyfrifoldebau i a chyfrifoldebau'r swyddog cyllid cyfrifol mewn perthynas â busnes gweithredol eu disgrifio yn yr adrannau perthnasol o'r adroddiad hwn.

## **Gwybodaeth arall**

Mae'r wybodaeth arall yn cynnwys yr wybodaeth yn yr adroddiad blynyddol, heblaw am y datganiadau ariannol a'm hadroddiad i fel archwilydd ar y rhain. Y Swyddog Cyllid Cyfrifol sy'n gyfrifol am yr wybodaeth arall yn yr adroddiad blynyddol. Nid yw fy marn am y datganiadau ariannol yn cwmpasu'r wybodaeth arall a, heblaw i'r graddau a nodir yn benodol fel arall yn fy adroddiad, nid wyf yn mynegi unrhyw fath o gasgliad sicrwydd ar yr wybodaeth arall honno.

Fy nghyfrifoldeb i yw darllen yr wybodaeth arall ac, wrth wneud hynny, ystyried a yw'r wybodaeth arall yn berthnasol anghyson â'r datganiadau ariannol neu wybodaeth a gafwyd wrth gyflawni'r archwiliad, neu'n ymddangos fel arall fel pe bai wedi cael ei chamddatgan yn berthnasol. Os wyf yn canfod anghysonderau perthnasol o'r fath neu wybodaeth berthnasol o'r fath sy'n ymddangos fel pe bai wedi cael ei chamddatgan, mae'n ofynnol i mi benderfynu a yw hyn yn achosi camddatganiad perthnasol yn y datganiadau ariannol eu hunain. Yn seiliedig ar y gwaith yr wyf wedi'i wneud, os wyf yn dod i'r casgliad bod yr wybodaeth arall hon wedi'i chamddatgan yn berthnasol, mae'n ofynnol i mi nodi'r ffaith honno.

Nid oes unrhyw beth gennyf i'w nodi yn hyn o beth.

## Barn ar faterion eraill

Yn fy marn i, yn seiliedig ar y gwaith a wnaed yn ystod fy archwiliad:

- mae'r wybodaeth a geir yn yr Adroddiad Naratif ar gyfer y flwyddyn ariannol y paratowyd y datganiadau ariannol ar ei chyfer yn gyson â'r datganiadau ariannol ac yn unol â'r Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2023-24; a
- mae'r wybodaeth a roddir yn y Datganiad Llywodraethu Blynyddol ar gyfer y flwyddyn ariannol y paratowyd y datganiadau ariannol ar ei chyfer yn gyson â'r datganiadau ariannol ac yn unol â'r canllawiau.

## Materion y cyflwynaf adroddiad arnynt drwy eithriad

Yng ngoleuni'r wybodaeth a'r ddealltwriaeth am Brif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn yr Heddlu a'i amgylchedd a gafwyd yn ystod yr archwiliad, nid wyf wedi nodi unrhyw gamddatganiadau perthnasol yn yr Adroddiad Naratif na'r Datganiad Llywodraethu Blynyddol.

Nid oes gennyf unrhyw beth i'w nodi o ran y materion canlynol, y cyflwynaf adroddiad i chi arnynt os bydd yr amgylchiadau canlynol yn berthnasol, yn fy marn i:

- nid wyf wedi cael yr holl wybodaeth ac esboniadau y mae eu hangen arnaf ar gyfer fy archwiliad;
- ni chadwyd cofnodion cyfrifyddu digonol, neu ni chafwyd ffurflenni sy'n ddigonol ar gyfer fy archwiliad o ganghennau nad ymwelodd fy nhîm â hwy;
- nid yw'r datganiadau ariannol yn gyson â'r cofnodion a'r ffurflenni cyfrifyddu.

## Cyfrifoldebau'r swyddog cyllid cyfrifol am y datganiadau ariannol

Fel a esbonnir yn fanylach yn y Datganiad o Gyfrifoldebau am y Datganiad Cyfrifon, y swyddog cyllid cyfrifol sy'n gyfrifol am:

- baratoi'r datganiad cyfrifon, sy'n rhoi darlun gwir a theg ac sy'n cydymffurfio ag arferion priodol;
- cadw cofnodion cyfrifyddu priodol;
- pa bynnag reolaethau mewnol sy'n angenrheidiol ym marn y swyddog cyllid cyfrifol i allu paratoi datganiadau cyfrifon heb unrhyw gamddatganiadau perthnasol, boed hynny trwy dwyll neu wall;
- asesu gallu Prif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru i barhau fel busnes gweithredol, gan ddatgelu fel y bo'n gymwys, faterion sy'n ymwneud â'r busnes gweithredol a defnyddio sail gyfrifyddu busnes gweithredol oni bai bod y swyddog cyllid cyfrifol yn rhagweld na fydd y gwasanaethau a ddarperir gan Brif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru yn parhau i gael eu darparu yn y dyfodol.

## Cyfrifoldebau'r archwilydd am archwilio'r datganiadau ariannol

Fy nghyfrifoldeb yw archwilio'r datganiadau ariannol yn unol â Deddf Archwilio Cyhoeddus (Cymru) 2004.

Fy amcanion yw cael sicrwydd rhesymol ynghylch p'un a yw'r datganiadau ariannol yn eu cyfanrwydd yn rhai heb unrhyw gamddatganiad perthnasol, boed hynny trwy dwyll neu wall, a chyhoeddi adroddiad archwilydd sy'n cynnwys fy marn. Mae sicrwydd rhesymol yn lefel uchel o sicrwydd, ond nid yw'n gwarantu y bydd archwiliad a gynhelir yn unol â'r Safonau Rhyngwladol ar Archwilio yn y DU wastad yn canfod camddatganiad perthnasol pan fo'n bodoli. Gall camddatganiadau ddeillio o dwyll neu wall ac fe'u hystyrir yn berthnasol os, yn unigol neu gyda'i gilydd, gellid yn rhesymol ddisgwyl iddynt ddylanwadu ar benderfyniadau economaidd defnyddwyr a wneir ar sail y datganiadau ariannol hyn.

Mae afreolaidd-dra, gan gynnwys twyll, yn golygu achosion o ddiffyg cydymffurfio â deddfau a rheoliadau. Rwy'n dylunio gweithdrefnau yn unol â'm cyfrifoldebau, a nodir uchod, i ganfod camddatganiadau perthnasol mewn perthynas ag afreolaidd-dra, gan gynnwys twyll.

Roedd fy ngweithdrefnau'n cynnwys y canlynol:

- Holi'r rheolwyr, Prif Gwnstabl Heddlu Gogledd Cymru, pennaeth archwilio mewnol Prif Gwnstabl Heddlu Gogledd Cymru a'r rhai sy'n gyfrifol am lywodraethu, gan gynnwys cael ac adolygu dogfennaeth ategol mewn perthynas â pholisïau a gweithdrefnau Prif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn yr Heddlu Gogledd Cymru sy'n ymwneud ag:
  - adnabod, gwerthuso a chydymffurfio â deddfau a rheoliadau a pha un a oeddent yn ymwybodol o unrhyw achosion o ddiffyg cydymffurfio;
  - canfod ac ymateb i'r risgiau o dwyll a pha un a oes ganddynt wybodaeth am unrhyw dwyll gwirioneddol, tybiedig neu honedig; a hefyd
  - y rheolaethau mewnol a sefydlwyd i liniaru risgiau sy'n gysylltiedig â thwyll neu ddiffyg cydymffurfio â deddfau a rheoliadau.
- Ystyried fel tîm archwilio sut a ble allai twyll ddigwydd yn y datganiadau ariannol ac unrhyw ddangosyddion posibl o dwyll. Fel rhan o'r drafodaeth hon, canfûm botensial ar gyfer twyll drwy gofnodi dyddlyfrau anarferol;
- Cael dealltwriaeth am y fframwaith awdurdod sydd gan Prif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn yr Heddlu Gogledd Cymru, yn ogystal â fframweithiau cyfreithiol a rheoleiddiol eraill y mae Prif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn yr Heddlu Gogledd Cymru yn gweithredu oddi mewn iddynt, gan ganolbwyntio ar y deddfau a'r rheoliadau hynny a gafodd effaith uniongyrchol ar y datganiadau ariannol neu a gafodd effaith sylfaenol ar weithrediadau Prif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn yr Heddlu Gogledd Cymru; a
- Cael dealltwriaeth am berthnasoedd partïon cysylltiedig.

Yn ychwanegol at yr uchod, roedd fy ngweithdrefnau i ymateb i risgiau a ganfuwyd yn cynnwys y canlynol:

- adolygu'r datgeliadau yn y datganiadau ariannol a phrofi yn erbyn dogfennaeth ategol i asesu cydymffurfiaeth â deddfau a rheoliadau perthnasol a drafodir uchod;
- holi'r rheolwyr, y Cyd Bwyllgor Archwilio ac ymgynghorwyr cyfreithiol ynghylch ymglyfuriaeth a hawliadau gwirioneddol a phosibl;
- darllen cofnodion cyfarfodydd y rhai sy'n gyfrifol am lywodraethu;
- wrth fynd i'r afael â'r risg o dwyll trwy wrthwneud rheolaethau gan reolwyr, profi priodoldeb cofnodion dyddlyfr ac addasiadau eraill; asesu a yw'r dyfarniadau a wnaed wrth lunio amcangyfrifon cyfrifyddu'n rhoi arwydd o wyrduedd bosibl; a gwerthuso'r rhesymeg fusnes dros unrhyw drafodion arwyddocaol sy'n anarferol neu y tu allan i gwrs arferol busnes.

Fe wnes i hefyd gyfleu deddfau a rheoliadau dynodedig perthnasol a risgiau posibl o dwyll i holl aelodau'r tîm archwilio ac aros yn effro i unrhyw arwyddion o dwyll neu ddiffyg cydymffurfio â deddfau a rheoliadau trwy gydol yr archwiliad.

Effeithir ar y graddau y mae fy ngweithdrefnau'n gallu canfod afreolaidd-dra, gan gynnwys twyll, gan yr anhawster cynhenid o ran canfod afreolaidd-dra, effeithiolrwydd rheolaethau Prif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn yr Heddlu Gogledd Cymru a natur, amseriad a hyd a lled y gweithdrefnau archwilio a gyflawnwyd.

Ceir disgrifiad pellach o gyfrifoldebau'r archwilydd am archwilio'r datganiadau ariannol ar wefan y Cyngor Adrodd Ariannol yn [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). Mae'r disgrifiad hwn yn rhan o'm hadroddiad archwilio.

## Cyfrifoldebau eraill yr archwilydd

Rwy'n cyfathrebu gyda'r rhai sy'n gyfrifol am lywodraethu ynghylch, ymhlith materion eraill, cwmpas ac amseriad arfaethedig yr archwiliad a chanfyddiadau archwilio arwyddocaol, gan gynnwys unrhyw ddiffygion arwyddocaol mewn rheolaeth fewnol yr wyf yn eu hadnabod yn ystod fy archwiliad.

## Tystysgrif cwblhau'r archwiliad

Yr wyf yn tystio fy mod wedi cwblhau'r archwiliad o gyfrifon Prif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn yr Heddlu Gogledd Cymru yn unol â gofynion Deddf Archwilio Cyhoeddus (Cymru) 2004 a Chod Ymarfer Archwilio Archwilydd Cyffredinol Cymru.

Adrian Crompton  
Archwilydd Cyffredinol Cymru  
4 Tachwedd 2024

1 Cwr y Ddinas  
Stryd Tyndall  
Caerdydd, CF10 4BZ



# Llythyr Sylwadau Terfynol – Comisiynydd Heddlu a Throsedd Gogledd Cymru

Archwilydd Cyffredinol Cymru  
Swyddfa Archwilio Cymru  
1 Cwr y Ddinas  
Stryd Tyndall  
Caerdydd  
CF10 4BZ

31 Hydref 2024

## Sylwadau ynghylch datganiadau ariannol 2023-24

Darperir y llythyr hwn mewn cysylltiad â'ch archwiliad o ddatganiadau ariannol Comisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru (sy'n cynnwys Comisiynydd Heddlu a Throsedd Gogledd Cymru a Phrif Gwnstabl Heddlu Gogledd Cymru) a Chronfa Bensiwn Heddlu Gogledd Cymru ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2024, at ddiben mynegi barn ynglŷn â'u cywirdeb a thegwch a'u paratoi'n briodol.

Yr ydym ni'n cadarnhau hyd eithaf ein gwybodaeth a'n cred, ar ôl gwneud yr ymholiadau a oedd yn ddigonol yn ein tyb ni, y gallwn gyflwyno'r sylwadau canlynol i chi.

## Sylwadau'r rheolwyr

### Cyfrifoldebau

Rydym wedi cyflawni ein cyfrifoldebau am:

- baratoi'r datganiadau ariannol yn unol â gofynion deddfwriaethol a'r Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2023-24; yn arbennig mae'r datganiadau ariannol yn rhoi darlun cywir a theg yn unol â'r rhain; a
- dylunio, gweithredu, cynnal ac adolygu rheolaeth fewnol i atal a chanfod twyll a gwallau.

## Gwybodaeth a ddarparwyd

Rydym wedi darparu'r canlynol ar eich cyfer:

- mynediad llawn at:

- yr holl wybodaeth yr ydym yn ymwybodol ohoni sy'n berthnasol i baratoi'r datganiadau ariannol megis llyfrau cyfrifon a dogfennaeth ategol, cofnodion cyfarfodydd a materion eraill;
- gwybodaeth ychwanegol yr ydych chi wedi gofyn amdani gennym ni at ddiben yr archwiliad; a
- mynediad digyfngiad at aelodau o staff y penderfynoch chi fod angen cael tystiolaeth archwilio ganddynt.
- canlyniadau ein hasesiad ni o'r risg y gallai'r datganiadau ariannol fod wedi'u camddatgan yn berthnasol o ganlyniad i dwyll;
- ein gwybodaeth ni am dwyll gwirioneddol neu dwyll tybiedig yr ydym ni'n ymwybodol ohono ac sy'n effeithio ar Gomisiynydd Heddlu a Throsedd Gogledd Cymru, Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru ac sy'n cynnwys:
  - rheolwyr;
  - gyflogeion sydd â rolau arwyddocaol mewn rheolaeth fewnol; neu
  - eraill lle gallai'r twyll gael effaith berthnasol ar y datganiadau ariannol.
- ein gwybodaeth ni am unrhyw honiadau o dwyll gwirioneddol, neu dwyll tybiedig, sy'n effeithio ar y datganiadau ariannol a gyflëwyd gan gyflogeion, cyn-gyflogeion, rheoleiddwyr neu eraill.
- ein gwybodaeth ni am bob achos hysbys o ddiffyg cydymffurfio gwirioneddol neu ddiffyg cydymffurfio tybiedig â deddfau a rheoliadau y dylid ystyried eu heffeithiau wrth baratoi'r datganiadau ariannol.
- gwybodaeth am bwy yw'r holl bartïon cysylltiedig a'r holl berthnasoedd â phartïon cysylltiedig a thrafodion partïon cysylltiedig yr ydym yn ymwybodol ohonynt.

## Sylwadau ynghylch y datganiadau ariannol

Mae'r holl drafodion, asedau a rhwymedigaethau wedi cael eu cofnodi yn y cofnodion cyfrifyddu ac fe'u hadlewyrchir yn y datganiadau ariannol.

Mae'r dulliau, y data a'r tybiaethau arwyddocaol a ddefnyddiwyd wrth lunio amcangyfrifon cyfrifyddu, a'u datgeliadau cysylltiedig, yn briodol i gyflawni cydnabyddiaeth, mesuriad neu ddatgeliad sy'n rhesymol yng nghyd-destun y fframwaith adrodd ariannol perthnasol. Rhoddwyd cyfrif priodol am berthnasoedd a thrafodion partïon cysylltiedig ac maent wedi cael eu datgelu'n briodol.

Lle cafwyd digwyddiadau ar ôl y dyddiad adrodd yr oedd yn ofynnol gwneud addasiad ar eu cyfer neu eu datgelu, mae'r holl addasiadau a datgeliadau hyn wedi cael eu gwneud.

Mae pob ymgyfreithiad a hawliad gwirioneddol neu bosibl hysbys y dylid ystyried eu heffeithiau wrth baratoi'r datganiadau ariannol wedi cael eu datgelu wrth yr archwilydd a rhoddwyd cyfrif amdanynt ac maent wedi cael eu datgelu yn unol â'r fframwaith adrodd ariannol perthnasol.

Nid oes unrhyw gamddatganiadau perthnasol, gan gynnwys hepgoriadau, yn y datganiadau ariannol. Mae effeithiau camddatganiadau nas cywirwyd a ganfuwyd yn ystod yr archwiliad yn amherthnasol, yn unigol ac ar y cyd, i'r datganiadau ariannol yn eu cyfanrwydd.

## Sylwadau gan Gomisiynydd Heddlu a Throseddu Gogledd Cymru

Rydym yn cydnabod bod y sylwadau a wnaed gan y rheolwyr, uchod, wedi cael eu trafod gyda ni.

Rydym yn cydnabod ein cyfrifoldeb am baratoi datganiadau ariannol cywir a theg yn unol â'r fframwaith adrodd ariannol perthnasol. Cymeradwywyd y datganiadau ariannol ar 31 Hydref 2024.

Rydym yn cadarnhau ein bod wedi cymryd pob cam y dylem fod wedi'i gymryd er mwyn ein gwneud ein hunain yn ymwybodol o unrhyw wybodaeth archwilio berthnasol ac er mwyn cadarnhau ei bod wedi cael ei chyfleu i chi. Rydym yn cadarnhau, hyd y gwyddom ni, nad oes unrhyw wybodaeth archwilio berthnasol nad ydych chi'n ymwybodol ohoni.

Llofnodwyd gan:

Llofnodwyd gan:

Prif Swyddog Cyllid Comisiynydd Heddlu a Throseddu Gogledd Cymru

Comisiynydd Heddlu a Throseddu Gogledd Cymru

Dyddiad: 31 Hydref 2024

Dyddiad: 31 Hydref 2024

# Llythyr Sylwadau Terfynol – Prif Gwnstabl Heddlu Gogledd Cymru

Archwilydd Cyffredinol Cymru  
Swyddfa Archwilio Cymru  
1 Cwr y Ddinas  
Stryd Tyndall  
Caerdydd  
CF10 4BZ

31 Hydref 2024

## Sylwadau ynghylch datganiadau ariannol 2023-24

Darperir y llythyr hwn mewn cysylltiad â'ch archwiliad o ddatganiadau ariannol Prif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2024 at ddiben mynegi barn ynglŷn â'u cywirdeb a thegwch a'u paratoi'n briodol.

Yr ydym ni'n cadarnhau hyd eithaf ein gwybodaeth a'n cred, ar ôl gwneud yr ymholiadau a oedd yn ddigonol yn ein tyb ni, y gallwn gyflwyno'r sylwadau canlynol i chi.

## Sylwadau'r rheolwyr

### Cyfrifoldebau

Rydym wedi cyflawni ein cyfrifoldebau am:

- baratoi'r datganiadau ariannol yn unol â gofynion deddfwriaethol a'r Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2023-24; yn arbennig mae'r datganiadau ariannol yn rhoi darlun cywir a theg yn unol â'r rhain; a
- dylunio, gweithredu, cynnal ac adolygu rheolaeth fewnol i atal a chanfod twyll a gwallau.

## Gwybodaeth a ddarparwyd

Rydym wedi darparu'r canlynol ar eich cyfer:

- mynediad llawn at:
  - yr holl wybodaeth yr ydym yn ymwybodol ohoni sy'n berthnasol i baratoi'r datganiadau ariannol megis llyfrau cyfrifon a dogfennaeth ategol, cofnodion cyfarfodydd a materion eraill;

- gwybodaeth ychwanegol yr ydych chi wedi gofyn amdani gennym ni at ddiben yr archwiliad; a
- mynediad digyfngiad at aelodau o staff y penderfynoch chi fod angen cael tystiolaeth archwilio ganddynt.
- canlyniadau ein hasesiad ni o'r risg y gallai'r datganiadau ariannol fod wedi'u camddatgan yn berthnasol o ganlyniad i dwyll.
- ein gwybodaeth ni am dwyll gwirioneddol neu dwyll tybiedig yr ydym ni'n ymwybodol ohono ac sy'n effeithio ar Brif Gwnstabl Heddlu Gogledd Cymru a Chronfa Bensiwn Heddlu Gogledd Cymru ac sy'n cynnwys:
  - rheolwyr;
  - cyflogeion sydd â rolau arwyddocaol mewn rheolaeth fewnol; neu
  - eraill lle gallai'r twyll gael effaith berthnasol ar y datganiadau ariannol.
- ein gwybodaeth ni am unrhyw honiadau o dwyll gwirioneddol, neu dwyll tybiedig, sy'n effeithio ar y datganiadau ariannol a gyflëwyd gan gyflogeion, cyn-gyflogeion, rheoleiddwyr neu eraill.
- ein gwybodaeth ni am bob achos hysbys o ddiffyg cydymffurfio gwirioneddol neu ddiffyg cydymffurfio tybiedig â deddfau a rheoliadau y dylid ystyried eu heffeithiau wrth baratoi'r datganiadau ariannol; a
- gwybodaeth am bwy yw'r holl bartion cysylltiedig a'r holl berthnasoedd â phartion cysylltiedig a thrafodion partion cysylltiedig yr ydym yn ymwybodol ohonynt.

## Sylwadau ynghylch y datganiadau ariannol

Mae'r holl drafodion, asedau a rhwymedigaethau wedi cael eu cofnodi yn y cofnodion cyfrifyddu ac fe'u hadlewyrchir yn y datganiadau ariannol.

Mae'r dulliau, y data a'r tybiaethau arwyddocaol a ddefnyddiwyd wrth lunio amcangyfrifon cyfrifyddu, a'u datgeliadau cysylltiedig, yn briodol i gyflawni cydnabyddiaeth, mesuriad neu ddatgeliad sy'n rhesymol yng nghyd-destun y fframwaith adrodd ariannol perthnasol.

Rhodddwyd cyfrif priodol am berthnasoedd a thrafodion partion cysylltiedig ac maent wedi cael eu datgelu'n briodol.

Lle cafwyd digwyddiadau ar ôl y dyddiad adrodd yr oedd yn ofynnol gwneud addasiad ar eu cyfer neu eu datgelu, mae'r holl addasiadau a datgeliadau hyn wedi cael eu gwneud.

Mae pob ymgyfreithiad a hawliad gwirioneddol neu bosibl hysbys y dylid ystyried eu heffeithiau wrth baratoi'r datganiadau ariannol wedi cael eu datgelu wrth yr archwilydd a rhodddwyd cyfrif amdanynt ac maent wedi cael eu datgelu yn unol â'r fframwaith adrodd ariannol perthnasol.

Nid oes unrhyw gamddatganiadau perthnasol, gan gynnwys hepgoriadau, yn y datganiadau ariannol.

## Sylwadau gan Brif Gwnstabl Heddlu Gogledd Cymru

Rydym yn cydnabod bod y sylwadau a wnaed gan y rheolwyr, uchod, wedi cael eu trafod gyda ni.

Rydym yn cydnabod ein cyfrifoldeb am baratoi datganiadau ariannol cywir a theg yn unol â'r fframwaith adrodd ariannol perthnasol. Cymeradwywyd y datganiadau ariannol ar 31 Hydref 2024.

Rydym yn cadarnhau ein bod wedi cymryd pob cam y dylem fod wedi'i gymryd er mwyn ein wneud ein hunain yn ymwybodol o unrhyw wybodaeth archwilio berthnasol ac er mwyn cadarnhau ei bod wedi cael ei chyfleu i chi. Rydym yn cadarnhau, hyd y gwyddom, nad oes unrhyw wybodaeth archwilio berthnasol nad ydych chi'n ymwybodol ohoni.

Llofnodwyd gan:

Llofnodwyd gan:

Cyfarwyddwr Cyllid ac Adnoddau Prif  
Gwnstabl Heddlu Gogledd Cymru

Prif Gwnstabl Heddlu Gogledd Cymru

Dyddiad: 31 Hydref 2024

Dyddiad: 31 Hydref 2024

## Crynodeb o gywiriadau i ddatganiadau ariannol drafft Comisiynydd Heddlu a Throsedd Gogledd Cymru (Grŵp) a Phrif Gwnstabl Heddlu Gogledd Cymru

Yn ystod ein harchwiliad, canfuom y camddatganiadau canlynol sydd wedi cael eu cywiro gan y rheolwyr, ond y dylid eu dwyn i'ch sylw yn ein tyb ni oherwydd eu perthnasedd i'ch cyfrifoldebau dros y broses adrodd ariannol.

Gwerth y cywiriad	Meysydd yng nghyfrifon y Comisiynydd/Grŵp	Meysydd yng nghyfrifon y Prif Gwnstabl	Esboniad
<b>Amrywiol</b> – datgeliadau yn unig	Nodyn 26 Cydnabyddiaeth Swyddogion  Gwnaethpwyd diwygiadau i ddatgeliadau taliadau cydnabyddiaeth uwch swyddogion a phecynnau ymadael.	Nodyn 14 Cydnabyddiaeth Swyddogion  Gwnaethpwyd diwygiadau i ddatgeliadau taliadau cydnabyddiaeth uwch swyddogion a phecynnau ymadael.	Er mwyn sicrhau bod y datgeliadau yn y datganiadau ariannol yn cydymffurfio'n llwyr â'r Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2023-24.

Bu nifer o fân newidiadau a diweddariadau i ddatgeliadau hefyd o ganlyniad i'n gwaith

Mae ein hymrwymiad i ansawdd archwilio yn Archwilio Cymru'n un llwyr. Rydym ni'n credu bod a wnelo ansawdd archwilio â gwneud pethau'n iawn y tro cyntaf.

Rydym yn defnyddio model tair llinell sicrwydd i ddangos sut yr ydym yn cyflawni hyn. Rydym wedi sefydlu Pwyllgor Ansawdd Archwilio i gydlynu a goruchwyllo'r trefniadau hynny. Creffir yn annibynnol ar ein gwaith gan QAD\*, ac mae ein Cadeirydd yn gweithredu fel dolen gyswllt i'n Bwrdd ar ansawdd archwilio. I gael rhagor o wybodaeth gweler ein [Hadroddiad Ansawdd Archwilio 2023](#).

### Ein Pobl



Ffurir y llinell sicrwydd gyntaf gan ein staff a'n rheolwyr sy'n gyfrifol yn unigol ac ar y cyd am gyflawni'r safonau o ansawdd archwilio yr ydym yn dyheu amdanynt.

- Dewis y tîm cywir
- Defnyddio arbenigwyr
- Goruchwyllo ac adolygu

### Trefniadau ar gyfer sicrhau ansawdd archwilio



Ffurir yr ail linell sicrwydd gan y polisiau, yr offer, y ddysg a'r datblygiad, y canllawiau, a'r arweinyddiaeth a ddarparwn i'n staff i'w cefnogi i gyrraedd y safonau ansawdd archwilio hynny.

- Rhaglen archwilio
- Moeseg
- Canllawiau
- Diwylliant
- Dysgu a datblygu
- Arweinyddiaeth
- Cymorth technegol

### Sicrwydd annibynnol



Ffurir y drydedd linell sicrwydd gan y gweithgareddau hynny sy'n rhoi sicrwydd annibynnol dros effeithiolrwydd y ddwy linell sicrwydd gyntaf.

- Adolygiadau Rheoli Ansawdd Ymgysylltu
- Adolygiadau â thema
- Adolygiadau oer
- Dadansoddi'r achos sylfaenol
- Adolygiad gan gymheiriaid
- Y Pwyllgor Ansawdd Archwilio
- Monitro allanol

\*Cangen monitro ansawdd Sefydliad Cyfrifwyr Siartredig Cymru a Lloegr yw'r Adran Sicrhau Ansawdd.



Mae Archwilio Cymru wedi datblygu ystod o adnoddau i roi cymorth i graffu ar gyfrff cyhoeddus Cymru ac i gynorthwyo'r cyrff hynny i barhau i wella'r gwasanaethau y maent yn eu darparu ar gyfer pobl Cymru.

## Ewch at ein gwefan i ganfod:

	ein gwaith <a href="#">Arfer Da</a> lle'r ydym yn rhannu arfer a mewnwleidiadau sy'n dod i'r amlwg o'n gwaith archwilio i ategu ein hamcanion i roi sicrwydd, egluro ac ysbrydoli.
	ein <a href="#">cylchlythyr</a> sy'n darparu diweddariadau rheolaidd ar eich cyfer am ein gwaith archwilio gwasanaethau cyhoeddus, arfer da, a digwyddiadau.
	ein <a href="#">cyhoeddiadau</a> sy'n cwmpasu ein gwaith archwilio a gwblhawyd mewn cyrff cyhoeddus.
	gwybodaeth am ein <a href="#">blaenraglen waith ar gyfer archwilio perfformiad 2023-2026</a> a gaiff ei llywio gan weithgarwch ymgysylltu â rhanddeiliaid a'n dadansoddiad sy'n rhoi darlun o wasanaethau cyhoeddus.
	amryw <a href="#">offer data</a> a ffeithluniau i'ch helpu i gael dealltwriaeth well am dueddiadau gwariant cyhoeddus gan gynnwys ystod o fewnwleidiadau eraill i graffu ar ddarparu gwasanaethau cyhoeddus.

Gallwch gael rhagor o wybodaeth am Archwilio Cymru yn ein [Cynllun Blynyddol 2024-25](#) a hefyd [Ein Strategaeth 2022-27](#).

Audit Wales

1 Cwr y Ddinas

Stryd Tyndall

Caerdydd CF10 4BZ

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Ffacs: 029 2032 0600

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Gwefan: [www.archwilio.cymru](http://www.archwilio.cymru)

We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



## CYDBWYLLGOR ARCHWILIO

30 Hydref 2024

Datganiad Cyfrifon 2023-2024

Adroddiad gan Brif Swyddogion Cyllid y Prif  
Gwnstabl a'r Comisiynydd Heddlu a Throsedd.



### 1. Cefndir

1.1 Yn dilyn cyflwyniad Deddf Diwygio'r Heddlu a Chyfrifoldeb Cymdeithasol 2011, mae'r Comisiynydd Heddlu a Throsedd yn cael ei adnabod fel unig gorfforaethau o 22 Tachwedd 2012. Yn ymarferol, mae'n ofynnol i'r unig gorfforaethau baratoi eu Datganiad o Gyfrifon sengl yn unol â'r Cod Ymarfer ar gyfer Cadw Cyfrifon Lleol (y Cod) a'r Safonau Hysbysu Ariannol Rhyngwladol perthnasol. Mae hefyd yn ofynnol i'r Comisiynydd Heddlu a Throsedd gynhyrchu set o Gyfrifon Grŵp.

1.2 Mae'r datganiadau wedi'u cynhyrchu yn unol â'r Cod, y ddeddfwriaeth berthnasol a'r canllawiau sydd ar gael. Mae dwy ddogfen wedi cael eu cynhyrchu, sef:

- Cyfrifon Grŵp Comisiynydd Heddlu a Throsedd Gogledd Cymru ac Endid Unigol 2023-2024. Mae'r rhain yn cynnwys y cyfrifon Grŵp a chyfrifon endid unigol y Comisiynydd Heddlu a Throsedd yn ogystal.
- Cyfrifon Prif Gwnstabl Heddlu Gogledd Cymru 2023-2024. Mae'r rhain yn cynnwys cyfrifon endid unigol y Prif Gwnstabl a Chyfrif Pensiwn yr Heddlu 2023-2024 yn ogystal.

1.3 Mae copïau o'r ddwy ddogfen i'w cael ar wahân.

### 2. Y broses ar gyfer cwblhau Datganiad Cyfrifon 2023-24

2.1 Mae Gwelliant Cyfrifon ac Archwiliad (Cymru) 2018 yn gofyn i'r swyddog ariannol cyfrifol lofnodi a rhoi dyddiad i'r datganiad cyfrifon. Dylent ardystio ei fod yn rhoi golwg gwir a theg o sefyllfa ariannol y corff ar ddiwedd y flwyddyn ariannol erbyn dim hwyrach na 31 Mai o'r flwyddyn honno. Mae'n ofynnol wedyn i'r swyddog ariannol cyfrifol wedyn ardystio'r datganiad eto cyn y caiff ei gymeradwyo a'i gyhoeddi gyda thystysgrif, barn neu adroddiad yr archwilydd perthnasol er mwyn cyhoeddi'r datganiad erbyn 31 Gorffennaf y flwyddyn honno.

2.2 Yn dilyn trafodaethau hefo Cymdeithas Trysoryddion Cymru (Llywodraeth Leol), Archwilio Cymru a Llywodraeth Cymru, cyhoeddodd Llywodraeth Cymru amserlen ddiwygiedig ar 17 Mai 2024 pryd maent yn disgwyl paratoi ac ardystio'r cyfrifon, fel yr amlinellir isod. Mae'r ddeddfwriaeth yn caniatáu'r newid hwn hefo'r hysbysladau perthnasol yn cael eu cyhoeddi ar wefan y CHT.

Year	Preparation	Audit Wales certification
2023-24	30 June 2024	30 November 2024
2024-25	30 June 2025	31 October 2025
2025-26 onwards	30 June 2026	30 September 2026

2.3 Crëwyd yr Adroddiad Alldro mewnol ar 20 Mai 2024. Gosodwyd y dyddiad targed ar gyfer creu'r cyfrifon drafft ardystiedig fel 30 Mehefin 2024 er mwyn caniatáu gwirio ychwanegol. Cynlluniwyd y prif archwiliad o fis Gorffennaf i fis Hydref 2024. Cynlluniwyd cyfarfod o'r CA ar y 31 Hydref 2024 er mwyn derbyn adroddiad yr archwilydd.

2.4 Defnyddiwyd Inflo, porth rhannu gwybodaeth, am y tro cyntaf hefyd yn ystod yr archwiliad. Cynhaliwyd y prif archwiliad ym misoedd Gorffennaf ac Awst. Roedd hyn ar-lein ond hefyd hefo rhai cyfarfodydd yn y cnaud.

2.5 Nid oes materion o bwys wedi dod i'r amlwg ers creu'r cyfrifon drafft gwreiddiol ddiwedd mis Mehefin 2024. Y symudiad cyffredinol mewn cronfeydd wrth gefn defnyddiadwy, sef diwedd y gân yn ei hanfod, ddim wedi newid o'r ffigyrau drafft gwreiddiol a adroddwyd i'r Comisiynydd Heddlu a Throsedd a'r Prif Gwnstabl yn ystod mis Mai 2024 yn yr adroddiad alldro.

2.6 Rhoddwyd Sesiwn Frifio Dechnegol o'r cyfrifon ar 2 Gorffennaf 2024 hefo aelodau o'r Tîm Cyllid yn mynd trwy Ddatganiadau a nodiadau. Yna ystyriwyd y sylwadau a'r camau a wnaed yn y sesiwn honno ymhellach. Gwnaeth y mwyafrif arwain at adlewyrchu gwelliannau yn adran adroddiad naratif y Datganiad Cyfrifon. Cafodd adroddiad a gyflwynwyd i'r Bwrdd Cyd Lywodraethu ym mis Medi a oedd yn tynnu sylw at sut y cafodd y sylwadau eu hadlewyrchu ac fe'i cynhwysir fel atodiad er gwybodaeth. Fodd bynnag, meysydd thematig y sesiwn hon oedd:

- Ceisio gwella'r llif a dileu dyblygu 10 tudalen gyntaf yr adroddiad naratif yn gyffredinol.
- Sicrhau bod y tanwariant refeniw yn cael ei bwysleisio a'i esbonio'n addas.
- Sicrhau bod y tanwariant Cyfalaf yn cael ei bwysleisio a'i esbonio'n addas.
- Sicrhau bod goblygiadau tanwariant wrth gefn yn cael eu pwysleisio a'u hesbonio'n addas.
- Sicrhau bod goblygiadau gosod Cyllideb tanwariant yn cael eu pwysleisio'n a'u hesbonio'n addas

2.7 Oherwydd natur dechnegol y cyfrifon a'r gofynion cyfrifyddu cynnydd i arferol o fewn cyfrifyddu llywodraeth leol, mae gwella eu haddasrwydd i ddefnyddwyr yn parhau'n heriol. Fodd bynnag, y bwriad fyddai parhau i ddatblygu'r agwedd hon yn flynyddol heb beryglu eu cyflawniad erbyn y dyddiadau cau priodol.

2.8 Mae'r canlynol yn amlinellu rhai o'r digwyddiadau allweddol sy'n bwydo i greu'r datganiadau diwygiedig

- 20.05.2024: Adroddiad Alldro wedi cael ei greu.
- 25.06.2024: Llofnodwyd y cyfrifon drafft a'u hanfon at dîm Archwilio Cymru.
- 2.7.2024: Cyflwynwyd y Sesiwn Frifio Dechnegol i aelodau'r CA.
- Gorffennaf i Awst 2024: Cynhaliwyd prif waith yr archwiliad.
- 20.9.2024: Cyhoeddwyd set o gyfrifon drafft diwygiedig hefo newidiadau a gytunwyd arnynt a naratif wedi'i ddiweddarau

- 15.10.2020: Derbyniwyd adroddiad drafft Archwilio Cymru ISA 260.

### 3. Cynnwys y Datganiadau

3.1 Mae'r ddau Ddatganiad yn cynnwys Adroddiad Naratif sy'n cynnwys y gofynion yn ôl y Cod. Nid yw'r rhain yn cael eu hailadrodd yn yr adroddiad hwn ond mae'r prif benawdau - wedi'u datblygu ar y cyd gyda'r Cydbwyllgor Archwilio ac adolygiad o arfer da mewn sefydliadau Plismona eraill – yn cynnwys:

- Rhagair a Chyflwyniad
- Llywodraethu a Chyfrifoldebau
- Cyd-destun Strategol a Blaenoriaethau
- Cyflawniad Gweithredol 2023-24
- Risg Corfforaethol
- Cyflawniad Ariannol 2023-24
- Cysoni Cyllid GAAP
- Amodau Cronfeydd wrth Gefn a Ffynonellau Cyllid
- Rhagolygon y dyfodol
- Polisiâu cyfrifyddu
- Cydweithio a chyrff eraill
- Digwyddiadau ar ôl y cyfnod adrodd:
- Eglurhad o'r prif ddatganiadau.

3.2 Mae Datganiadau Cyfrifon mewn Llywodraeth Leol yn ddogfennau technegol iawn. Mae'r cyfuniad o'r gofynion cyfrifyddu, ynghyd â chynnydd Statudol a Rheoleiddiol (er mwyn sicrhau nad yw'r ffordd y mae'r cyfrifon yn cael eu paratoi yn peri costau ychwanegol i'r cyhoedd) yn arwain at set o Ddatganiadau cymhleth. Mae gofynion ychwanegol dau endid unigol a set o gyfrifon Grŵp yn ychwanegu ymhellach at y cymhlethdod hwn.

3.3 Mae'r dull a gymerwyd yng Ngogledd Cymru, yn dilyn trafodaethau gyda Rhwydwaith Cyllid CIPFA'r Heddlu, heddluoedd eraill Cymru a Swyddfa Archwilio Cymru yn adlewyrchu realiti'r trefniadau. Canlyniad hyn yw bod cost Plismona yn cael ei ddangos yng Nghyfrif Incwm a Gwariant Cynhwysfawr y Prif Gwnstabl. Mae angen i fformat y datganiad hwn gan y Cod gael ei baratoi yn unol ag adrodd rheolwyr h.y. ar sail dadansoddiad goddrychol.

3.4 Mae'r Dadansoddiad Gwariant a Chyllid (EFA) yn dangos y gwariant blynyddol a sut y bydd yn cael ei ariannu i ddangos y sefyllfa ar ddiwedd y flwyddyn a'r effaith gyffredinol ar y defnydd o gronfeydd wrth gefn y gellir eu defnyddio am y flwyddyn.

3.5 Mae'r prif ddatganiadau eraill yn dilyn ymlaen o'r EFA. Erbyn hyn, mae gan y Prif Gwnstabl fantolen gyfyngedig, symudiad mewn cronfeydd wrth gefn a datganiad llif arian o gyflwyno'r Dadansoddiad Gwariant a Chyllid. Mae'r rhain yn cynnwys y cronfeydd wrth gefn na ellir eu defnyddio mewn perthynas â'r ased/rhwymedigaeth Pensiwn net a'r Cyfrif Absenoldeb Cronedig. Yna mae'r nodiadau i'r datganiadau yn dilyn yr hyn a gynhwysir yn y prif ddatganiadau.

#### **4. Crynodeb o newidiadau i'r drafft terfynol ac ymateb Rheolwyr i Adroddiad Archwilio Cymru**

4.1 Mae'r Archwilydd Cyffredinol yn bwriadu rhoi barn diamwys ar y ddau Ddatganiad Cyfrifon fel yr amlinellir yn ei adroddiad. Mae dau gamddatganiad heb eu cywiro sydd wedi'u manylu yn adroddiad yr archwilydd. Maent yn cael eu crynhoi isod hefo ymateb y rheolwyr. Mae'r rhain wedi'u cytuno hefo Archwilio Cymru.

4.2 Camddatganiadau heb eu cywiro – does dim camddatganiadau heb eu cywiro.

4.3 Camddatganiadau a gywirwyd

Cafwyd cywiriadau ac eglurhad eraill o'r hyn sy'n deillio o'r archwiliad. Nid oedd y rhain yn arwyddocaol ac yn bennaf un ai oherwydd gwybodaeth wedi'i ddiweddarau neu drafodion dosbarthu. Manylir y rhain yn Atodiad 5 o adroddiad yr Archwiliad.

4.4 Diweddarwyd yr adroddiad Naratif i egluro pwyntiau a godwyd gan aelodau'r CA, lleihau ailadrodd, ehangu'r rhagair a'r Cyflwyniad gan y CHTh a'r PSC a chynnwys rhifau paragraffau. Diweddarwyd y Datganiad Llywodraeth Blynyddol er mwyn adlewyrchu newidiadau ers i'r cyfrifon drafft gael eu creu.

#### **5. Argymhellion**

- I aelodau'r pwyllgor archwilio nodi cynnwys yr adroddiad hwn yn unol â dyletswyddau'r pwyllgor a sefydlwyd yn y cylch gorchwyl, yn benodol adolygu datganiadau cyfrifon blynyddol a datganiadau llywodraethu blynyddol.

#### **A datrys:**

**Yn unol â'i Gylch Gorchwyl, mae'r Cydbwyllgor Archwilio wedi adolygu Datganiadau Ariannol Blynyddol y Comisiynydd Heddlu a Throsedd a'r Prif Gwnstabl ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2024. Mae hefyd wedi ystyried adroddiadau'r archwiliwr allanol o hynny ymlaen. Mae'r Cydbwyllgor Archwilio yn cadarnhau nad oes materion heb eu datrys yn codi sydd angen eu hadrodd i'r Comisiynydd Heddlu a Throsedd a'r Prif Gwnstabl, cyn i'r Datganiadau Ariannol Blynyddol gael eu cymeradwyo.**

## 6. GOBLYGIADAU

6.1	Cydraddoldeb	Mae'r Prif Gwnstabl a'r Comisiynydd Heddlu a Throsedd yn gweithredu gan dalu sylw i'r egwyddorion a sefydlwyd yn y Cynllun Cydraddoldeb ar y Cyd.
6.2	Ariannol	Nod yr adroddiad hwn yw cyflwyno datganiad cyfrifon y ddwy gorfforaeth unigol i'r pwyllgor.
6.3	Cyfreithiol	Mae'r datganiad cyfrifon yn cyrraedd y safonau disgwylidig, fel sy'n cael eu holrhain o fewn yr adroddiad.
6.4	Cymuned	Cyhoeddir y datganiadau cyfrifon ar wefan y Comisiynydd. Mae hysbysiad cyhoeddus wedi'i gyhoeddi o dan Adrannau 29, 30 a 31 Deddf Archwiliad Cyhoeddus (Cymru) 2004, sy'n datgan y gall aelodau o'r cyhoedd, rhwng 9 Awst 2024 a 6 Medi 2024, archwilio a gwneud copïau o'r cyfrifon a gofyn cwestiynau i'r Archwilydd penodedig o 9 Medi ymlaen.
6.5	Risg	Mae gweithdrefnau rheoli risg wedi'u sefydlu ac fe'u hystyriwyd ar wahân gan y pwyllgor fel rhan o'r trefniadau llywodraethu cyffredinol. Mae risgiau ariannol wedi'u cynnwys yn y datganiad o gyfrifon Mae risgiau ariannol wedi'u cynnwys yn y datganiad o gyfrifon.
6.6	Heddlu a Throsedd	Ystyrir y Cynllun Heddlu a Throsedd ar ddechrau'r cylch cynllunio ariannol er mwyn sicrhau y gellir cyflawni'r cynllun o fewn cyllideb gynaliadwy.

## **JOINT GOVERNANCE BOARD**

**03<sup>rd</sup> July 2024**

### **JAC Technical Briefing Update**

**Report by Director of Finance & Resources, North Wales Police**

#### **1. Introduction**

This report provides an update following the JAC Technical briefing that took place on 2<sup>nd</sup> July 2024.

The report provides an overview of the key themes and specific actions stemming from the session and the steps taken since.

#### **2. Background & Key themes emerging from the Session**

- 2.1 The session was for 1 hour online and involved a presentation providing an overview of the 2023-24 Statement of Accounts delivered by the Head of Finance.
- 2.2 The presentation covered each of the main aspects of the document – focussing on the Group accounts – and prompted a number of queries and points.
- 2.3 The majority of queries and comments focussed on the Narrative report.
- 2.4 The general themes mirrored previous sessions with a focus on Understandability and Transparency and again in line with previous sessions this focussed primarily on the issue of financial underspend.

More specifically thematic areas taken away to consider by the DFR, CFO and Head of Finance were:

- Trying to improve the flow and remove duplication of the first 10 pages of the narrative report generally.
- Ensuring the Revenue underspend was suitably emphasised and explained.
- Ensuring the Capital underspend was suitably emphasised and explained.
- Ensuring the Reserve implications of underspends were suitably emphasised and explained.



- Ensuring the Budget setting implications of underspends were suitably emphasised and explained.

### **3. Action taken since**

- 3.1 The queries from the session were captured and circulated by the DFR.
- 3.2 The narrative report for the statement of accounts has been re-drafted by the DFR as a result of these actions and comments. This has been based on the Chief Constables Statement of Accounts. This re-drafted version is to be circulated to the Sept24 Joint Governance Board.
- 3.3 A summary of the changes from the original version are:
- Paragraph numbering amended throughout to bring in line with AGS format
  - Review of first 10 pages with duplication removed and re-ordering of sections
  - Narrative tweaks reflecting JAC comments and addressing specific action points throughout the document.
- 3.4 It should be noted that changes to the numerical aspects of the narrative report and the introduction of Appendices were avoided due to the potential for complicating the Audit Wales audit process.
- 3.5 A list of the actions and their status is included at Appendix A of this report.

### **4. Other points to note**

- 4.1 The use of appendices for the detailed analysis of the Revenue, Capital and Reserve sections of the narrative report should be considered for 2024-25 to avoid duplication and to streamline the report.

### **5. Recommendations**

For members of the Joint Governance Board to note the Director of Finance & Resources' report.

**Appendix A – Specific Actions noted from the JAC Technical Briefing with status.**

JAC Member	Comment / Action	Response	Follow on action	Owner	Status
Allan Rainford	Will Kate be sharing the easy to read accounts to JAC in due course?	Yes, Kate to progress.	Kate to circulate easy to read accounts when compiled.	Kate Jackson	In progress
Rachel Barber	Should the deadline noted on the slide of 30th August be the 31st August instead?	Yes, confirmed date should be 31st August. Guto to amend.	N/A	N/A	N/A
John Cunliffe	Query around the clarity of the narrative relating to Body Armour	Response on treatment in the session from Guto.	Narrative report to be reviewed for clarity.	Seb Phillips	Complete (Narrative amended)
Allan Rainford	The chart reconciling expenditure to budget differs from that in the Narrative report of the draft accounts. Which is correct?	Guto confirmed that the Narrative report was the correct version but would check.	Narrative report checked & reflecting correct version.	Guto Edwards	Complete
Allan Rainford	Given the variances on Utilities should the anticipation of the underspend have been better?	Some detailed analysis to underpin the budget figures and the approach taken but recognise variance is significant.	Approach to forecasting to be considered as part of current year organisational planning process.	Seb Phillips	In progress
Rachel Barber	The narrative linking the underspend to high levels of recruitment is confusing.	The higher levels of staff turnover is the driver of the underspend... ...in turn this higher turnover also results in high recruitment.	Narrative report to be reviewed for clarity.	Seb Phillips	Complete (Narrative amended)
Rachel Barber	The narrative connecting the underspend on pay and the overspend on overtime needs greater clarity.	The higher levels of staff turnover creates the capacity to resource certain demands through overtime. Some overtime was also offset through additional income.	Narrative report to be reviewed for clarity.	Seb Phillips	Complete (Narrative amended)
John Cunliffe	Query regarding the clarity of contributions to reserves.	Guto provided a response in the session.	Narrative report to be reviewed for clarity.	Seb Phillips	Complete (Narrative amended)
Allan Rainford	Query re. contingency and reserves - Are we overly cautious? Should we have both? Reflected in the narrative but have we got it right? Should they be held in reserves...	Guto provided a response in the session. Position has reduced from historical levels but could consider further.	Approach to contingency to be considered as part of current year organisational planning process.	Seb Phillips	In progress
Julie Perkins	Comment re. the need to be very clear about why we think the precept going up? Why do we think that we should push it up and charge more from the public... ...Narrative should be expanded.	Response provided in the session re. attempts to reflect but agreed to consider further.	Narrative report to be reviewed for clarity.	Seb Phillips	Complete (Narrative amended)
Rachel Barber	Comment re. the first 10 pages needing to be reviewed and tidied up further.	Agreed to consider further.	Narrative report to be reviewed for clarity.	Seb Phillips	Complete (Narrative amended)

Julie Perkins	Comment re. Capital underspends and delays. There are lost benefits on not spending the capital and there is little comment on the associated risk management. 40% of the budget only has been spent... ..Actions on there for re-curring underspend.... ..Risk profile resulting.... ..Digital intelligence & information... ..If not investing in the profile.	Agreed to consider further.	Narrative report to be reviewed for clarity.	Seb Phillips	Complete (Narrative amended)
Rachel Barber	Comment re. Capital underspends and delays. What further deterioration is happening in those areas?	Agreed to consider further.	Narrative report to be reviewed for clarity.	Seb Phillips	Complete (Narrative amended)
Allan Rainford	Query for Audit Wales: Level of general reserves is set at about 3% of Net revenue budge. Do Audit Wales feel that is appropriate given size of spending? Should the force be looking to bolster the General reserve?	Audit Wales (Michelle) responded. NWP have good plans in place to deliver their savings and a good track record of delivery but Audit Wales don't really comment specifically on the general reserve as part of the audit. No specific concern has been raised around the need to bolster the general reserve further.	N/A	N/A	N/A
Julie Perkins	Comment re. discussion on the Capital programme. Applaud going through it item by item but optimism bias and the key themes and reasons for under spend need to be considered and applied to the future with a view to setting a more realistic budget and being flexible to deliver and spend against it in future.	Capital programme has been a significant area of focus. The 2024-25 programme is a challenging one and will be monitored closely. A number of steps have already been taken to heighten the focus on Capital spend but recognised that underspend was a step back in 2023-24 compared to the prior year.	Approach to capital forecasting to be considered as part of current year organisational planning process.	Seb Phillips	In progress
Rachel Barber	Comment re. discussion on the Capital programme. Consider in future audit committees.	Agreed to consider further audit committees	Kate to reflect in work programme.	Kate Jackson	In progress
John Cunliffe	P26. There is a swing in depreciation. Why is this?	The reason is due to a change in policy and a move away from existing use value.	N/A	N/A	N/A
Allan Rainford	Have we got a robust process re. Exit packages?	Yes, these are signed off at Chief Officer level by the DFR. The content of the note has also been reviewed to ensure the expected packages are reflected.	N/A	N/A	N/A
Allan Rainford	Unusual to see a surplus on the LGPS scheme. Is it a proper surplus?	Response providing an overview of LGPS surplus given in the session.	N/A	N/A	N/A
John Cunliffe	Median pay is reported but where is Gender Pay Gap reported?	Gender pay gap is reported separately outside of the Statement of Accounts. However it is published on an annual basis.	N/A	N/A	N/A
Rachel Barber	Should the AGS action plan be longer	Agreed to consider further.	Seb to consider the AGS	Seb Phillips	In progress
Julie Perkins	There is only limited commentary around the 3 key Policing Priorities	Agreed to consider further.	Narrative report to be reviewed for clarity.	Seb Phillips	Complete (Narrative

					amended)
Rachel Barber	Comment re. things needing to evolve and it is a stronger document as a result.... Need to ask, is the document achieving what it should achieve? Don't wait for the next submission, more succinct and less significant.	Agreed Narrative report to be revisited in line with themes and specific points.	Seb to consider the AGS	Seb Phillips	Complete (Narrative amended & JGB report explaining where changes not made)

**NORTH WALES POLICE CHIEF CONSTABLE  
STATEMENT OF ACCOUNTS  
2023 – 2024**

## Table of Contents

Narrative Report .....	3
Statement of Responsibilities for the Statement of Accounts .....	26
Expenditure and Funding Analysis .....	27
Comprehensive Income and Expenditure Statement.....	28
Movement in Reserves Statement.....	29
Balance Sheet .....	30
Cashflow Statement.....	31
Notes to the Statements .....	32
Police Pension Fund Account .....	52
Statement of Accounting Policies .....	53
Glossary of Terms .....	68
Annual Governance Statement 2023-2024 .....	71
The report of the Auditor General for Wales to the Chief Constable of North Wales Police .....	97

## Narrative Report

### 1. **FOREWORD** *(from Chief Constable, Amanda Blakeman)*

- 1.1 Since taking up the post of Chief Constable of North Wales Police from October 2022, I have been mindful of the need to ensure that the Force maintains its resilient financial state so that it remains well positioned to meet a range of financial challenges that lie ahead.
- 1.2 One of my key duties as Chief Constable is to ensure that the resources placed under my responsibility are used as efficiently and effectively as possible as we strive to deliver the best possible service we can to the communities we serve. If we are to build trust and confidence, deliver an excellent service and ensure that our organisation is fit to meet the challenges that it will face in the future, then making the best use of the resources that we have at our disposal will be a key factor in this.
- 1.3 During 2023-24 the Force adapted to the financial challenges placed in front of it: a hugely difficult financial climate, where the cost-of-living crisis and significant and sustained inflationary pressure led to sustained pressure on our cost base. Despite the challenges faced, we continued to deliver vital services to our communities, kept striving to improve and delivered and maintained the targeted growth in Officer numbers, doing our bit as a force in meeting the nationally targeted increase of 20,000 officers.
- 1.4 During 2023-2024 I reviewed and updated the Force's strategy, setting it out in the North Wales Police Force Strategic Plan 2023–2026 reflecting our mission statement to **'Make North Wales the safest place to live, work and visit in the UK'**. We can achieve this mission by delivering on our priorities of: being visible & engaging with our communities; focussing on the basics of fighting, preventing & reducing crime and; providing an excellent service to victims.
- 1.5 North Wales itself is an area of great beauty, diversity, culture and popularity, with a dynamic mix of people that live, work and visit in the region. We continue to play an important role in supporting and protecting all sections of the community. Our population is circa 0.7m with a significant influx of visitors attracted to the region for large proportions of the year; our area covers six geographic counties, namely Gwynedd, Anglesey, Conwy, Denbighshire, Flintshire and Wrexham and is serviced by a single Health Board, Betsi Cadwaladr University Health Board and by the North Wales Fire and Rescue Service and Authority. The area is also serviced by the Probation Service and the Welsh Ambulance Service Trust. Working in partnership with these entities and other police services more broadly is a critical part of our delivery model. North Wales includes both urban and rural aspects including two cities, the Eryri National Park (Snowdonia), two significant ports in Holyhead in Anglesey and Mostyn in Flintshire, industrial regions, and numerous busy towns, many of which continue to attract a high volume of tourists during the summer months and other seasonal peaks. These (along with other factors) will continue to help to shape our services and the way in which we make best use of our resources.
- 1.6 2023-24 has confirmed once again that, if we are to achieve the outcomes that our community deserves, to the levels that we aspire to then we must ensure that we use our resources in the way that most effectively delivers against our strategy and priorities. Over the course of the year, the "Optimisation review" that I commissioned, has been working towards just that, assessing a range of functions within the force as we endeavour to continuously improve.
- 1.7 I am excited about what the Force can achieve in future, and I would like to take the opportunity to pass my thanks on to the wider North Wales Police team for their unwavering efforts and commitment displayed over the past year.

### 2. **INTRODUCTION** *(from Director of Finance & Resources, Seb Phillips)*

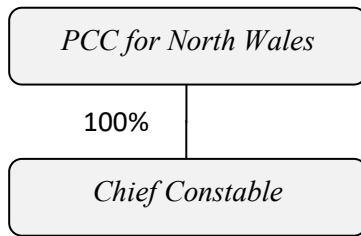
- 2.1 Having emerged from a testing 2022-23 financial year with a sound financial platform, 2023-24 presented the Force with new challenges.

- 2.2 A sustained cost-of-living crisis extensively impacted our employees, our community, our supply chain and our organisation's cost base. Inflationary pressures – both Pay and Non-Pay - continued to have a negative impact across a whole range of Force budget line items, prompting attempts to actively manage them wherever possible. Increases in demand were also felt across a range of areas, meaning that allocating resources to the areas of highest priority remained a critical emphasis of our organisation planning process. Despite this context, the Force still underspent against its Revenue and Capital budgets for 2023-24 and it enters 2024-25 on a solid financial footing.
- 2.3 This Narrative report aims to provide further context on these, and other issues faced by the Force during 2023-24. The report is subjected to independent scrutiny by our appointed external auditors to ensure that our aim of producing an output that is fair, balanced and understandable is achieved.
- 2.4 To that end the narrative report starts out in the usual way, by clarifying the responsibilities of the Police and Crime Commissioner and Chief Constable before moving onto sections covering the organisation's Strategic Priorities, its Operational and Financial Performance, its Future Outlook and a brief summary of some of the important content relating to the main Statement of Accounts that then follow within the document.
- 2.5 With regard, to the review of financial performance in particular, there is a need to reference figures external to this report to deliver an overall analysis of the position. The Code of Practice on Local Government Accounting in the United Kingdom 2023-2024 (CIPFA/LASAAC) provides us with guidance on how we should prepare our accounts to comply with International Financial Reporting Standards and in line with legislation. While we must comply with these requirements in preparing our Statement of Accounts, for the purposes of effectively monitoring our income and expenditure, we measure our financial performance in the year by comparing our budget with our outturn (actual income and expenditure in the year) and ultimately the impact that this has on usable reserves at a Group level.
- 2.6 Hence, the review of financial performance in the Narrative report analyses performance against those budgeted figures and makes several references to figures that can be reconciled back to the Group (rather than Chief Constable) 2023-2024 Statement of accounts. It is felt that preparing the narrative report in this way provides greater insight for the reader into the substance of the financial performance of the Force.
- 2.7 Before commencing that narrative report in earnest, I would like to follow the Chief's lead by passing my thanks onto the wider North Wales Police team as they continue to adapt to the changing demands and pressures to ensure that we remain focussed on delivering for our communities.

### **3. GOVERNANCE & RESPONSIBILITIES**

- 3.1 The Police Reform and Social Responsibility Act 2011 introduced the role of Police and Crime Commissioners in England and Wales with the new structure being implemented in 2012-13.
- 3.2 In principle, the Act established both the Police and Crime Commissioner and the Chief Constable as corporations sole, each deemed a separate legal entity that can employ staff, enter into contracts and take part in legal proceedings. The Police and Crime Commissioner has the responsibility to secure the maintenance of an efficient and effective police force and will commission the delivery of this from the Chief Constable. The Act has also established Police and Crime Panels for each policing area whose role is to hold the Police and Crime Commissioners to account for their decisions and actions.
- 3.3 In practice the two corporations sole are required to prepare their own statutory single entity Statement of Accounts, in accordance with the Code of Practice on Local Authority Accounting and relevant International Financial Reporting Standards. The Police and Crime Commissioner is also required to produce a set of Group Accounts. The Police and Crime Commissioner is identified as the holding organisation, and the Chief Constable is deemed a wholly owned subsidiary. A more detailed review of the governance arrangements in place is included later in this document in the form of the Annual Governance Statement but the nature of the group's structure is set out within the legislation and the preparation of the group accounts is in accordance with statutory accounting practice.





3.4 The Statement of Accounts for 2023-2024 provides a picture of the financial position at 31 March 2024 and a summary of the income and expenditure in the year to 31 March 2024.

**4. NORTH WALES STRATEGIC CONTEXT & PRIORITIES**

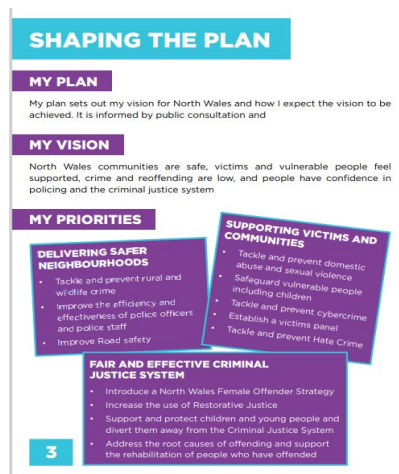
4.1 North Wales is regarded as one of the most beautiful places to live and visit in the UK.

4.2 With a population of around 700,000, the North Wales force area covers an area of 6,300 square kilometres extending from Bronington in the East to Aberdaron in the West and from Cemaes Bay in the North to Aberdyfi in the South.

4.3 The Force area covers the six geographic counties of North Wales, namely Gwynedd, Anglesey, Conwy, Denbighshire, Flintshire and Wrexham and is serviced by a single Health Board, Betsi Cadwaladr University Health Board and by the North Wales Fire and Rescue Service and Authority. The area is also serviced by the National Probation Trust and the Welsh Ambulance Service Trust.

4.4 North Wales encompasses both urban and rural areas including three cities, the Eryri National Park, two significant ports (Holyhead in Anglesey and Mostyn in Flintshire), expanding industrial regions and numerous busy towns, many of which attract a high volume of tourists during the summer months.

4.5 The Police and Crime Commissioner (PCC) Andy Dunbobbin was originally elected in May 2021 and re-elected in May 2024. The PCC set the Police and Crime Plan 2021–2024 at the start of his first term, which is the Plan that covers the period of these accounts, and set the priorities as summarised below. The full plan is available on the PCC’s website.



4.6 All priority areas present issues beyond policing and an effective response can be delivered only in partnership as reflected in the graphic below:



- 4.7 With the overall priorities set by the PCC, the Chief Constable’s Strategic Plan (North Wales Police Force Strategic Plan 2023-2026) then sets out the vision, priorities and values and approach North Wales Police will take to deliver these priorities.
- 4.8 Chief Constable Amanda Blakeman reviewed and updated the Force plan to produce the North Wales Police Force Strategic Plan 2023–2026.
- 4.9 The Chief Constable’s ‘plan on a page’ which summarises this Strategic Plan is outlined below:



- 4.10 To deliver this vision, the following three Policing Priorities have been set embodying the PCC’s priorities as well:



## 5. OPERATIONAL PERFORMANCE

- 5.1 The Statement of Accounts is primarily focused upon the financial performance for the year; however, it is also important to consider key objectives and performance set out in the Police and Crime Plan 2021-2024. The priorities in the plan have been developed in response to the areas of greatest threat, risk and harm facing North Wales following an extensive consultation process.
- 5.2 Some of the key demand faced by the Force in 2023-24 was as follows:
- 999 calls – 119,552 (an increase of 12%)
  - 101 calls – 241,327 (an increase of 3%)
  - Digital Contact – 88,162 (Webchats 24,805 and Emails 63,357)
  - Incidents Attended – 61,479
  - Arrests Made – 19,552 (an increase of 10%)
- 5.3 Overall performance against the priorities and outcomes identified within the Strategic Plan are monitored and managed regularly by the Force at its Strategic Performance board. Typically these meetings took place on a monthly basis during 2023-24 providing assurance to the executive on progress across the key areas underpinning its strategy. The reporting at this board is structured around the Outcome strategic pillars of *Increase Trust Confidence & Legitimacy; Provide Excellent Service Delivery* and ensuring the force is *Fit for the Future*. Further analysis and deep dives take place at the board where additional understanding or assurance is required.
- 5.4 As part of its overall performance monitoring, the Force also monitors its position as reflected in the National Crime Survey for England & Wales. The statistics are published on a quarterly basis and over the course of 2023-24 North Wales Police maintained its position in the top quartile of Forces for levels of confidence in the local police service providing an important indicator of the Trust & Confidence levels that are being achieved.
- 5.5 The Force also receives further independent scrutiny on performance through its HMICFRS inspections. Further detail on the findings and reports stemming from these inspections can be found in the Annual Governance Statement included at the end of this report.

- 5.6 The performance of the Force, in turn, is monitored by the PCC and over the course of the year, there may be the need for specific areas of operational performance to be scrutinised in the form of deep dives at the Strategic Executive Board. During 2023-24 these took place in the following areas:
- VAWG
  - Professional Standards and Culture
  - Hate Crime
  - Restorative Justice
  - Serious and Organised Crime
  - Road Safety
  - Rural Crime
  - Force Control Room
- 5.7 The PCC produces and publishes an annual report which includes an analysis of the overall performance of the Force and so that content won't be duplicated here but the reports are available via the PCC website.

## **6. CORPORATE RISK**

- 6.1 A Joint Risk Management Framework is shared by the Police and Crime Commissioner and Chief Constable to identify, evaluate and manage the risks faced by the respective organisations. The framework defines the steps that are required to gain the necessary understanding to support effective decision making.
- 6.2 Under the scrutiny of the Joint Audit Committee the Force has developed its risk management framework over recent years. Over the course of the year the corporate risk registers have tracked the emergence of new risks, the treatment and termination of existing risks and also any changes in the risk level occurring over the course of the year. The risk management framework itself has also been the subject of an annual review which included revisiting the Force's Risk Appetite statement.
- 6.3 Risk and Issues that were subject to particular scrutiny via the audit committee during the year included the Sexual Assault Referral Centre (SARC) accreditation, Helicopter Link to Control Room, Force Control Room provision, ICT Service Delivery Contract and Cyber Security Threats. Further detail is provided in the Annual Governance Statement and risk reports are regularly published as part of the quarterly Joint Audit Committee papers.
- 6.4 Of particular relevance to the statement of accounts is the issue of Financial Risk and during the year this was considered and scrutinised by the Joint Audit Committee via regular updates being provided by the Corporate Finance team on the general financial position; the Capital & Treasury management strategy; the self-assessment against the CIPFA Financial Management Code and the pursuit of delivering Value for Money. A key consideration for the Force when managing its financial risk is striking an appropriate balance between supporting the PCC in keeping precept increases mitigated for local households whilst also ensuring that the force has the finances it needs to deliver on its operational priorities. Over the previous two years the PCC's revenue reserves have increased significantly by £18.2m primarily due to underspends against budget as the Force has looked to recruit the Officers and Staff it needs to make the most of its Uplift funding allocations. These underspends and the increases in reserves have been a particular area of focus for the Joint Audit Committee and HMICFRS during this period and the Force has provided regular reports and analysis as a result. They have also been a consideration as part of the annual financial planning process and ultimately when setting and progressing the PCC's precept proposal.
- 6.5 During this period the management of both the Force and the OPCC have placed an emphasis on taking a balanced approach when managing its finances and the amount of underspend significantly reduced in 2023-24 when compared to the prior two financial years.
- 6.6 However, 2023-24 does still see an underspend against original budget mainly due to a time lag on recruitment and additional income being received. Whilst this increase in reserves is positive in terms of positioning the

force to deal with unforeseen financial events in future at a time of uncertainty (reflected for example, by the healthy position on CIPFA's Financial Resilience Index), it is also an important consideration when setting future budgets and it is recognised that such large underspends should not become the norm. These issues are explored further in the Financial Performance section of this report which includes a more in-depth analysis of the underspends that occurred against both the Revenue and Capital budgets during the 2023-24 financial year.

## **7. FINANCIAL PERFORMANCE**

### **7.1 2023-2024 Budget**

7.1.1 The Police and Crime Commissioner operated with a Net Revenue Budget of £188.959m for 2023-2024, which was formally agreed at a meeting of the Police and Crime Panel on 30 January 2023. This equated to a 3.68% increase to the base revenue budget from the previous financial year, comprising:

- Increase in precepts of 6.80%.
- Increase in Government funding of 0.35%.

7.1.2 The CFO delivered a presentation and report for the panel outlining the precept proposal which was subject to scrutiny in the meeting. The precept proposal was approved unanimously.

7.1.3 The main challenge in setting the Budget was the high pay and non-pay inflation being encountered. The inflationary increase was over 7%, although this was compensated partially by £3.753m of cashable savings being identified and £1.442m of additional specific grants.

7.1.4 An increase in Government Grants from the previous three years was directed towards the costs of an additional 207 Police Officers (Operation Uplift). This included funding pay, recruitment, training and the associated infrastructure costs.

### **7.2 2023-2024 Net Revenue Outturn & Net Transfer to Reserves**

7.2.1 The precept proposal agreed on the 30 January 2023 utilised realistic assumptions deemed appropriate based on the information available at the time. This took account of funding anticipated from sources other than the precept and the expenditure plans for the year and also the strength of the Force's balance sheet in terms of its Reserves.

7.2.2 When setting the budget and the associated Precept proposal, consideration is also given to uncertainty and whether contingency budgets are required. Held centrally, by Corporate Finance, assumptions for 2023-24 were to include a contingency budget of £0.4m for Operational Major Incidents and a further £0.4m for Other Contingency and Inflation to provide for unplanned events that occur over the course of the Financial Year. This equates to 0.4% of the overall budget. With a view to keeping the annual contingency budget to a minimum, earmarked reserves are also used by the force to give the Force further ability to respond to changing circumstances or demands. Alongside the centrally held contingency budget, this removes the need to build contingencies into every individual budget. Despite this approach, the contingency budgets have been a recent area of discussion with the audit committee and further consideration will be given to them in the budget planning conversations for future years a result.

7.2.3 North Wales Police is a complex organisation and variances against budget will occur in any dynamic environment. As stated earlier in the Corporate Risk section of this report the level of revenue underspend that occurred in 2021-22 and 2022-23 (whilst being well understood) was higher than would normally be expected. The underspends have been subject to close scrutiny and consideration by the Force.

7.2.4 However, pay and non-pay inflation was also higher than historical levels during 2023-24 which required some close monitoring and management during the year to assist in minimising the impact where possible. Pay awards were agreed nationally at 7% from Sept 2023 which was higher than the 2.5% planned into Force

budgets. Thankfully the pay award was accompanied by additional grants from the Home Office that compensated for most, but not all, of the additional increase.

7.2.5 Despite the inflationary pressures, Actual net operating expenditure for 2023-2024 was an outturn of £184.579m resulting in a net transfer to Group revenue reserves of £4.380m which is 2.3% of the Net Revenue Budget of £188.959m as summarised below:

Net Revenue Budget	£188.959m
Net Operating Expenditure	£184.579m
Net transfer to Group Revenue Reserve	£4.380m
Net transfer to Group Revenue Reserve %	2.3%

7.2.4 The overall underspend was primarily due to the turnover of officers and staff being higher than anticipated, a reduction in energy and fuel prices from the previous peaks experienced and additional income being generated from a number of sources.

7.2.5 The capacity of the Force recruitment and training teams meant that Officers were brought into the force in four broadly equal tranches over the course of achieving Uplift. The Uplift target increase of 207 Officers was attained at the end of March 2023; however, it was necessary to continue with the same level of recruitment intakes throughout 2023-24 to maintain the officer numbers at the higher level given the rates of attrition from the force. Due to the higher turnover officer numbers dipped below the target level between April and September 2023 resulting in some under spend. There was also turnover in staff posts that resulted in further underspend. It is worth noting that whilst staff turnover was higher than the historical levels of the force in 2023-24, it is still at some of the lowest levels when compared with the policing sector of Wales and England overall.

7.2.6 The additional income was generated from a number of factors; most significantly were higher interest rates and higher investment balances (due to the Home Office paying an element of the grants in one lump sum early in the financial year).

7.2.7 In terms of further important context for the underspend, it is worth commenting that £3.774m related to Force activities; during the financial year Body Armour was delivered but not issued and therefore has been treated as stock within these accounts equating to £0.675m of the overall number; and a further £0.173m related to local Partnerships and OPCC specific reserves £0.433m to national collaborations in support of the broader police service including transfer of balances from other Forces.

7.2.8 As the Force related underspend was known and well understood during the 2024-25 planning process, a £3m additional contribution to reserves was included in the Medium-Term Financial Plan for the Capital Reserve (£2m) and Management of Change Reserve (£1m) respectively. The final outturn allowed a further £0.392m to be contributed to the Capital Reserve above these assumptions.

7.2.9 The total transfer to reserves of £4.380m, was allocated as follows:

	£m
Earmarked Reserves	3.774
OPCC and Partnership Reserves	0.173
National Partnerships	0.433
<b>Net Transfer to Group Reserves</b>	<b>4.380</b>

7.2.10 The overall net movement in Earmarked reserves (including the national and local partnerships where North Wales Police acts as the host force) is summarised below:

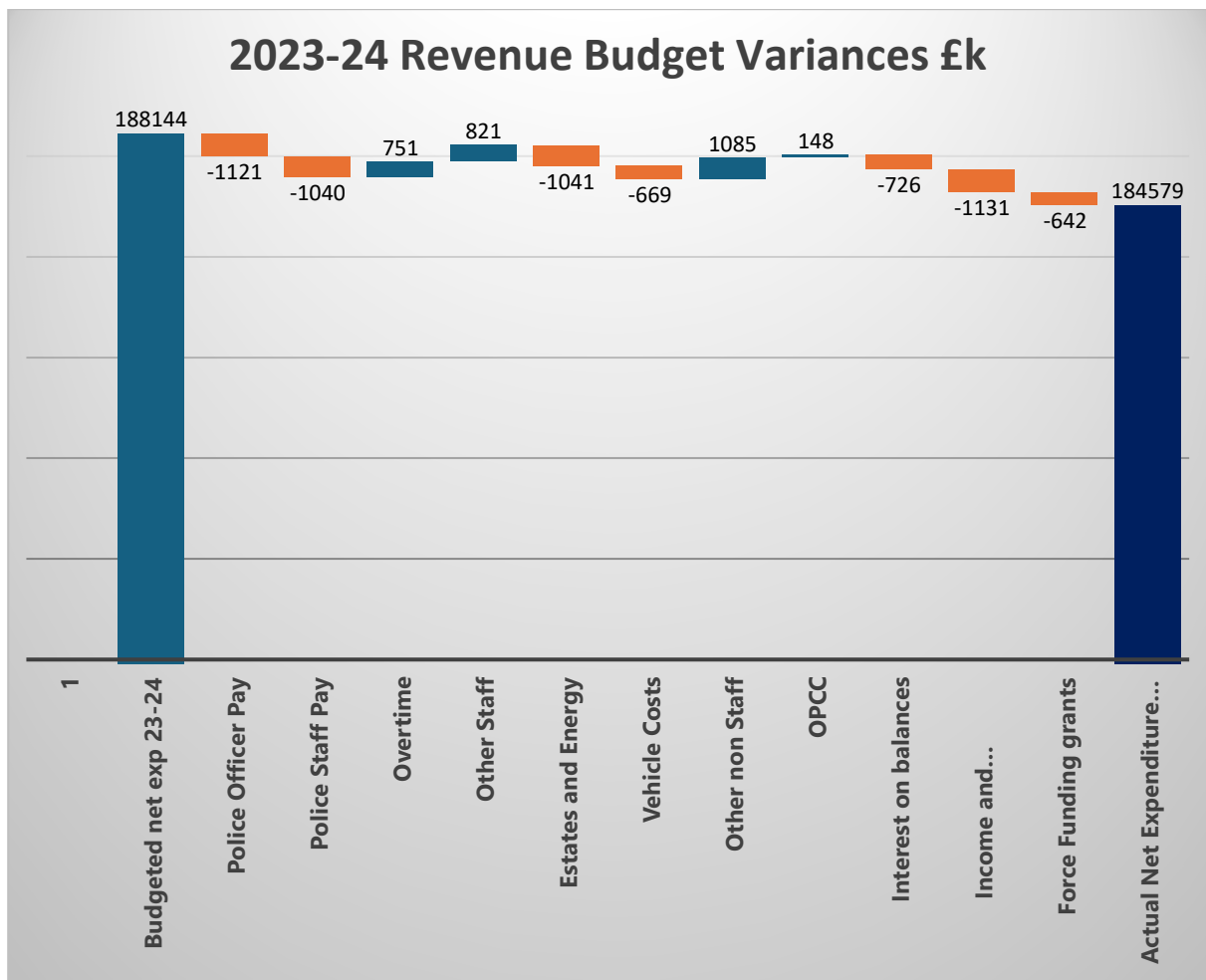
	£m	£m
<b>Earmarked Reserves at 31 March 2023</b>		<b>41.492</b>
PFI Planned Use	-0.294	
Earmarked to fund Body Armour in 2024-25	0.675	
Additional amounts earmarked MTFP	3.000	
Final end of year other movements	0.393	
OPCC and Partnerships	0.173	
National Collaborations	0.433	
<b>Net Movement</b>		<b>4.380</b>
<b>Earmarked Reserves at 31 March 2024</b>		<b>45.872</b>

7.2.11 Further context for the Earmarked reserve net movement of £4.380m is:

- £2.393m being earmarked in the Capital Reserve for future investments and potential cost increases for planned projects reflecting recent trends;
- £1.000m in the Management of Change Reserve to fund temporary costs agreed during the 2023-24 planning round;
- £0.675m to fund Body Armour replacements which was originally budgeted to be spent in year, but given it was delivered but not issued at 31.3.24 a reserve was created to charge to revenue in 2024-25;
- £0.173m relating to local Partnerships (£0.011m) and specific OPCC managed reserves (£0.162m);
- £0.433m related to contributions to earmarked reserves relating to the Forensic Collision Investigation Network, Minerva and other national collaborations which North Wales Police host on behalf of all Policing areas. This was analysed as £0.153m used and £0.586m contribution to reserves (the majority of which were transfers from previous hosting Policing Areas);
- There was no need to contribute to the General Reserve as it stands just above the 3% of Net Budget target following additional contributions made in 2022-23.

### 7.3 Analysis of Outturn v Total Budgeted Operational Expenditure

7.3.1 Overall Operating expenditure for the year increased by 5.39% on prior year to £184.579m (2022-2023: £175.142m). Despite this, there was still a £3.565m underspend variance to budgeted operating expenditure of £188.144m (total budget adjusted for planned movement in reserves). This variance is further explained first graphically and then also line by line in more detail below:



	£m
<b>Budgeted net exp 23-24</b>	<b>188.144</b>
Police Officer Pay	-1.121
Police Staff Pay	-1.040
Overtime	0.751
Other Staff	0.821
Estates and Energy	-1.041
Vehicle Costs	-0.669
Other non-Staff	1.085
Community Safety	0.148
Interest on balances	-0.726
Income and Reimbursements	-1.131
Force Funding grants	-0.642
<b>Actual Net Expenditure 23-24</b>	<b>184.579</b>

7.3.2 The outturn spend and financing is shown in the table below with further explanation of the key variances following:



Revenue Budget 2023-24	Annual Budget	Actual	Variance to Budget
	£m	£m	£m
Police Officer Pay	101.737	100.616	-1.121
Police Staff Pay	58.841	57.801	-1.040
Overtime	4.632	5.383	0.751
Other Staff related	7.540	8.361	0.821
Estates Costs	11.474	10.433	-1.041
Vehicle Costs	3.020	2.351	-0.669
Other non-staff	35.239	36.324	1.085
OPCC Grants and National Collaboration	10.035	10.183	0.148
<b>Gross Expenditure</b>	<b>232.518</b>	<b>231.452</b>	<b>-1.066</b>
Interest on Balances	-1.675	-2.401	-0.726
Income and reimbursements	-13.350	-14.481	-1.131
Force funding Grants	-23.307	-23.949	-0.642
OPCC Grants and National Collaboration	-6.042	-6.042	0
<b>Total Income</b>	<b>-44.374</b>	<b>-46.873</b>	<b>-2.499</b>
<b>Net Expenditure</b>	<b>188.144</b>	<b>184.579</b>	<b>-3.565</b>
<b>Funding</b>	<b>-188.959</b>	<b>-188.959</b>	<b>0</b>
PFI Reserve	-0.293	-0.293	0
Contribution to Management of Change	0	1.000	1.000
Contribution to Capital Reserve	0	2.392	2.392
Contribution to Body Armour Reserve	0.675	0.675	0
<b>Force related movement in Reserves</b>	<b>0.382</b>	<b>3.774</b>	<b>3.392</b>
<b>Partnerships and OPCC Reserves</b>	<b>0</b>	<b>0.173</b>	<b>0.173</b>
<b>National Collaborations</b>	<b>0.433</b>	<b>0.433</b>	<b>0</b>
<b>Total movement in reserves</b>	<b>0.815</b>	<b>4.380</b>	<b>3.565</b>
<b>Net Funding</b>	<b>-188.144</b>	<b>-184.579</b>	<b>3.565</b>

#### 7.4 Further Analysis of Revenue Outturn against budget – Underspend £3.565m

A further, more detailed analysis of the underspend outlined above is provided below.

##### 7.4.1 Employee pay costs – Underspend £1.121m

The budget for officer pay was set at the establishment of 1,696 full time equivalents (FTE), an increase of 236 from the 2019-20 pre-Uplift Base (which includes 30 officers funded from precept in 2019-20). The Uplift target was reached with one officer to spare at the end of March 2023 with the original plan for 2022-23 to be 24 officers 'over' establishment by March 2024. However, due to an increase in leavers it was not possible to achieve this head room. Resignations were higher than historic figures (although still lower than most other Policing areas) increasing from an average of 1.5 per month to around 3.5 per month over 2023-24. The Uplift target for the year, assessed initially at the end of September 23, and then again at March 2024 was met. However, in between these assessment dates, the total Officer headcount dropped below the targeted number. This together with a reduction in increment costs (again due to the increased turnover) resulted in the underspend which equated to circa 1% of the Officer pay budget.

##### 7.4.2 Staff pay costs – Underspend £1.040m

At the beginning of the financial year there were 33 additional posts from growth and restructures planned. 88 staff left in year, meaning that in total to achieve the growth, 121 posts needed to be filled. However, any internal appointments create another internal gap to fill, resulting in further churn at a time of growth. PCSO numbers being below establishment (in part due to a number being appointed as Police Officers), further

contributed towards the underspend. NB: The Welsh Government confirmed that there would be a reduction in PCSO grant which is reflected in the income section.

#### 7.4.3 **Overtime – Overspend £0.751m**

Operationally additional resources were required on occasion, especially over summer 2023, and overtime was used to provide this and funded from the pay underspend. In addition to this circa £1.3m of overtime spend was funded from income and grants which has been reflected in the budgeted figure.

Where overtime is used it is still subject to robust financial control and it is worth commenting that the total underspend of £1.410m equated to 0.85% of a total pay and overtime budget of £165.210m.

#### 7.4.4 **Other employee costs – Overspend £0.821m**

Increases in the Employer Liability and Public Liability provision (EL/PL) are the main driver of the variance. These are charged in the year identified, based on an estimate of the likely cost. An increase in both the number and the value of claims has led to a need to increase the provisions, resulting in an overspend of £0.596m. The balance of the overspend is made up of additional Injury Pension costs including some back payments that were identified following a review by the external pension administrator.

#### 7.4.5 **Estates Costs – Underspend £1.041m**

The majority of the underspend relates to energy costs of £0.734m. This reflects the reduction in energy costs seen over the 2023-24 winter (those reductions being 'banked' early as part of the energy contract to protect from future volatility); the mild winter; and an overall reduction in the volume of gas and electricity being consumed. The balance of underspend is made up of savings on the building rates budget of £0.260m following successful appeals, and some planned maintenance works which were due to be funded from the rates savings. The planned works will now be funded from the Estates Maintenance Reserve.

#### 7.4.6 **Vehicle Costs – Underspend £0.669m**

£0.373m of the underspend stems from the re-negotiated vehicle insurance contract agreed just prior to the start of the financial year. The balance reflects the reduction in fuel costs during the first 2 quarters of the year, and an underspend on the accident repairs budget.

#### 7.4.7 **Other non-staff – Overspend £1.085m**

The additional spend on this line item spans a number of headings, some of which have reserves to fund them if necessary. Some of the key elements were:

- Upgrading furniture and equipment in a number of stations and other buildings as part of the agility programme
- Printing and stationery including additional costs on the 'We Don't Buy Crime' initiative.
- Other supplies and services including consultancy for the cultural review, IT transition (to the new Technology operating model), business systems upgrade and support.
- Dog Kennelling costs being higher due to increased levels of demand.
- Legal costs being higher due to increased levels of demand.
- Additional contributions being made to the regional insourcing of forensics project due to revised timelines.
- Additional direct capital financing (where it made more sense than using reserves or borrowing).

The majority of the costs above are not recurring but where they are, they were identified and considered in the planning process for the 2024-2025 budget.

#### 7.4.8 **Community Safety– Overspend £0.148m**

This reflects an overall overspend on the PCC's Community Safety budget.

#### 7.4.9 **Interest on balances – additional income £0.726m**

Interest rates remained higher for longer than anticipated and investment balances were also higher due to the Home Office paying part of the base grant (£22m) in April 2023 rather than throughout the year. Part of

this additional income was allocated to fund the replacement body armour, with the balance of being £0.726m. The total interest income of £2.4m reflects a significant increase from the £0.016m interest income in 2021-22 although this level isn't anticipated to remain in the long term.

#### 7.4.10 **Income and Reimbursements – additional income £1.131m**

The majority of the additional income net of budgeted costs resulted from Operation Safeguard (£0.345m) and the refund of Rates following appeals (£0.323m). Other headings where additional income was received were Escort of Abnormal Loads and other charges, and specific funding received by service areas. These will have corresponding costs reflected in other non-staff and overtime costs.

#### 7.4.11 **Force Funding Grants – additional income £0.642m**

There were a number of movements in grants in the year, including a reduction of £0.607m in PCSO funding compared to the prior year actual and 2023-24 budget. This was offset by a number of increases. There was an increase in Uplift Grant of (£0.490m) for being 10 above the base targeted headcount at September 2023 and March 2024 and in POCA (£0.217m). The Home office also provided £3.399m additional funding for the September 2023 pay award which, while less than the additional cost, was £0.100m more than originally estimated and included in the budget. The Home Office also provided £0.206m at the end of year towards increases in national IT systems costs. The balance was against a number of smaller grants.

#### 7.4.12 **Office of the Police & Crime Commissioner**

Included within the relevant expenditure headings is the cost of the Office of the Police and Crime Commissioner. The revised budget for the year was £1.164m and the outturn was £1.199m. The general overspend of £0.043m related mainly to contributions to collaborations and was funded from the OPCC General Reserve. An underspend of £0.008m related to legal costs, which was transferred to the OPCC Legal Reserve. There was also an underspend of £0.130m on Checkpoint budgets, £0.116m of this was added to the Community Safety Reserve and £0.014m to the Checkpoint Reserve, for the purposes of purchasing replacement vehicles.

The Office of the Police and Crime Commissioner is responsible for commissioning services to support the Police and Crime Plan which amounted to £5.691m in 2023-24. This was funded from the Commissioner's Community Safety budget and grants including Ministry of Justice grant to support victims of crime, and from Welsh Government for the VAWDASV programme. This expenditure was administered by the Office of the Police and Crime Commissioner during the financial year.

#### 7.4.13 **National Collaborations**

North Wales Police takes a leading role in a number of collaborations:

- **FCIN** (Forensic Collision Investigation Network) - North Wales Police hosts FCIN with the aim of enabling the accreditation of collision investigations nationally. All Policing areas in England and Wales have signed a collaboration agreement which includes the funding of the FCIN. 2023-24 was the fourth year for FCIN. There was a net contribution from reserves of £0.011m.
- **MINERVA** - a partnership between 26 UK police forces and Niche Technology was hosted in 2023-24 and had a planned net use of £0.101m from reserves. This collaboration will move to Avon and Somerset Police from 1 April 2024.
- **National Police National Database (PND) Team** – North Wales Police hosted the management team of PND during 2023-24. There was an overall contribution of £0.024m to the National PND reserve.
- **Crime Prevention Projects** – North Wales Police hosted two National Crime Prevention Teams during 2023-24 as part of the Chief Constable's national responsibilities. An overall contribution of £0.521m was made to these reserves at the end of the year, the majority of which related to a transfer of balances from the previous hosting policing area.

7.4.14 This concludes the further analysis of Revenue Outturn against budget.

## 7.5 Further Analysis of Capital Financing

- 7.5.1 The PCC's capital programme is focussed on enabling efficiency and effectiveness and sustainability into the future, allowing North Wales Police to refresh and renew assets at the appropriate times. Over recent years the force has had an ambitious and challenging capital programme and whilst much has been delivered, the general pattern has been for elements of the programme to be deferred to following years. Whilst this picture is not uncommon for the public sector, these deferrals of spend potentially defer the benefit associated with those programmes into the following years as well. However, not including these projects in the capital programme could potentially further delay those benefits.
- 7.5.2 The original Capital Budget for 2023-24 was approved as part of the Capital Strategy in March 2023 at £12.212m. Once final figures for 2022-23 were known the Programme was reviewed to include carry forward figures and then re-profiled to reflect anticipated activity. Taking this into account, a revised estimate of £10.978m was set. This process also took account of the underspends seen in recent financial years against the approved Capital budget. Whilst these underspends were driven by a range of factors (including elements beyond the PCC's or Force's control). The capital budget set for 2023-24 was considered to be realistic and deliverable based on the facts known at the time.
- 7.5.3 The budget was reviewed and re-profiled quarterly, with the 2023-24 estimate reducing to £9.636m at Q2, £7.656 at Q3, and to £6.635 at Q4, and reported in the Capital Strategy for 2024-25. The final spend was lower again at £4.931m.
- 7.5.4 Whilst this differs significantly from the original planned figure of £12.212m, the reality is that a number of important areas have been progressed and moved forwards over the course of the financial year. Capital expenditure remains challenging in all areas with general issues being planning delays, inflation affecting tendered costs, and supply chain issues. This means that the underspend against the budget has been primarily driven by delays to delivery rather than schemes coming in at a lower cost than anticipated. Indeed, certain schemes – particularly in construction – have experienced significant inflationary pressure over the course of 2022-23 and 2023-2024.
- 7.5.5 A summary of capital expenditure is given below with the variance column analysing the difference between the Revised Budget and Actual outturn:

Description	Original Estimate (MTFP & Cap Strat Mar 23) £000	Revised Estimate 2023-24 Q1 £000	Revised Estimate 2023-24 Q2 £000	Revised Estimate 2023-24 Q3 £000	Revised Estimate (Cap Strat Mar 24) £000	Outturn 2023-24 £000	Variance 2023-24 £000	Variance from Q1 £000
<b>Capital Expenditure:</b>								
Total Building Works	4,761	2,486	2,209	2,209	2,209	1,298	-911	-1,188
Total Vehicles and Other Equipment	2,957	2,797	2,467	2,467	2,467	2,384	-83	-413
Total Information Technology and Equipment	4,494	5,695	4,960	2,980	1,959	1,249	-710	-4,446
<b>Total Capital Expenditure</b>	<b>12,212</b>	<b>10,978</b>	<b>9,636</b>	<b>7,656</b>	<b>6,635</b>	<b>4,931</b>	<b>-1,704</b>	<b>-6,047</b>
<b>Funding:</b>								
Welsh Government Grant	0	620	620	620	620	532	-88	-88
Revenue Contribution	3,327	3,327	3,327	3,447	3,358	3,614	256	287
Earmarked Reserves	2,297	3,236	2,791	1,791	966	0	-966	-3,236
Capital Receipts	250	377	200	200	200	0	-200	-377
Borrowing for Estates	4,386	1,466	1,366	1,366	1,366	485	-881	-981
Borrowing for replacement programme	1,952	1,952	1,332	232	125	300	175	-1,652
<b>Total Funding</b>	<b>12,212</b>	<b>10,978</b>	<b>9,636</b>	<b>7,656</b>	<b>6,635</b>	<b>4,931</b>	<b>-1,704</b>	<b>-6,047</b>

- 7.5.6 Key elements of the capital programme driving the figures are outlined below:

#### 7.5.6.1 Building and Estates Work

- The Sexual Assault Referral Centre refurbishment and upgrade was completed in 2023-2024 and became operational at the beginning of 2024-2025.
- The major scheme included in the original Capital Programme in the year is the building of a new Police Station in 2023-2024 in Holyhead, with work expected to start in Q4 2024-2025. Planning and other issues delayed the tendering process for the scheme. This has now been completed and is being assessed with work expected to start summer/autumn 2024.
- The other major project was the refurbishment of Caernarfon Police Station; although this accounts for some of the final slippage the work is expected to be completed by June 2024.
- Other projects were either final payments for completed schemes or planning costs for future schemes.

#### 7.5.6.2 Vehicles and Equipment

- Vehicle replacement has been extremely challenging since 2021-2022. A combination of the final national contract (and pricing) being agreed later than expected caused a backlog, and supply issues due to a number of reasons (including COVID) resulted in considerable slippage into 2022-2023, with a level of uncertainty on delivery dates continuing.
- These issues continued during 2022-2023 with slippage into 2023-2024. This led to an initial Programme of £2.897m compared to the normal base of £1.6m. This was revised to £2.567m in Q1 with the final outturn of £2.007m for Vehicles.
- 103 vehicles were delivered during the financial year. Despite the delays to the procurement of vehicles, the force continues to operate a well maintained, effective fleet with generally high availability figures being achieved.

#### 7.5.6.3 IT and Communications

- A substantial cross-cutting Digital and IT upgrade programme commenced in 2019-2020, the majority of which was completed in 2022-2023. This included implementation of personal-issue laptops and the completion of the project for personal-issue body worn video equipment for officers who previously shared equipment, national projects, and other smaller upgrades and developments within the Force's infrastructure.
- The original 2023-2024 Programme had 10 new or replacement Projects, 6 of which were deferred to 2024-2025 which were: Main server replacement; telephony equipment; digital interview recorders; digital intelligence and investigation; Airwave unit replacement; and body worn video replacement.
- Replacement laptops and desktop computers were issued as planned.
- The digital forensics server was delivered to the Force to be installed in Q1 2024-2025.
- There was also some but not all of the planned expenditure associated with the Command and Control upgrade.

7.5.7 More generally, the force continues to monitor and scrutinise its business change programme and the associated capital expenditure, reporting on progress and key variances routinely through the force governance. Clearly the analysis above reflects another position of underspend, and this has been considered by the Force in terms of its future plans and the monitoring of their actual delivery. The force has been mindful of this pattern when making finance decisions to avoid scenarios where funds for the capital programme are raised ahead of them being required. It has also been mindful of the other impacts that delays to these elements of work can have, considering these in a number of governance forums.

7.5.8 This concludes the further analysis of Capital Outturn against budget.

### 8. RECONCILIATION OF FUNDING AVAILABLE & GAAP

8.1 The earlier sections of this report show how the funding available to the Police and Crime Commissioner (i.e. government grants and council tax) for the year have been spent to provide services in comparison with the original budget. It is on this basis that the expenditure and income is managed on a day-to-day basis.

8.2 However, the primary statements that follow within the Statement of Accounts are prepared and presented in accordance with generally accepted accounting practices and show the accounting cost in year rather than the amount to be funded from taxation. The differences are detailed in Note 7. Adjustment between accounting basis and funding basis under regulations.

## 9. **RESERVES, PROVISIONS, SOURCES of INCOME & BORROWING:**

### 9.1 **Reserves**

Revenue Reserves increased by £7.125m in the previous set of accounts and by a further £4.380m in 2023-2024. The net effect of this has been to strengthen the PCC's balance sheet and to improve the overall standing in terms of Financial Resilience (with this position being reflected by North Wales Police's standing in CIPFA's Financial Resilience index). Whilst the level of underspend seen over this period is higher than historical levels, the PCC has considered the most appropriate earmarking of the reserves to ensure that the OPCC and force deliver value for money, facilitate the management of risk and invest in infrastructure for the future as appropriate. Furthermore, this strengthened balance sheet was also considered when establishing the most appropriate financial plans for 2024-2025 and beyond (with reserves being used to fund certain elements of expenditure to ensure council tax increases could be mitigated where deemed appropriate). The reserves movement and year end balances at 31 March 2024 are shown in the table below:

<b>Movement in Reserves 2023-24</b>	<b>Balance at 31-03-2023</b>	<b>Transfers Out 2023-24</b>	<b>Transfers In 2023-24</b>	<b>Total Movement 2023-24</b>	<b>Balance at 31-03-2024</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>General Reserve</b>	<b>6.120</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.120</b>
<b>Earmarked Reserves</b>					
Capital Reserve	3.300	0.000	2.393	2.393	5.693
Pensions ill health reserve	0.975	0.000	0.000	0.000	0.975
PFI Reserve	2.677	-0.293	0.000	-0.293	2.384
Major Incident Reserve	2.435	0.000	0.000	0.000	2.435
Insurance Reserve	1.561	0.000	0.000	0.000	1.561
Estates Security and Maintenance	1.141	0.000	0.000	0.000	1.141
Management of Change Reserve	6.589	0.000	1.000	1.000	7.589
Training Reserve	0.650	0.000	0.000	0.000	0.650
Uplift Reserve	3.475	0.000	0.000	0.000	3.475
ESN Reserve	7.285	0.000	0.000	0.000	7.285
COVID Reserve	0.284	0.000	0.000	0.000	0.284
PEQF Reserve	0.622	0.000	0.000	0.000	0.622
Energy Reserve	2.800	0.000	0.000	0.000	2.800
Sustainability Reserve	2.000	0.000	0.000	0.000	2.000
Body Armour Reserve	0.000	0.000	0.675	0.675	0.675
Neighbourhood Policing Reserve	1.282	0.000	0.000	0.000	1.282
Partnerships Balances Reserve	1.062	-0.023	0.034	0.011	1.073
FCIN Reserve	2.056	-0.051	0.040	-0.011	2.045
Other National Collaborations	0.000	0.000	0.546	0.546	0.546
Minerva	0.224	-0.101	0.000	-0.101	0.123
Commissioners Community Safety Fund	0.699	-0.007	0.188	0.181	0.880
Checkpoint (OPCC)	0.047	0.000	0.014	0.014	0.061
Legal Reserve (OPCC)	0.100	0.000	0.008	0.008	0.108
OPCC Reserve	0.228	-0.043	0.000	-0.043	0.185
<b>Total Earmarked Reserves</b>	<b>41.492</b>	<b>-0.518</b>	<b>4.898</b>	<b>4.380</b>	<b>45.872</b>
<b>Total Revenue Reserves</b>	<b>47.612</b>	<b>-0.518</b>	<b>4.898</b>	<b>4.380</b>	<b>51.992</b>
<b>Capital Receipts Reserve</b>	<b>3.577</b>	<b>0.000</b>	<b>0.210</b>	<b>0.210</b>	<b>3.787</b>
<b>Total all reserves</b>	<b>51.189</b>	<b>-0.518</b>	<b>5.108</b>	<b>4.590</b>	<b>55.779</b>

**9.2 Usable Reserves** – these are the reserves that are available for future expenditure (further details are in Notes 7 and 8). A further commentary is also provided below.

9.2.1 The Police and Crime Commissioner’s reserves are required to meet any unforeseen events, fund the revenue and capital plans of the Force and Office of the Police and Crime Commissioner over forthcoming periods, and to facilitate changes and developments that are required to improve efficiency and effectiveness and meet new demands.

9.2.2 Significant savings delivered over the last 13 years of £42.8m mean that any ‘low hanging fruit’ has been long since picked, and any further savings become harder to deliver and at increased risk of affecting service delivery (despite this the organisation continually strives for efficiency as a key component of its annual planning process). Furthermore, the continued uncertainty over government funding and large-scale national projects being implemented also adds to a context where the OPCC and force must be prudent in the management of their finances. The Police and Crime Commissioner continues to implement the budget strategy to deliver the required savings over the period and as part of this, £3.753 million savings were identified and delivered during 2023-2024 with the planning process balancing the proposals against the levels of risk that they created.

9.2.3 As part of the strategy, the level of reserves and provisions currently held is considered prudent and the general reserve was increased to £6.120 million to maintain it within the acceptable range of 3% to 5% as defined in the Medium-Term Financial Plan covering the next 4 years.

9.2.4 There were a number of movements within the reserves during 2023-24. Key elements in 2023-2024 to comment on in relation to Reserves and other long-term funding are listed below:

**9.2.4.1 Capital Reserve**

The reserve was increased by £2.393m in 2023-2024. This brings the total for the reserve to £5.693m. However, circa £4.6m of this is committed to the current capital programme. The reserve is intended for use on future investments and to mitigate potential increases in costs of exiting projects.

**9.2.4.2 Pension Ill Health Reserve**

This reserve is for mitigating uneven spend on ill-health retirements due to their variability. It was not used in 2023-2024.

**9.2.4.3 PFI Reserve**

The Police and Crime Commissioner has a PFI scheme for the divisional headquarters in St. Asaph. The funding for this scheme continues to be partially met from government grants, with the remainder funded by the revenue budget and an earmarked reserve. Details of the scheme and liability can be seen in Note 31. A planned contribution of £0.293m from reserves offsets the annual reduction in grant.

**9.2.4.4 Major Incident Reserve**

The reserve is for mitigating uneven spend associated with major incidents. It was not used in 2023-2024.

**9.2.4.5 Insurance Reserve**

A review was independently conducted during 2021-2022. There were no changes in 2023-2024.

**9.2.4.6 Estates Security and Maintenance Reserve**

This was established to cover the costs relating to the Estates Condition Survey carried out in 2018-2019 and any other unforeseen significant estates works. This reserve was not used in 2023-2024, planned expenditure of £0.321m was instead funded from income received from rate appeals in year.

**9.2.4.7 Management of Change Reserve**

The reserve was increased by £1m as agreed during the latest planning cycle, with the funds being available to facilitate change.

**9.2.4.8 Training Reserve**

The reserve was established to deal with the training backlog following the reduction in training due to COVID during 2020-2021 and 2021-2022. No additional funding was required in 2023-2024.

#### 9.2.4.9 **Uplift Reserve**

The Home Office strongly advised that any uncommitted Uplift funding should be put to one side to fund future recruitment, training of probationers, and infrastructure. Recruitment is still at a higher-than-normal level to maintain officer numbers. The reserve is also intended to allow additional officers to be recruited to ensure targets are met, but this has not been required to date.

#### 9.2.4.10 **Emergency Service Network (ESN) Reserve**

ESN funding was removed from the annual revenue budget in 2023-2024 to reflect that the national programme has been delayed. To mitigate the risk of future cost a reserve was established. It was not used in 2023-24.

#### 9.2.4.11 **Neighbourhood Policing Grant Reserve**

The reserve is in place to manage short notice changes to grant conditions relating to Police Community Support Officers (PCSOs) or other one-off Neighbourhood Policing requirements. It was not used in 2023-24.

#### 9.2.4.12 **COVID Reserve**

The reserve was not used in 2023-2024 and so the balance can be considered for re-purposing during 2024-2025.

#### 9.2.4.13 **Police Education Qualifications Framework (PEQF) Reserve**

Probationers commenced with the PEQF qualifications from September 2020. As the numbers of Probationers increased due to Operation Uplift so too do the associated costs with a peak in costs in future years. The reserve can be used to fund the peak in costs, so that a recurring budget increase is not required. There were no changes in 2023-2024.

#### 9.2.4.14 **Energy Reserve**

This reserve was set up to mitigate the risk of volatility in energy prices. A fall in energy prices meant that the reserve was not used in 2023-2024.

#### 9.2.4.15 **Sustainability Reserve**

This reserve was set up to support the investment needed to improve sustainability, progress decarbonisation and reduce associated costs. The reserve was not used in 2023-2024.

#### 9.2.4.16 **Body Armour Reserve**

£0.675m was added to the reserve in 2023-2024 funded from interest income. The Body Armour was delivered in March 2024 but held as stock at the end of the year. The armour will be issued in the first quarter of 2024-2025 funded from the reserve.

#### 9.2.4.17 **Partnership Balances**

This reserve relates to a number of partnerships and regional collaborations where balances are held, which will be used to fund future expenditure. Net contributions of £0.011m were made in the year.

#### 9.2.4.18 **FCIN Reserve**

The Force agreed to host the Forensic Collision Investigation Network to facilitate national accreditation of Forensic Collision Investigation work. £0.011m of the reserve was used during the year.

#### 9.2.4.19 **Minerva Reserve** (a partnership between 26 UK police forces and Niche Technology)

North Wales Police agreed to host the partnership from 2021-2022. There was a planned use of £0.101m in 2023-2024. The reserve will be transferred to Avon and Somerset as they take the lead for this collaboration from 1<sup>st</sup> of April 2024.

#### 9.2.4.20 **Other National Collaborations Reserve**

These are the national PND management team and two crime reduction projects that the Chief Constable leads on nationally. A total of £0.546m was transferred into the reserve.

#### 9.2.4.21 **Community Safety Fund Reserve**

A contribution of £0.181m was made to the reserve balancing the contributions and costs of the various commissioned work by the PCC.



#### 9.2.4.22 Checkpoint Reserve

A contribution of £0.014m was made to the reserve to fund the future replacement of vehicles.

#### 9.2.4.23 OPCC Legal Reserve

A contribution of £0.008 was added to the reserve in 2023-2024.

#### 9.2.4.24 OPCC Reserve

£0.043m was used from the reserve in 2023-2024.

#### 9.2.4.25 Capital Receipts Reserve

This reserve can only be used to fund capital expenditure. Proceeds from the sale of Cefn Mawr Police Station and the sale of 4 Vehicles with proceeds of over £10k were added totalling £0.291m. The reserve was not used to finance the Capital Programme in 2023-2024.

9.2.5 Further analysis showing the full details of the capital expenditure and financing are shown in Appendix A.

### 9.3 Pensions impact on Reserves

9.3.1 The Police and Crime Commissioner has a negative reserve on the Balance Sheet arising from the treatment of IAS 19 Employee Benefits. This relates to the Police Officers' Pension Schemes and the Police Staff Local Government Pension Scheme liabilities/assets. This amounts to a net deficit of £1.397 billion as at 31 March 2024. The Police Officer Pension Schemes are unfunded, and the amount shown in the reserve of £1.396 billion represents the amount that would be required to have a fully funded scheme. This liability is underwritten by the Home Office. The Police Staff Local Government Scheme does have a fund to finance future liabilities, and the reserve shown of £0.001 billion reflects the reported surplus in the fund as at the end of March 2024. Further details are shown in Note 34 in the accounts. The Police Pension Scheme was subject to actuarial revaluation in 2023 and the Police Staff Local Government Scheme subject to actuarial revaluation in 2022, with the results of these have been incorporated within the Statement of Accounts.

### 9.4 Capital Balances & Reserves:

9.4.1 The following table provides a summary of the capital balances and reserves held by the Police and Crime Commissioner. There is a significant increase in the Unusable Capital Reserves which are detailed in Note 20. This is as a result of a change in valuation method for those buildings which are considered to be specialised in nature and is due to a change in the guidance for valuers. These adjustments that are made in the balance sheet to reflect the difference between General Accepted Accounting Practice (GAAP) and statutory provisions and are not available to be used:

	OPENING BALANCE		CLOSING BALANCE
	01/04/2023	MOVEMENT	
CAPITAL BALANCE AND RESERVES	£'000	£'000	£'000
<b>USABLE CAPITAL RESERVES</b>			
Capital Receipts Reserve	3,577	210	3,787
<b>UNUSABLE CAPITAL RESERVES</b>			
Revaluation Reserve	43,061	-471	42,590
Capital Adjustment Account	33,642	2,188	35,830

9.4.2 During the year the Police and Crime Commissioner reviewed asset valuations of 19 properties within the portfolio.

### 9.5 Provisions

PROVISIONS	OPENING	MOVEMENT	CLOSING
	BALANCE		BALANCE
	£'000	£'000	£'000
INSURANCE FUND	1,273	485	1,758

9.5.1 Further breakdown is shown in Note 18. The amounts shown are for known liability claims.

## 9.6 Sources of Income

9.6.1 The Comprehensive Income and Expenditure account shows where the Police and Crime Commissioner's money comes from and what it is spent on. The majority of his income was received from Government Grants and the precept, which is raised locally and is collected by the Unitary Authorities along with their council tax.

9.6.2 The following are the levels of the Police share of the Council Tax that were set during the 2022-2023 and 2023-2024 financial years:

Band	A	B	C	D	E	F	G	H	I
2022-2023	211.20	246.40	281.60	316.80	387.20	457.60	528.00	633.60	739.20
2023-2024	222.06	259.07	296.08	333.09	407.11	481.13	555.15	666.18	777.21

## 9.7 Borrowing

9.7.1 No long-term or short-term borrowing was taken out in 2023-2024. The total of loans outstanding at the end of the financial year was £7.904 million (2022-2023 £8.406 million).

## 10. FUTURE OUTLOOK

10.1 The uncertainty surrounding the level and potential impact of future funding settlements in the Police Service mandates the need to continue to ensure that we maintain a stable financial platform and continue to review and transform our services. Of particular importance are the conflicts in Ukraine and the Middle East, the lingering impacts of COVID, and the current political uncertainty arising from a General Election in July 2024. The likely review of the Police Funding Formula following the election heightens the current levels of uncertainty around funding further.

10.2 Over the period of implementing Operation Uplift (2019-2020 to 2022-2023) to increase officer numbers the PCC has significantly strengthened the balance sheet. As officer numbers settle at the increased level the pay budget will be fully utilised, and the reserves can be used to recruit over the base target to ensure that the establishment is in place through the year. The additional reserves have improved the OPCC's and Force's position in terms of financial resilience at a time of ongoing financial uncertainty, an assessment by CIPFA's Achieving Finance Excellence in Policing (AFEP) Programme has scored North Wales Police to be the most resilient in Wales and England. Whilst this is positive from the perspective of the Force being able to manage future service delivery demands, it is also acknowledged that the level of recent underspends and the associated strengthening of reserves needs to be carefully considered when determining funding requirements in future planning cycles. As part of the 2024-25 planning process, the decision was taken to draw down on some of this balance sheet strength to avoid having to raise precept levels further.

10.3 A careful balance needs to be struck between having the financial agility to adapt to cost pressures associated with employee pay, new operational demands, complex challenges such as accreditation and decarbonisation; and other uncertainties (such as pay awards) and the need to mitigate council tax pressures on local households.

10.4 The Medium-Term Financial Plan sets out the financial requirements over the 2024-2029 period. It links the Police and Crime Plan priorities and the Chief Constable's Strategic Plan to the financial strategy and can be found on the Police and Crime Commissioner's website.

10.5 The Police and Crime Commissioner and Chief Constable are committed to ensuring that the police service in North Wales is fit for purpose and provides value for money to the people of North Wales. An essential part of this is the requirement for adequate reserves, in order to meet forthcoming challenges and ultimately

protect front line services. Having a sustainable financial platform is vitally important for future service delivery. The strategic planning process also has a critical role to play in ensuring that resources are allocated to the areas that matter most to meeting the demands that the organisation faces, in an effective way that delivers value for money in the process.

- 10.6 Despite the revenue underspend in 2023-24, these are non-recurring with spends returning to 'on budget' once appropriate resources are put in place for future years, and a significant element of the total underspend being due to non-recurring income. A significant part of the overall strategy was to recruit up to a new higher police establishment which was achieved in March 2023 and maintained at the target dates of September 2023 and March 2024 during 2023-2024 but dipping under the target in between these dates. Inflationary pressures which have been high for the last two financial years will also have a bearing on the future cost base. The cost-of-living crisis experienced during 2022-23 and 2023-24 also generates greater uncertainty with regard to potential pay inflation and the impact that this could have on future costs in this area. Furthermore, the planning model aims to strive for value for money on a continuous basis, ensuring that each service area reviews its position and efficiency, with the knowledge that contingency budgets are held at force level should unplanned events transpire in year, as well as having an Optimisation Team to focus on specific areas and thematic reviews to look at cross-cutting services. These will remain a critical element of the planning process as the OPCC and Force seek to mitigate the financial pressures they face.
- 10.7 The 2024-2025 budget was set by the Police and Crime Commissioner and approved by the Police and Crime Panel on 29 January 2024, at £200.281 million. This represented a 4.97% Council Tax increase, a 5.97% increase in Government Base Grant funding and an overall net increase of 5.99% compared to the 2023-2024 budget of £188.959 million. Savings of £3.171m were required to balance the budget with pay and non-pay inflation running at 8.61%. The final year of the Government's Operation Uplift to increase officer numbers by 20,000 nationally and by 206 in North Wales was completed in March 2023, however recruitment at the higher level is still required to maintain the higher officer numbers. Investments in growth were limited due to inflationary pressure, but have been made in delivering safer neighbourhoods, supporting victims and communities, and a fair and effective criminal justice system as well as protecting School Liaison Officers and Community Support Officers numbers due to a reduction in Welsh Government specific grants funding for these programmes. The Chief Finance Officer delivered a presentation and report to the Police and Crime Panel outlining the precept proposal, which was subject to scrutiny in the meeting. The precept proposal was approved unanimously. The level of precept proposed considered the strength of the balance sheet with certain operational areas – PCSOs for example – being funded in part through an approach that utilises reserves rather than relying on increased Precept funding. Similarly the assumptions on which the budget was based was also revisited to consider previous areas driving underspend related to Income and Staff Turnover. The level of precept proposal reflected these factors and the position on underspend will continue to be carefully monitored in the future as well.
- 10.8 During the last quarter of 2019-2020 Coronavirus spread internationally, resulting in the UK entering lockdown on 23 March 2020. The impact of the 2019-2020 and 2020-2021 accounts and activities were significant, the impact on 2022-2023 and 2023-2024 being much less, although the timeline for auditing and finalising these accounts is still longer than that set out in statute, while positive changes in working practices yielding efficiencies have been maintained and incorporated as business as usual. The international conflicts also had a bearing on pricing and supply chains in 2023-2024. Increased political and economic instability pushed inflation to higher rates than normal and these have remained higher for longer than expected but are now reducing towards the Bank of England target of 2%. Interest rates remained higher in 2023-24 than before 2022-2023, this has had a positive financial effect because borrowing rates for loans in place are fixed, while investment income has increased. Additional disclosures are included where appropriate.
- 10.9 The future financial plans for the OPCC and force, and indeed the future precept proposals, will be based on a consideration of all of these factors to ensure a stable and sustainable financial plan, which is ultimately achievable over the medium term of 5 years. The recent inflationary pressures experienced, combined with the conclusion of Operation Uplift create a very different financial context for the force when compared to recent experience. The review of the Police Funding Formula is likely to be an issue over the medium term,

and although the strong balance sheet builds resilience, a review of the funding formula could result in a significant reduction in government funding.

## **11. ACCOUNTING POLICIES**

11.1 Changes in accounting policies are 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 financial position or financial performance.

## **12. COLLABORATION WITH OTHER BODIES**

12.1 Police and Crime Commissioners are encouraged to explore areas where they might collaborate on the delivery of services, either with other police forces or on a local level with other public bodies.

12.2 To that end the Police and Crime Commissioner and Force are working closely with the other Welsh Forces and the North West Region to explore areas for collaboration. Consideration is given to the potential cost, benefits, risks and opportunities that each collaboration represents, and to aid this process the All-Wales Collaboration Programme has established a dedicated productivity and efficiency work stream which holds a remit to ensure that collaboration in this area delivers value for money.

12.3 The Force has been hosting the national Forensic Collision Investigation Network (FCIN) since 2020-2021. This is a significant collaboration between all policing areas in Wales and England with an aim to attain accreditation and ensure the highest standards in collision investigation nationally. The FCIN was a significant area of work for the Force in its host force capacity during 2023-2024. It will remain a challenging undertaking for the force headed into the future.

12.4 On 1 April 2021 lead responsibility for Minerva, a collaboration made up of 27 Minerva member forces based upon their common use of the Niche Records Management System (NicheRMS365), was passed to the Police and Crime Commissioner for North Wales. The force continued to fulfil this lead responsibility during 2023-24 but this responsibility will move to Avon and Somerset Police from 1 April 2024.

12.5 The national teams for PND and two national crime prevention teams have been hosted by North Wales Police during 2023-2024 as part of the Chief Constable's national responsibilities.

12.6 Details of all current collaboration arrangements are shown in Note 39.

## **13. EVENTS AFTER THE REPORTING PERIOD**

13.1 At the time that the Statement of Accounts were submitted to the Police and Crime Commissioner on 30 June 2024, all material adjusting or non-adjusting events which would be required to be included in the Statement of Accounts have been reflected under Note 6.

## **14. CHIEF CONSTABLE'S STATEMENT OF ACCOUNTS**

14.1 The Act and other legislative documents specify that the Police and Crime Commissioner should hold the group reserves and account for income received. Therefore, the Chief Constable's Cash flow Statement and Movement of Reserves Statement will only contain the movements relating to the Accumulated Absence Account. Movements relating to all other reserves and cash flows are reported at Group level and contained within the Group Statement of Accounts.

14.2 The accounts present a detailed picture of the financial affairs of the Chief Constable and comprise:-

- **Statement of Responsibilities** (Page 26).  
This sets out the responsibilities of the Chief Constable and the Chief Financial Officer in respect of the Statement of Accounts and confirms that the accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting.
- **Expenditure and Funding Analysis** (Page 26).  
This shows how annual expenditure is used and funded from resources (government revenue support grant, council tax precept and business rates) by the Police and Crime Commissioner and the Group in comparison with those resources consumed or earned by the Police and Crime Commissioner and the Group in accordance with generally accepted accounting practice. It also shows how this expenditure is allocated for management accounting purposes. Income and expenditure accounted for under generally accepted accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.
- **Comprehensive Income and Expenditure Statement** (Page 28).  
This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practice rather than the amount to be funded from taxation. The Police and Crime Commissioner Group raises taxation to cover expenditure in accordance with statutory requirements and uses this income to provide intra-group funding to the Chief Constable. The costs funded by taxation may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.
- **Movement in Reserves Statement** (Page 29).  
This summarises the movement in the year on the different reserves held by the Chief Constable analysed into usable reserves (those that can be applied to fund expenditure) and other (principally technical accounting) unusable reserves.
- **Balance Sheet** (Page 30).  
This shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The net assets of the Chief Constable (assets less liabilities) are matched by the reserves held by the Chief Constable. The Chief Constable holds only unusable reserves i.e. that are not able to be used to provide services.
- **Cash Flow Statement** (Page 31).  
This statement shows the changes in cash and cash equivalents during the year.
- **Notes to the Statements** (Pages 32 to 51).  
These are all the explanatory notes relating to the statements.
- **Police Pension Fund Account** (Page 52).  
This details the transactions relating to Police Pension income and expenditure.
- **Statement of Accounting Policies** (Page 53).  
This statement supports the accounts and details the specific principles, rules and practices applied by the Group in preparing and presenting the financial statements.

14.3 These accounts have been produced in accordance with the accounting standards which currently apply to local policing bodies. Where this produces a conflict with the underlying legal requirement to produce accounts showing taxpayers' funds, relevant adjustments have been made in accordance with the CIPFA code of practice. A schedule of these adjustments can be found in Note 4 "Adjustments between Accounting Basis and Funding Basis under Regulations".

## **Statement of Responsibilities for the Statement of Accounts**

The purpose of this statement is to set out the responsibilities of the Chief Constable and the Chief Financial Officer in respect of the Statement of Accounts.

### **The Chief Constable's Responsibilities**

The Chief Constable is required:-

- \* to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this organisation, that officer is the Chief Financial Officer (Director of Finance and Resources),
- \* to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets,
- \* to approve the statement of accounts.

I approve this Statement of Accounts for the year ended 31 March 2024.

**Amanda Blakeman (Chief Constable for North Wales)**

Date: 31 October 2024

### **The Chief Financial Officer's Responsibilities**

The Chief Financial Officer is responsible for the preparation of the Statement of Accounts in accordance with proper practice as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, the Chief Financial Officer has:

- \* selected suitable accounting policies and then applied them consistently,
- \* made judgments and estimates that were reasonable and prudent,
- \* complied with the Code of Practice.

The Chief Financial Officer has also:

- \* kept proper accounting records which were up to date,
- \* taken reasonable steps for the prevention and detection of fraud and other irregularities.

### **CHIEF FINANCIAL OFFICER'S CERTIFICATE**

The statement of accounts has been prepared in accordance with the requirements of the Local Government Accounts and Audit (Wales) Regulations 2014 and reflects the format and content of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2023-2024 and the Service Reporting Code of Practice.

I certify that this Statement of accounts give a true and fair view of the financial position of the Chief Constable at the reporting date and of its income and expenditure for the year ended 31 March 2024.

The audit certificate appears on pages 98-100.

**Seb Phillips (Director of Finance and Resources)**

Date: 31 October 2024

## Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the Chief Constable for the year has been used in providing services in comparison with those resources consumed or earned by the Chief Constable in accordance with generally accepted accounting practice. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 3)	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 3)	Net Expenditure in the Comprehensive Income & Expenditure Statement
	2022-2023			2023-2024		
	£'000	£'000	£'000	£'000	£'000	£'000
Policing Services	220,620	2,343	222,963	240,601	-37,929	202,672
<b>Net Cost of Services before intra group transfer</b>	<b>220,620</b>	<b>2,343</b>	<b>222,963</b>	<b>240,601</b>	<b>-37,929</b>	<b>202,672</b>
Intra Group Transfer	-220,620	0	-220,620	-240,601	0	-240,601
<b>Net Cost of Services</b>	<b>0</b>	<b>2,343</b>	<b>2,343</b>	<b>0</b>	<b>-37,929</b>	<b>-37,929</b>
Other Income and Expenditure	0	51,768	51,768	0	62,127	62,127
<b>Surplus(-)/Deficit(+) on provision of services</b>	<b>0</b>	<b>54,111</b>	<b>54,111</b>	<b>0</b>	<b>24,198</b>	<b>24,198</b>

## Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. The overall net cost of services is nil as the operational cost of policing is funded via a transfer from the Police and Crime Commissioner to the Chief Constable. The overall financial position is reported within the Group Financial Statements.

<b>Gross Expenditure</b>		<b>Gross Expenditure</b>
<b>2022-2023</b>		<b>2023-2024</b>
<b>£000</b>		<b>£000</b>
75,124	Police Officers	81,220
44,363	Support Staff	48,743
57,386	Pensions	23,780
1,260	Allowances	1,207
4,311	Indirect Employees Expenses	4,255
8,014	Premises	8,736
2,851	Transport Expenses	2,685
23,064	Supplies and Services	24,901
11,478	Third Party Payments	12,085
341	Support Services	331
-5,831	PCC expenditure on grants and initiatives	-5,517
602	Uncompensated absences accrual	246
<b>222,963</b>	<b>Cost of Services</b>	<b>202,672</b>
-220,620	Commissioning Costs (intra-group transfer)	-240,601
<b>2,343</b>	<b>Net Cost of Services</b>	<b>-37,929</b>
51,768	Financing & investment income and expenditure	62,127
<b>54,111</b>	<b>Surplus (-)/Deficit (+) on Provision of Services</b>	<b>24,198</b>
-704,867	Actuarial Gains (-)/Losses (+) on pensions assets/liabilities	-12,998
56,161	Adjustment of pension surplus/asset ceiling	31,477
<b>-648,706</b>	<b>Other Comprehensive Income and Expenditure</b>	<b>18,479</b>
<b>-594,595</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>42,677</b>
594,595	Intra group transfer	-42,677
<b>0</b>	<b>Net Comprehensive Income and Expenditure</b>	<b>0</b>



### Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Chief Constable.

	<b>General Fund Balance £000</b>	<b>Total Usable Reserves £000</b>	<b>Unusable Reserves £000</b>	<b>Total Chief Constable Reserves £000</b>
<b>Balance at 31 March 2022</b>	<b>0</b>	<b>0</b>	<b>-8,360</b>	<b>-8,360</b>
<u>Movement in reserves during 2022-2023</u>				
Comprehensive Expenditure and Income	54,111	-54,111	53,509	-602
Adjustments between accounting basis & funding basis under regulations (Note 4)	-54,111	54,111	-54,111	0
<b>Net increase (+)/decrease (-) in 2022-2023</b>	<b>0</b>	<b>0</b>	<b>-602</b>	<b>-602</b>
<b>Balance at 31 March 2023 carried forward</b>	<b>0</b>	<b>0</b>	<b>-8,962</b>	<b>-8,962</b>
<u>Movement in reserves during 2023-2024</u>				
Comprehensive Expenditure and Income	24,198	-24,198	23,952	-246
Adjustments between accounting basis & funding basis under regulations (Note 4)	-24,198	24,198	-24,198	0
<b>Net increase (+)/decrease (-) in 2023-2024</b>	<b>0</b>	<b>0</b>	<b>-246</b>	<b>-246</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>0</b>	<b>0</b>	<b>-9,208</b>	<b>-9,208</b>

## Balance Sheet

The Balance Sheet shows the assets and liabilities recognised by the Chief Constable. The net usable assets position is nil as the intra-group transactions transfer the assets and liabilities into the Group/Police and Crime Commissioner's accounts. The Chief Constable does not hold any reserves to meet any obligations as these are held by the Group and the overall financial position is reported within the Group Financial Statements.

31 March 2023 £000		31 March 2024 £000
1,354,866	Long Term Debtor with the PCC (Note 17 - Pension)	1,397,297
<b>1,354,866</b>	<b>Long Term Assets</b>	<b>1,397,297</b>
343	Inventories (Note 10)	947
5,332	Prepayments (Note 11)	5,652
10,223	Intra Group Transfer (Note 1)	10,374
<b>15,898</b>	<b>Current Assets</b>	<b>16,973</b>
-19,185	Short Term Creditors (Note 12)	-19,582
-5,675	Intra group Transfer (Note 1)	-6,599
<b>-24,860</b>	<b>Current Liabilities</b>	<b>-26,181</b>
-1,354,866	Pension Liabilities (Note 17)	-1,397,297
-1,354,866	<b>Long Term Liabilities</b>	-1,397,297
<b>-8,962</b>	<b>Net Assets</b>	<b>-9,208</b>
-8,962	Accumulated Absence Account	-9,208
<b>-8,962</b>	<b>Total Unusable Reserves</b>	<b>-9,208</b>

## Cashflow Statement

This Cash Flow statement shows the changes in cash and cash equivalents during the reporting period. All cash and cash equivalents are held by the Police and Crime Commissioner and are shown within the Group Accounts.

<b>2022-2023 £000</b>		<b>2023-2024 £000</b>
54,111	Net surplus (-) or deficit (+) on the provision of services	24,198
-54,111	Adjust net surplus (-) or deficit (+) on the provision of services for non-cash movements	-24,198
0	Adjust for items included in the net surplus (-) or deficit (+) on the provision of services that are investing and financing activities	0
0	Net cash flows from Operating Activities	0
0	Investing activities	0
0	Financing activities	0
<b>0</b>	<b>Net increase (-) or decrease (+) in cash and cash equivalents</b>	<b>0</b>
0	Cash and cash equivalents at the beginning of the reporting period	0
<b>0</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>0</b>

## Notes to the Statements

### 1. Intra Group Transfer

The intra group transfer represents the short term amounts due relating to creditors, prepayments, inventories and adjustments between the accounting basis and funding basis received by the Chief Constable as at the 31 March 2024.

### 2. Restatement of the Comprehensive Income and Expenditure Statement

There are no changes that require the restatement of the previous year's Statement.

### 3. Notes to the Expenditure and Funding Analysis

<b>Adjustments between Funding and Accounting Basis 2023-2024</b>			
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts</b>	<b>Net change for the Pensions Adjustments (Note a)</b>	<b>Other Adjustments (Note b)</b>	<b>Total Adjustments</b>
Chief Constable	-38,175	246	-37,929
<b>Net Cost of Service</b>	<b>-38,175</b>	<b>246</b>	<b>-37,929</b>
Other income and expenditure from the Expenditure Funding Analysis	62,127	0	<b>62,127</b>
<b>Difference between the General Fund surplus/deficit and the Comprehensive Income and Expenditure Statement surplus/deficit on the provision of services</b>	<b>23,952</b>	<b>246</b>	<b>24,198</b>

<b>Adjustments between Funding and Accounting Basis 2022-2023</b>			
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts</b>	<b>Net change for the Pensions Adjustments (Note a)</b>	<b>Other Adjustments (Note b)</b>	<b>Total Adjustments</b>
Chief Constable	1,741	602	2,343
<b>Net Cost of Service</b>	<b>1,741</b>	<b>602</b>	<b>2,343</b>
Other income and expenditure from the Expenditure Funding Analysis	51,768	0	<b>51,768</b>
<b>Difference between the General Fund surplus/deficit and the Comprehensive Income and Expenditure Statement surplus/deficit on the provision of services</b>	<b>53,509</b>	<b>602</b>	<b>54,111</b>

#### **Note a: Net change for pension adjustments**

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

For **services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

For **Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

## Note b: Other Adjustments

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

For **Financing and investment income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference, and any variance will be brought forward in future Surpluses or Deficits on the Collection Fund.

### 4. Adjustment between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Chief Constable in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Chief Constable to meet future expenditure.

The majority of the adjustments relate to the accounts of the Commissioner. The exceptions are the adjustments in respect of the pensions Reserve and the Accumulated Absence account which are presented below.

2023-2024	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
<b>Adjustments to Revenue Resources:</b>				
Pensions costs (transferred to (or from) the pensions reserve)	23,952	0	0	-23,952
Holiday Pay (transferred from the accumulated absences account)	246	0	0	-246
<b>Total Adjustments to Revenue Resources</b>	<b>24,198</b>	<b>0</b>	<b>0</b>	<b>-24,198</b>
<b>Total Adjustments</b>	<b>24,198</b>	<b>0</b>	<b>0</b>	<b>-24,198</b>

2022-2023	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
<b>Adjustments to Revenue Resources:</b>				
Pensions costs (transferred to (or from) the pensions reserve)	53,509	0	0	-53,509
Holiday Pay (transferred from the accumulated absences account)	602	0	0	-602
<b>Total Adjustments to Revenue Resources</b>	<b>54,111</b>	<b>0</b>	<b>0</b>	<b>-54,111</b>
<b>Total Adjustments</b>	<b>54,111</b>	<b>0</b>	<b>0</b>	<b>-54,111</b>

## 5. Accounting Standards that have been issued but have not yet been adopted

The Code requires the Police and Crime Commissioner to disclose information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code. The following changes will be required from 1 April 2024 :-

- IFRS 16 was issued by the IASB in 2016. Its main impact is to remove (for lessees) the traditional distinction between finance leases and operating leases. Finance leases have effectively been accounted for as acquisitions (with the asset on the Balance Sheet, together with a liability to pay for the asset acquired). In contrast, operating leases have been treated as 'pay as you go' arrangements, with rentals expensed in the year they are paid. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset. Initial work has been conducted for implementation from 1 April 2024.
  - Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
  - Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022.
  - International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023.
  - Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.
- None of these amendments will have a significant effect on the Statement of Accounts.

## 6. Critical Judgements in applying Accounting Policies

In applying the accounting policies set out in the Statements, the Police and Crime Commissioner has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:-

There remains uncertainty around proposed changes to the Police funding in the medium term. There are plans in place to balance the budget in future years as set out in the medium-term financial plan; however, it is not certain whether the current levels of funding will be sufficient in order to meet the resources required over the period of the medium-term financial plan (MTFP) and therefore annual cycles of organisational planning will take place in line with the Financial Strategy contained in the MTFP.

## 7. Assumptions Made About the Future and Other Major Source of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Chief Constable about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Items within the Group Balance Sheet as at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming year are as follows:

Item	Uncertainties	Effect if Actual results Differ from Assumptions
Pensions Liability	Estimation of the net liability/asset to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected return on pension funds' assets. A firm of consulting actuaries is engaged to provide the Police and Crime Commissioner with expert advice about the assumptions to be applied.	The effects on the net pension liability/asset of changes in individual assumptions can be measured. The impact of increase or decrease in the assumptions e.g. increase or decrease in the discount rate is set out in Note 17.

## 8. Material Items of Income and Expense

All applicable material items of income and expenditure have been set out on the face of the Comprehensive Income and Expenditure Statement.

## 9. Events after the Balance Sheet Date

The Statement of Accounts was authorised by the Chief Finance Officer on 31 October 2024. Material events taking place after the reporting date but prior to the financial statements being authorised for issue are reflected in the financial statements and notes. Where events taking place provided information about conditions existing at 31 March 2024 the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## 10. Inventories

	HQ Stores		Body Armour		Other Stores		Total 2023-2024 £000
	2023-2024 £000	2022-2023 £000	2023-2024 £000	2022-2023 £000	2023-2024 £000	2022-2023 £000	
<b>Balance held at start of year</b>	<b>258</b>	<b>273</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>121</b>	<b>343</b>
Purchases	553	476	547	0	453	347	1553
Recognised as an expense in the year	-494	-491	0	0	-455	-383	-949
Written off balances	0	0	0	0	0	0	0
<b>Balance held at year end</b>	<b>317</b>	<b>258</b>	<b>547</b>	<b>0</b>	<b>83</b>	<b>85</b>	<b>947</b>

## 11. Prepayments

	2023-2024 £000	2022-2023 £000
<b>Amounts falling due in one year - Prepayments</b>	5,652	5,332
	<b>5,652</b>	<b>5,332</b>

## 12. Creditors

	2023-2024 £'000	2022-2023 £'000
<b>Amounts falling due in one year -</b>		
Trade payables	7,268	7,833
Other payables	12,314	11,352
	<b>19,582</b>	<b>19,185</b>

## 13. External Audit Costs

External Audit costs have been shared equally between the Police and Crime Commissioner and the Chief Constable. The below total represents the total cost for the year:

	2023-2024			2022-2023		
	Group	PCC	CC	Group	PCC	CC
	£000	£000	£000	£000	£000	£000
Fees payable to the Wales Audit Office with regard to external audit services carried out by the appointed auditor	106	53	53	88	44	44
<b>Total</b>	<b>106</b>	<b>53</b>	<b>53</b>	<b>88</b>	<b>44</b>	<b>44</b>

The above represents payments made within the financial year 2023-2024. The agreed strategy fee for the audit year November 2023 to October 2024 was £106,424 for 2023-2024.

## 14. Officers Remuneration

The following table sets out the remuneration disclosures for Relevant Police Officers (defined as the Chief Constable and any Senior Police Officers and staff with a full-time salary of more than £150,000 per year or other relevant officers with a salary above £60,000). Other Senior Police Officers (above the rank of Superintendent) and Senior Employees (designated office holder of a local government body) are included within the Remuneration Banding table. The amounts for the Officers and Staff below have been fully charged within the Comprehensive Income and Expenditure Account.

2023-2024							
Post Holder:	Notes:	Salary (including fees & allowances)	Expense Allowance	Benefits in kind	Total remuneration excluding pension contributions	Pension contributions	Total remuneration including pension contributions
		£	£	£	£	£	£
Chief Constable - A. Blakeman		169,598	13,980	2,648	186,226	51,434	237,660
Deputy Chief Constable (A)	1	85,641	0	3,969	89,610	23,046	112,656
Deputy Chief Constable (B)	2	31,546	42	501	32,089	9,779	41,868
Deputy Chief Constable (C)	3	54,109	0	1,524	55,633	16,774	72,407
Assistant Chief Constable (B)	4	40,253	108	719	41,080	14,368	55,448
Assistant Chief Constable (B)	4	50,415	93	820	51,328	16,372	67,700
Assistant Chief Constable (C)	5	29,458	0	933	30,391	9,132	39,523
Assistant Chief Constable (D)	6	44,067	0	2,670	46,737	13,593	60,330
Director of Finance & Resources		115,741	329	7,261	123,331	21,644	144,975

The above remuneration table is based on total remuneration costs, whereas the median pay calculations are based on taxable pay per individual.

Note 1: The post holder (A) held this post from 01/04/2023 to 30/10/2023

Note 2: The post holder (B) held this post for an interim period from 08/08/2023 to 05/11/2023 (see also Note 4)

Note 3: The post holder (C) held this post from 06/11/2023 to 31/03/2024 (see also Note 5)

Note 4: The post holder (B) held this post from 01/04/2023 to 07/08/2023 and from 06/11/2023 to 31/03/2024

Note 5: The post holder (C) held this post for an interim period from 08/08/2023 to 05/11/2023

Note 6: The post holder (D) held this post from 15/05/2023 to 08/10/2023 (this officer is also included in the Remuneration Bands table below)

2022-2023							
Post Holder:	Notes:	Salary (including fees & allowances)	Expense Allowance	Benefits in kind	Total remuneration excluding pension contributions	Pension contributions	Total remuneration including pension contributions
		£	£	£	£	£	£
Chief Constable - C. Foulkes	1	96,482	0	4,335	100,817	26,309	127,126
Chief Constable - R. Debicki	2	24,051	0	1,142	25,193	7,456	32,649
Chief Constable - A. Blakeman	3	68,392	13,641	517	82,550	20,723	103,273
Deputy Chief Constable (A)	4	107,299	0	6,047	113,346	32,509	145,855
Deputy Chief Constable (B)	5	19,890	0	1,142	21,032	5,280	26,312
Assistant Chief Constable (B)	6	90,752	120	3,741	94,613	28,133	122,746
Assistant Chief Constable (D)	7	17,031	0	5,120	22,151	4,599	26,750
Director of Finance & Resources		105,126	333	8,304	113,763	19,974	133,737



Note 1: The post holder (C.Foulkes) held this post from 01/04/2022 to 14/10/2022

Note 2: The post holder (R.Debricki) held this post for an interim period from 03/09/2022 to 30/10/2022 (see also Note 4)

Note 3: The post holder (A.Blakeman) held this post from 31/10/2022 to 31/03/2023

Note 4: The post holder (A) held this post from 01/04/2022 to 02/09/2022 and from 31/10/2022 to 31/03/2023

Note 5: The post holder (B) held this post for an interim period from 03/09/2022 to 30/10/2022 (see also Note 6)

Note 6: The post holder (B) held this post from 01/04/2022 to 02/09/2022 and from 31/10/2022 to 31/03/2023

Note 7: The post holder (D) held this post for an interim period from 03/09/2022 to 30/10/2022

## Remuneration Bands

The Chief Constable's other employees receiving more than £60,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration Bands	Number of Employees 2023-2024 *	Number of Employees 2022-2023
£60,000 - £64,999	91	37
£65,000 - £69,999	28	18
£70,000 - £74,999	18	5
£75,000 - £79,999	8	7
£80,000 - £84,999	9	4
£85,000 - £89,999	5	5
£90,000 - £94,999	2	3
£95,000 - £99,999	3	1
£100,000 - £104,999	2	2
£105,000 - £109,999	2	0

\*The impact of the September 2023 pay award of 7% can be seen in the increased numbers above.

## Exit Packages

The number of exit packages with total cost per band and the total cost of the compulsory and other redundancies are set out in the table below:

Exit packages cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band *		Total cost of exit packages in each band	
	2022-2023 No.	2023-2024 No.	2022-2023 No.	2023-2024 No.	2022-2023 No.	2023-2024 No.	2022-2023 £000	2023-2024 £000
£ 0 - £20,000	0	0	5	4	5	4	55	30
£ 20,001 - £40,000	0	0	0	0	0	0	0	0
£ 40,001 - £60,000	0	0	0	0	0	0	0	0
£ 60,001 - £80,000	0	0	1	0	1	0	65	0
£ 80,001 and above	0	0	0	0	0	0	0	0

## Median Pay Ratio

The median pay ratio compares the full-time equivalent remuneration of the Chief Constable to the full time equivalent median remuneration of the staff employed by the Chief Constable.

	2023-2024	2022-2023
Chief Constable's pay	182,451	178,389
Median pay of the Chief Constable's staff	37,953	35,542
Median pay ratio:	4.8	5.0

The above median pay calculations are based on taxable pay per individual, whereas the remuneration table is based on total remuneration costs.

## 15. Related Parties

There are no material interests or relationships of the Chief Officers or their direct families, which could influence or control the decision making, policies or financial transactions of North Wales Police/Police and Crime Commissioner. A robust process is also in place to approve and register the business interests of both police staff and officers.

The Chief Constable is a trustee of both PACT (North Wales Police and Community Trust) and DangerPoint. The Force allocates funding from income received via the Police Property Fund Account in support of PACT projects whose objectives are to raise the profile of community safety, significantly minimise the fear of crime and thus enhance the quality of life throughout North Wales. For 2023-2024 this equated to £25,400 donated from the fund to PACT contributing towards meeting the costs of the Fund administration of £51,547.34.

The Police and Crime Commissioner and Chief Constable participate in a partnership with HMPPS and provide funding to support the 'Dechrau Newydd' project in North Wales. This dual partnership is to support drug related offending and deaths through community provision and support.

Members of the Joint Audit Committee declared all their financial interests relating to contracts and businesses on appointment and signed an agreement to abide by the Seven Nolan Principles of Life and declare any revised interests to the Chief Executive. Joint Audit Committee members' declarations of interests can be found on the Office of the Police and Crime Commissioner's website [www.northwales-pcc.gov.uk](http://www.northwales-pcc.gov.uk)

## 16. Termination Benefits

The Police and Crime Commissioner utilised the following regulations in respect of termination benefits:

- the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) and
- the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)

and terminated the contracts of a number of employees in 2023-2024 incurring costs of £0.072 million (2021-2022 £0.120 million) as disclosed in note 14.

## 17. Defined Benefits Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Police and Crime Commissioner offers retirement benefits. Although these benefits will not actually be payable until employees retire the Police and Crime Commissioner has a commitment to make the payments (for those benefits) and to disclose them at the time employees receive their future entitlement.

The Police and Crime Commissioner participates in two pension schemes:

- **The Local Government Pension Scheme for Police Staff and the Office of the Police and Crime Commissioner** is administered by Gwynedd Council. This is a funded defined benefit final salary scheme, meaning that the Police and Crime Commissioner and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities to investment assets. The Police and Crime Commissioner and Chief Constable are one scheduled body within the LGPS and are not split in the accounts.

The Gwynedd Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Gwynedd Council. Policy is determined in accordance with the Pensions Fund regulations. The investment managers of the fund are appointed by the committee.

The principal risks to the Police and Crime Commissioner of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (e.g. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the General Fund the amounts required by statute as described in the accounting policies note.

Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which the liabilities are recognised when awards are made.

- **The Police Pension Scheme for Police Officers.** This is an unfunded defined benefit final salary scheme, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pension fund for the year is less than the amounts payable, the Police and Crime Commissioner must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Police and Crime Commissioner who then must repay the amount to central government.

#### **Transactions Relating to Post-Employment Benefits:**

The Police and Crime Commissioner recognises the cost of retirement benefits in the reported cost of services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The Chief Constable of North Wales, along with other Chief Constables and the Home Office, currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015. Claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is brought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts.

#### **McCloud/Sargeant judgement and remedy:**

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case (referred herein as “McCloud”) and the Court of Appeal handed down its judgment on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age.

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Eligible members were able to elect which scheme they wished to receive benefits from for this period. Once the remedy window was closed, all McCloud-related liabilities for eligible members for the period 2019 to 2022 were moved to the elected legacy schemes. Once this was completed scheme administrators carried out contribution adjustments to ensure affected members have paid the correct contributions for this portion of service. These adjustments can be positive or negative, depending on which schemes a member is moving between. In the accounting disclosures at 31 March 2024, any contributions adjustments made during 2023-24 have been included as a past service cost or gain.

With regard to the LGPS, when the benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by

these members are subject to an ‘underpin’ which ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

### Section 37 legal case (Virgin Media case):

In June 2023 the High Court found in the Virgin Media case that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pensions Schemes Act 1993, and that changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. The judgment was appealed in August 2024 and the ruling upheld.

The actuaries do not believe there are any absent actuarial confirmations relating to either pension schemes. Therefore, they do not expect any liability changes to arise following this judgement.

**Recognition of surplus (Net asset)** - the Accounting Standard restricts (by way of as ‘asset ceiling’) the amount of accounting surplus which can be recognised on the Employer’s balance sheet. As an asset ceiling adjustment was applied at 31 March 2023, the opening position for the 2023/24 disclosures have started from the adjusted position. The actuaries have subsequently proceeded to carry out a similar calculation to assess the net asset restriction based on the remaining future working lifetime of active staff and the present value of accruing service cost less the value of cash contributions i.e. the asset ceiling, as at 31 March 2024. The result of this calculation means that the Employer is limited to recognising only the value of the asset ceiling of £NIL (2022-23 £934k) on its balance sheet as opposed to the total accounting surplus of £88,879k (2022-23 £57,095k).

The following transactions have been made in the Comprehensive Income and Expenditure Account (CIES) and the Movement in Reserves Statement during the year:

	Local Government Pension Scheme		Police Pension Scheme		Total
	2023-2024 £000	2022-2023 £000	2023-2024 £000	2022-2023 £000	2023-2024 £000
<b>Comprehensive Income and Expenditure Statement</b>					
<i>Cost of Services:</i>					
<i>Service cost comprising:</i>					
Current Service Cost	-8,552	-18,874	-11,970	-35,320	-20,522
Past Service Gains (-)/Losses (+)	-27	-208	30	0	3
<i>Financing and investment income and expenditure</i>					
Net interest expense	43	-1,858	-62,170	-49,910	-62,127
<b>Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>-8,536</b>	<b>-20,940</b>	<b>-74,110</b>	<b>-85,230</b>	<b>-82,646</b>
<b><i>Other Post Employment Benefit Charged to the Comprehensive Income &amp; Expenditure Statement</i></b>					
Unfunded Benefits Contributions	117	109	0	0	117
Transfers In	0	0	0	-290	0
Police Pension top-up grant receivable	0	0	25,876	23,306	25,876
<b><i>Actual amount charged against the General Fund balance for pensions in the year:</i></b>					
Employer's contributions payable to scheme	8,417	7,712	0	0	8,417
Retirement benefits payable to pensioners	0	0	24,284	21,824	24,284
<b><i>Employer's pension contributions and direct payments to pensioners payable in the year</i></b>	<b>8,534</b>	<b>7,821</b>	<b>50,160</b>	<b>44,840</b>	<b>58,694</b>

Cont'd	Local Government Pension Scheme		Police Pension Scheme		Total
	2023-2024 £000	2022-2023 £000	2023-2024 £000	2022-2023 £000	2023-2024 £000
<b>Remeasurement of the net defined benefit liability comprising:</b>					
Return on plan assets (excluding the amount included in the net interest expense)	17,764	-10,688	0	0	17,764
Actuarial gains(+) and losses (-) arising on changes in demographic assumptions	17,173	9,686	0	28,940	17,173
Actuarial gains (+) and losses (-) arising on changes in financial assumptions	1,418	153,317	28,580	648,080	29,998
Other experience gains (+) and losses (-)	-7,237	-20,058	-44,700	-104,410	-51,937
<b>Total actuarial gains (+) / losses(-) on pension assets / liabilities</b>	<b>29,118</b>	<b>132,257</b>	<b>-16,120</b>	<b>572,610</b>	<b>12,998</b>
<b>Changes in asset ceiling</b>	<b>-31,477</b>	<b>-56,161</b>	<b>0</b>	<b>0</b>	<b>-31,477</b>
<b>Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Account</b>	<b>-2,361</b>	<b>62,977</b>	<b>-40,070</b>	<b>532,220</b>	<b>-42,431</b>

<b>Movement in Reserves Statement</b>					
Reversal of net charges made to the Surplus or Deficit for the Provision of post-employment benefits	-2	-13,119	-23,950	-40,390	-23,952

### Pensions Assets and Liabilities Recognised in the Balance Sheet.

The amount included in the balance sheet arising from the Police and Crime Commissioner's obligation in respect of its defined benefit plans is as follows:

	Local Government Pension Scheme		Police Pension Scheme		Total
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000
Present value of the defined benefit obligation	239,993	234,690	1,395,870	1,355,800	1,635,863
Fair value of plan assets	-328,872	-291,785	0	0	-328,872
Sub-total	-88,879	-57,095	1,395,870	1,355,800	1,306,991
Other movement in the liability (+)/asset (-) (if applicable)	90,306	56,161	0	0	90,306
<b>Net (Asset) / Liability arising from the defined benefit obligation</b>	<b>1,427</b>	<b>-934</b>	<b>1,395,870</b>	<b>1,355,800</b>	<b>1,397,297</b>

### Reconciliation of the Movement in the Fair Value of the Scheme (Plan) Assets

	Local Government Pension Scheme	
	31 March 2024 £000	31 March 2023 £000
Opening fair value of the scheme assets	291,785	289,967
Interest income	13,985	8,048
Remeasurement gain (+)/loss (-):		
- the return on plan assets, excluding the amount included in the net interest expense	17,764	-10,688
- Other (if applicable)	0	-1,343
Contribution from employers	8,417	7,712
Contributions from employees	3,060	2,695
Benefits paid	-6,139	-4,606
<b>Closing fair value of the scheme assets</b>	<b>328,872</b>	<b>291,785</b>

## Reconciliation of the Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Opening balance at 1 April	290,851	352,010	1,355,800	1,888,020
Current service cost	8,552	18,874	11,970	35,320
Interest cost	11,274	9,906	62,170	49,910
Contributions from scheme participants	3,060	2,695	8,950	8,170
Remeasurement gains (-) and losses (+):				
- Actuarial gains/losses arising from changes in demographic assumptions	-17,173	-9,686	0	-28,940
- Actuarial gains/losses arising from changes in financial assumptions	-1,418	-153,317	-28,580	-648,080
- Other experience gains/losses	7,237	18,715	44,700	104,410
- Changes due to asset ceiling	34,145	56,161	0	0
Past service costs	27	208	-30	0
Transfers In (Police Pension Scheme only)	-	-	0	290
Benefits paid	-6,139	-4,606	-59,110	-53,300
Liabilities extinguished on settlements (where applicable)	-117	-109	0	0
<b>Closing balance at the 31 March</b>	<b>330,299</b>	<b>290,851</b>	<b>1,395,870</b>	<b>1,355,800</b>

### Local Government Pension Scheme assets comprised:

	Local Government Pension Scheme 2023-2024			Local Government Pension Scheme 2022-2023		
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total
	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	0	4,239	4,239	911	0	911
<b>Sub-total</b>	0	4,239	4,239	911	0	911
Property:						
By type:						
UK Property	0	22,905	22,905	0	24,048	24,048
Overseas Property	0	0	0	0	0	0
<b>Sub-total</b>	0	22,905	22,905	0	24,048	24,048
<b>Derivatives:</b>						
Inflation	0	8,112	8,112	0	0	0
<b>Sub-total</b>	0	8,112	8,112	0	0	0
Private Equity:						
UK and overseas	0	17,100	17,100	0	18,369	18,369
<b>Sub-total</b>	0	17,100	17,100	0	18,369	18,369
Other Investment Funds and unit trusts:						
Equities	0	183,016	183,016	0	181,645	181,645
Infrastructure	0	0	0	0	8,284	8,284
Other	0	93,500	93,500	0	58,528	58,528
<b>Sub-total</b>	0	276,516	276,516	0	248,457	248,457
<b>Totals</b>	<b>0</b>	<b>328,872</b>	<b>328,872</b>	<b>911</b>	<b>290,874</b>	<b>291,785</b>

### Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

The Local Government Pension Scheme liabilities have been estimated by Hymans Robertson and the Police Pension Scheme liabilities have been estimated by the Government Actuary's Department. These are both independent actuary organisations - estimates for the Local Government Pension Scheme being based on the latest full valuation of the scheme as at 31 March 2022 and estimates for the Police Pension Scheme being based on the latest full valuation as at March 2020.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions used. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period. This assumes if one assumption changes, all the other assumptions will remain constant. The estimation in the sensitivity analysis has followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

2023-2024	Local Government Pension Scheme		Police Pension Scheme	
	Increase in assumption £000	Decrease in assumption £000	Increase in assumption £000	Decrease in assumption £000
Longevity (increase (+) or decrease (-) in 1 year)	9,600	-9,600	34,000	-34,000
Rate of inflation (increase (+) or decrease (-) by 0.5%)	26,765	-26,765	109,000	-109,000
Rate of increase in salaries (increase (+) or decrease (-) by 0.5%)	1,150	-1,150	13,000	-13,000
Rate of increase in pensions (increase (+) or decrease (-) by 0.5%)	26,765	-26,765	108,000	-108,000
Rate for discounting scheme liabilities (increase (-) or decrease (+) by 0.5%)	-27,415	27,415	-109,000	109,000

### Asset and Liability Matching (ALM) Strategy

The pensions committee of Gwynedd Council does not have an asset and liability matching strategy (ALM). Responsibility for the Fund's risk management strategy rests with the pensions committee. The Pension Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to pay pensions. The Administering Authority has produced a Funding Strategy Statement in conjunction with the Fund's Actuaries, which states how solvency and risk will be managed in relation to liabilities. The Strategy was reviewed and updated following the actuarial valuation in 2022 and has taken an overall view of the level of risk inherent in the investment policy set out in the Investment Strategy Statement published under Regulation 12 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, (the investment regulations) and the funding policy set out in the Statement. These documents continue to be reviewed to ensure that the overall risk profile remains appropriate.

### Impact on the Police and Crime Commissioner's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Gwynedd Council has agreed a strategy with the scheme's actuary to achieve a funding level of at least 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation will be completed during 2025-2026 to be implemented from April 2026.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pensions Scheme in England and Wales and the other main existing public service schemes change the benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Police and Crime Commissioner anticipates paying £8.417 million contributions to the scheme in 2024-2025.

The weighted average duration of the defined benefit obligation for the Local Government Pension Scheme is 22.0 years 2023-2024, (22.0 years 2022-2023). The weighted average for the Police Pension Scheme is 17.0 years, 2023-2024, (17.0 years 2022-2023).

#### 18. Members' Allowances

Audit Committee's costs have been shared equally between the Police and Crime Commissioner and the Chief Constable.

As one member resigned on the 30 March 2024, there were only four members at year end, a replacement has been appointed.

	2023-2024		2022-2023	
	£000	Number of Members	£000	Number of Members
Allowances	13	5	11	5
Expenses	0		1	
	<b>13</b>		<b>12</b>	

Further information on members paid allowances can be found at [www.northwales-pcc.gov.uk](http://www.northwales-pcc.gov.uk).

#### 19. Financial Instruments including Nature and Extent of Risks Arising

The financial risks and rewards are borne by the Police and Crime Commissioner and the accounting, notes and supporting disclosures are held within the Police and Crime Commissioner's Group Accounts.

#### 20. Partnership Schemes

The Police and Crime Commissioner and the Chief Constable are involved in partnership work with DangerPoint Ltd and Police and Community Trust (PACT). Details of PACT and DangerPoint accounts are available upon request if required.

#### 21. Jointly Controlled Operations/Collaboration

The Police and Crime Commissioner was party to a number of collaborations (both regional and national) during 2022-2023. CIPFA guidance on accounting for collaboration has been considered in determining the nature of the relationships and, as most arrangements have joint control through a strategic management board, it is considered that most are correctly classified as joint operations. Some arrangements are of a collaborative nature but are classified as third-party payments. Others involve officers from individual forces carrying out duties on a regional basis but funded by a lead force from grants made by the Home Office, other agencies or are self-funded from fees and charges.

The following collates the arrangements into:

- a) Collaboration – Joint Operations
- b) Collaboration – Third Party payments
- c) Collaboration – Grant/self-funded



## a) Collaboration – Joint Operations

### Minerva

The Minerva Programme was created in 2013 as a collaboration of 10 UK police forces based upon their common use of the Niche Records Management System (NicheRMS365). It had been identified that the RMS was highly configurable locally and as such, there were no common data standards for its use. In addition, UK forces were often making opposing requests for change to the system, activity that created silos of data with massively reduced opportunities for data sharing both between forces and with national systems (PND etc.). The initial aims of the Minerva Programme were to promote best practice between member forces and to create an agreed approach to the use of the RMS.

In 2017, the then 23 Minerva members forces approved an increase in the resource level and committed to a new strategy to develop/manage new NicheRMS365 functionality and to further drive convergence to enable data sharing. The new Minerva Delivery Team (MDT – 10 staff seconded from member forces) commenced this work in 2018.

There are now 28 Minerva member forces as every force in England, Wales and Northern Ireland using NicheRMS365 has chosen to become a Minerva member. At the Minerva Annual General Meeting in September 2021, the Minerva Strategic Plan 2021-26 was approved by member forces. That strategy fully supports agreed national drivers (e.g. the National Policing Digital Strategy 2020-2030) and aims to ensure the ability to effectively share data as Minerva forces consider migration to cloud services.

Responsibility for Minerva was passed from PCC for Sussex to PCC for North Wales on 1 April 2021. As part of the handover a reserve of £331k was transferred across.

In 2021-22 an amount of £37k was drawn from reserves, and in 2022-23 £70k was drawn from reserves reducing the reserve balance to £224k.

The budgeted expenditure agreed for 2023-24 by the Minerva Management Board was £761k with the funding met by a combination of forces contribution of £583k for those forces party to the Section 22a Collaboration Agreement, Grant funding of £20k, with an amount of £158k to be drawn from reserves. The budget was inclusive of costs such as staff, consultants, travel, IT, other non-staff etc.

Actual expenditure has come in slightly below at £705k versus the overall budget, mainly due to lower staff costs than anticipated, which necessitates a movement of £101k from reserves. As a result, the reserve balance has reduced to £123k. The program is committed to running down the reserve further next financial year. Force contributions are to remain constant while increased costs are forecast for the next financial year due to additional staff and an anticipated increase in staff costs.

Responsibility for Minerva will be transferring over to PCC for Avon and Somerset from 1 April 2024. All the expenditure and income relating to Minerva activities are coded separately on our ledger which have been derecognised reflecting our share of income and expenditure, with the North Wales Police funding contribution for 2023-24 being £20k (2022-23 being £20k).

2022-2023 Net Expenditure £'000	Functions	2023-2024		
		Expenditure £'000	Income £'000	Net Expenditure £'000
20	Minerva	20	0	20
<b>20</b>	<b>Total</b>	<b>20</b>	<b>0</b>	<b>20</b>

## **Police National Database (PND)**

The Police National Database (PND) is a national information management system that improves the ability of the Police Service to manage and share intelligence and other operational information, to prevent and detect crime and make communities safer. The PND team, who transitioned across to the PCC for North Wales on 1<sup>st</sup> April 2023 (as the Chief Constable is the National Police Chiefs' Council (NPCC) Lead for PND) supports the National Lead for PND across UK Law Enforcement. The team lead and support operational delivery and business development, within the national PND agenda, both strategically and collaboratively with Law Enforcement partners and the Home Office.

The team had a budget of £559k in 2023-24, which was funded by a combination of:

- Home Office funding of £378k to cover the salary, expenses and IT costs for four members of the team,
- The National Crime Agency of £181k to cover the salary and expenses costs for the remaining two members of the team.

The total expenditure incurred in 2023-24 was £535k, resulting in £24k being moved to reserves, which sits as part of Other National Collaboration Reserves as per Note 8 Transfers to/from Earmarked Reserves. All the expenditure and income relating to the PND activities are separately identified on the ledger, and in line with other joint operations, have been derecognised from the prime statements of account, with no contribution required from forces.

## **Opal**

Opal is the national intelligence unit focused on serious organised acquisitive crime (SOAC) where there is a series of offences impacting two or more police force areas, including Scotland and Northern Ireland.

The Opal team is the intelligence and coordination function responsible to the National Police Chiefs' Council (NPCC) portfolio for SOAC, which sits under the wider Crime Operations Coordination Committee. The team drive identifying and developing intelligence involving SOAC across the UK and linked matters overseas.

Opal was established on 1 April 2019 and is now hosted by North Wales Police. It falls under the leadership of the Chief Constable of North Wales Police, who is the National Policing Lead for Acquisitive Crime. The unit has a number of intelligence staff including intelligence analysts, intelligence development officers and researchers, and police officers, under the leadership of a Detective Chief Superintendent.

The Opal unit transferred over from West Mercia Police during 2023-24 together with £333k of reserves. Leicestershire Police also transferred £10k of reserves relating to monies they held when the East Midlands ROCU managed this arrangement (previously called Op Liberal prior to it becoming Opal and transferring to West Mercia). Leicestershire Police held this reserve to cover any expenditure post transfer, but no costs incurred and thus monies have been transferred over to North Wales Police.

The Force Contributions for 2023-24 (as set by the NPCC Finance Committee) totalled £334k with additional funding of £48k received from the Construction Equipment Association (CEA) to cover the costs of an additional analyst post. Total funding of £382k was received, with any further costs in excess of this funding to be drawn down from reserves.

During 2023-24 overall expenditure of £421k was incurred, leaving an excess of £39k to be funded from reserves. The balance to be transferred to reserves at the year-end was £304k, which sits as part of Other National Collaboration Reserves as per Note 8 Transfers to/from Earmarked Reserves.

All the expenditure and income relating to the Opal activities are separately identified on the ledger, and in line with other joint operations, have been derecognised from the prime statements of account, leaving the

North Wales Police funding contribution for 2023-24 of £3k (2022-23 £8k) to reflect our share of income and expenditure.

2022-2023 Net Expenditure £'000	Functions	2023-2024		
		Expenditure £'000	Income £'000	Net Expenditure £'000
8	Opal	3	0	3
<b>8</b>	<b>Total</b>	<b>3</b>	<b>0</b>	<b>3</b>

### Pegasus (Opal)

During the course of 2023-24, with the support and endorsement of the Policing Minister and Home Office, the APCC's Lead for Business and Retail Crime convened a business and police partnership called Pegasus. This initiative is a business and policing partnership that will radically improve the way retailers are able to share intelligence with policing, to better understand the tactics used by organised retail crime gangs and identify more offenders. It will include the development of a new information sharing platform and training for retailers. A number of the country's top retailers have pledged to fund a new police team of specialist officers & analysts to work within the Opal policing structure (see previous section). The team will build a comprehensive intelligence picture of the organised crime gangs that fuel many shoplifting incidents across the country, to help target and dismantle them.

The funding from retailers is being managed via Mitie, with an initial amount of £270k secured to support this initiative and to finance the initial set-up costs of the team. During 2023-24, only £52k of expenditure was incurred, with the balance of £218k being moved to reserves. This sits as part of Other National Collaboration Reserves as per Note 8 Transfers to/from Earmarked Reserves.

All the expenditure and income relating to the Pegasus activities are separately identified on the ledger, and in line with other joint operations, have been derecognised from the prime statements of account, with no contribution required from forces.

### Forensic Collision Investigation Network (FCIN)

Forensic Collision Investigation is a highly specialist area of policing, involving a small number of scientific and technical staff who provide a significant public service through the investigation of death and serious, often life changing, injuries on our roads.

In 2020-21 the responsibility for the Forensic Collision Investigation Network (FCIN) was transferred from West Mercia Police to North Wales Police. The FCIN moved out of the Specialist Capabilities Programme to the 'Host Force' model with the primary objective being that all collision investigation activities comply with national forensic standards. The police service decided that this should be delivered through a networked approach underpinned by a Section 22a Collaboration Agreement.

As at the 31 March 2023 the Force held a total of £2,056k in earmarked reserve on behalf of FCIN.

The budgeted expenditure agreed for 2023-24 by the FCIN Management Board was £3,435k with the funding met by a combination of forces contribution of £2,764k for those forces party to the Section 22a Collaboration Agreement with an amount of £671k to be drawn from reserves. The budget was set to meet the cost of scientific development and roll out of the FCIN network to meet the accreditation deadline as set by the Forensic Science Regulator. The budget was inclusive of costs such as staff, consultants, scientific validation, competency testing, other non-staff etc.

A combination of slippage in elements of the projects, delay in requests for assets and equipment, unavailability of training courses has led to an underspend of £660k versus the overall budget which necessitated a movement of £11k from reserves.

The £11k drawn from earmarked reserves takes the overall level of reserve to £2,045k as per Note 8 Transfers to/from Earmarked Reserves. The budget set for FY24/25 is £3,682k with a total of £2,124k made up of Force Contributions with £1,558k to be drawn down from reserves.

All the expenditure and income relating to the FCIN activities are coded separately on our ledger which have been derecognised reflecting our share of income and expenditure, with the North Wales Police funding contribution for 2023-24 being £35k (2022-23 being £34k).

2022-2023 Net Expenditure £'000	Functions	2023-2024		
		Expenditure £'000	Income £'000	Net Expenditure £'000
34	Forensic Collision Investigation Network	35	0	35
<b>34</b>	<b>Total</b>	<b>35</b>	<b>0</b>	<b>35</b>

### North West Collaborative Arrangements

The North West Regional Organised Crime Unit (NWROCU) was established in April 2009 bringing together the six regional police forces in collaboration to tackle serious and organised crime across the North West with Merseyside as lead force. It encompasses the work of a number of teams with Uplift 1,2 and 3 being its portion of the additional 20,000 police officers in England and Wales. The amount reflected in North Wales Police accounts in 2023-24 is £1,538k (£1,232k in 2022-23) with the breakdown by function as follows:

2022-2023 Net Expenditure £'000	Functions	2023-2024		
		Expenditure £'000	Income £'000	Net Expenditure £'000
241	Regional Crime Unit	264	0	264
55	Prisoner Intelligence	96	-36	60
18	Regional Intelligence Unit	31	-16	15
191	Technical Surveillance Unit	201	-13	188
180	Confidential Unit	176	-6	170
5	Operational Security Officer	10	-7	3
121	UCA	235	-105	130
216	Uplift Yr 1	220	-3	217
121	Uplift Yr 2	271	0	271
0	Uplift Yr 3	108	0	108
84	Business Support	145	-33	112
<b>1,232</b>	<b>Total</b>	<b>1,757</b>	<b>-219</b>	<b>1,538</b>

### The following joint operations have Cheshire as lead force:

The North West Joint Underwater Search Unit serves the areas of Cheshire, Greater Manchester, Merseyside, Lancashire, Cumbria and North Wales with the overall expenditure being met by those forces.

The NW Armed Policing Collaboration was formed in 2012 with six member forces. Since this time, the region has been operating under a single interim College of Policing (CoP) Firearms Training Licence having previously operated under six full training licences. Lancashire left the Collaboration on 31 March 2018.

The Armed Policing Alliance provides armed officers to both Cheshire and North Wales in a fully integrated joint force team since its inception in 2014. It is an armed policing alliance that serves the areas of Cheshire and North Wales and is staffed by police officers and support staff from the two constituent police forces with the overall expenditure being met by those forces.

The Dog Alliance provides dog handlers to both Cheshire and North Wales and provides a range of police dogs skills to both Cheshire and North Wales and is staffed by police officers and support staff from the two constituent police forces with the overall expenditure being met by those forces.

2022-2023 Net Expenditure £'000	Functions	2023-2024		
		Expenditure £'000	Income £'000	Net Expenditure £'000
76	Joint Underwater Search Unit	77	0	77
61	North West Armed Policing	102	-39	63
3,149	Armed Policing Alliance	3,376	-76	3,300
913	Dogs Alliance	966	-3	963
<b>4,199</b>	<b>Total</b>	<b>4,521</b>	<b>-118</b>	<b>4,403</b>

#### Telecommunication Single Point of Contact (Telecoms SPOC) Collaboration

Telecomm SPOC collaboration agreement between North Wales Police and Cheshire Constabulary for a 24/7 telecommunications single point of contact service for the acquisition of communications data under the Investigatory Powers Act 2016. North Wales Police is the Lead Force.

On the 1<sup>st</sup> of October 2021, the Telecommunications SPOC Collaboration progressed to phase three with the setting up of a single unit across the respective forces with parity on the grades prior to moving to a 24/7 provision during the course of Financial Year 2022-23.

2022-2023 Net Expenditure £'000	Function	2023-2024		
		Expenditure £'000	Income £'000	Net Expenditure £'000
359	Telecomm SPOC	600	0	600
<b>359</b>	<b>Total</b>	<b>600</b>	<b>0</b>	<b>600</b>

North Wales Police as lead force are holding a total of £94k in reserves on behalf of the collaboration.

#### All Wales Collaborative Arrangements

The following operations are collaborations with other forces in Wales. The notional share of the expenditure and income has been reflected in the Comprehensive Income and Expenditure Statement allocated by population percentage across Wales.

SHARE OF SERVICE COLLABORATION 2023-2024		Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors
<b>Gross Expenditure</b>	<b>Population %</b>	<b>£'000</b>	<b>£'000</b>
South Wales	42.57%	4,586	285
Dyfed-Powys	16.57%	1,785	111
Gwent	18.88%	2,035	126
North Wales	21.98%	2,368	147
<b>Total:</b>	<b>100.00%</b>	<b>10,774</b>	<b>669</b>
<b>Total Income &amp; Grants</b>	<b>Population %</b>	<b>£'000</b>	<b>£'000</b>
South Wales	42.57%	-4,586	-285
Dyfed-Powys	16.57%	-1,785	-111
Gwent	18.88%	-2,035	-126
North Wales	21.98%	-2,368	-147
<b>Total:</b>	<b>100.00%</b>	<b>-10,774</b>	<b>-669</b>

The above excludes capital expenditure; the calculated benefit to North Wales Police is £0.177m for 2023-2024.

SHARE OF SERVICE COLLABORATION 2022-2023		Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors
<b>Gross Expenditure</b>	<b>Population %</b>	<b>£'000</b>	<b>£'000</b>
South Wales	42.31%	4,528	251
Dyfed-Powys	16.62%	1,778	99
Gwent	18.94%	2,027	113
North Wales	22.13%	2,368	131
<b>Total:</b>	<b>100.00%</b>	<b>10,701</b>	<b>594</b>
<b>Total Income &amp; Grants</b>	<b>Population %</b>	<b>£'000</b>	<b>£'000</b>
South Wales	42.31%	-4,528	-251
Dyfed-Powys	16.62%	-1,778	-99
Gwent	18.94%	-2,027	-113
North Wales	22.13%	-2,368	-131
<b>Total:</b>	<b>100.00%</b>	<b>-10,701</b>	<b>-594</b>

In 2017-18 an All Wales Collaboration Team was established to coordinate existing activities and identify new opportunities for collaboration across the four Forces in Wales. The total costs of the team in 2023-24 were £422k (2022-23 – £198k) and Police and Crime Commissioner for North Wales contribution to these costs was £95k in 2023-24 (2022-23 – £49k).

Debtors and creditors in respect of the above arrangements have remained in the balance sheets of the lead forces by mutual agreement on the basis of materiality.

#### **Collaboration – Third Party Payments**

The only significant arrangement of this kind is the payment made towards the National Police Air Service (NPAS) which was £440k in 2023-24 (£418k in 2022-23).

#### **Collaboration – Grant/Self-funding**

In a small number of collaboration arrangements North Wales provided seconded officers to support the arrangements and was reimbursed by other forces or agencies who received grant funding from the Home Office or Welsh Government to cover expenditure costs.

## 22. Contingent Liabilities

The Police and Crime Commissioner has the sum of £3.319million reserved for insurance purposes (previously £2.834 million), which is made up of £1.561 million held in the Insurance Reserve (Note 8) and £1.758 million held in the Insurance Provision (Note 18). The Insurance Reserve (Note 8) includes £0.117 million related to the potential additional liabilities in relation to the Scheme of Arrangement for Municipal Mutual Assurance and £1.444 million for additional areas of insurance in relation to claims 'Incurred but not reported' (IBNR), 'Incurred but not enough reported reserves (provisions)' IBNER and recommended additional sums.

Note 17 details a number of Pension related legal cases that may lead to future liabilities, these are not repeated here.

There are no other known contingent liabilities as at 31 March 2024.

### Police Pension Fund Account

Police Officer Pensions are paid separately from the main revenue account. Employer and Employee contributions and other pensions income are paid into the Police Pension Fund account and all the Police Pensions expenditure is paid out of the account. The Police Pension Scheme is an unfunded scheme and as such has no investment assets. Each individual Police and Crime Commissioner is required by legislation to operate a Pension Fund and the amounts to be paid into and out of the Pension Fund are specified by regulation. The Police Pension Fund Regulations 2007 provide that any deficit on the account is transferred to the main Police and Crime Commissioner accounts to balance the fund to nil. This deficit is reimbursed by the Home Office and is accounted for within the main Police and Crime Commissioner accounts. Similarly, any surplus arising from the expenditure being less than the income is required to be repaid to the Home Office by the Police and Crime Commissioner. Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. Long term pension obligations are detailed within note 17 Retirement Benefits.

The Pension account is designed to discharge liabilities to pay pensions as they fall due and takes no account of pensions and other liabilities after the period end. All fund transactions are treated in accordance with the Accounting Policies as set out on pages 53 to 68. Administration of the Pension Fund is carried out through a third-party contract agreement.

2022-2023 £000	Fund Account	2023-2024 £000
	<b>Contributions receivable</b>	
	From Employer:-	
-18,884	- Normal	-20,654
0	- Early retirements	0
-166	- Capital Charge for Ill Health Retirement	-548
-8,169	Members Contributions	-8,988
-294	Transfer Values received	0
<b>-27,513</b>	<b>Total Income</b>	<b>-30,190</b>
	<b>Benefits Payable</b>	
41,705	Pensions	46,114
9,023	Commuted and lump sum retirement benefits	9,710
0	Lump Sum Death Benefits	0
	<b>Payments to and on account of leavers</b>	
25	Transfer out to other schemes	152
66	Refund of Contributions	90
<b>50,819</b>	<b>Total amounts Payable</b>	<b>56,066</b>
23,306	Net Amount Payable for the year before transfer from the Police Fund	25,876
-23,306	Additional Contribution from the Police Fund (by grant)	-25,876
<b>0</b>	<b>Net amount payable/receivable for the year</b>	<b>0</b>
	<b>Net Asset Statement:</b>	
60	Contributions due from employer	60
3	Unpaid pension benefits	3
-63	Other current assets and liabilities (other than liabilities to pay pensions and other benefits in the future)	-63
<b>0</b>	<b>Total Liabilities</b>	<b>0</b>



## Statement of Accounting Policies

### 1. **General**

The Statement of Accounts summarises the Chief Constable's transactions for the 2023-2024 financial year and the position at the year-end of 31 March 2024. The Chief Constable is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014. The Regulations require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023-2024, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Local Government Act 2003. The code specifies the principles and practices of accounting required to prepare a Statement of Accounts which presents a 'true and fair' view of the financial position, financial performance and cash flows of the Chief Constable, including group financial statements. These policies, principles and practices are applied in the same way to the Chief Constable's accounts as they are to the Group accounts and have been written at the Group level. Not all the Accounting Policies will be relevant to the Chief Constable, but they are included in order to have a full set of Accounting Policies within the Group.

The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

### 2. **Accruals of Income and Expenditure**

Activity is accounted for in the year it occurs, not simply when cash payments are made and received. In particular:

- Revenue from sale of goods is recognised when the Police and Crime Commissioner transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Police and Crime Commissioner.
- Revenue from the provision of services to the Police and Crime Commissioner is recognised when the Police and Crime Commissioner can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Police and Crime Commissioner.
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date that supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services rendered (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid a debtor or creditor for the relevant amount is recorded in the Balance Sheet. A de minimus level of £5k is set for these transactions. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### 3. **Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that can mature immediately from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Police and Crime Commissioner's cash management.

### 4. **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 understanding the Police and Crime Commissioner's financial performance.

### 5. **Prior Period Adjustments, Changes in Accounting Policies, 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 the 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 made only 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 Police and Crime Commissioner's financial position or financial performance. Where a change is made, unless stated otherwise it is applied retrospectively by adjusting opening balances and the 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.

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

The Police and Crime Commissioner does not charge depreciation, revaluation and impairment or amortisation separately to services, support services or trading accounts.

The Police and Crime Commissioner is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, he is required to make an annual contribution from revenue towards the reduction in his overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Police and Crime Commissioner in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (Revenue Provision), and by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### 7. **Employee 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 wages and salaries, paid annual leave and paid sick leave, 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 Police and Crime Commissioner. An accrual is made for the cost of leave arising from holiday entitlements or 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 made at the wage and salary rates applicable in the following accounting year, being in the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed through the Movement in Reserves Statement 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 Police and Crime Commissioner 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 Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of: when the Police and Crime Commissioner can no longer withdraw the offer of those benefits; or when the Police and Crime Commissioner recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Police and Crime Commissioner to the pension fund or pensioner in the year, not the amount calculated in accordance to the relevant accounting standards. In the Movement of 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 the debits for the cash paid to the pension fund and pensioners together with any such amounts payable but unpaid at the year-end.

### **Post-Employment Benefits**

The Police and Crime Commissioner participates in two different pension schemes. Both schemes provide members with defined benefits related to pay and services.

#### *Staff employed in the Office of the Police and Crime Commissioner and Police Staff*

These employees are eligible to join the Local Government Pension Scheme, which is administered by Gwynedd Council. The actuarial assessment carried out in 2022 stated that the employer's contribution needed to be set at a primary rate of 20.7% and a secondary rate of -2.0% per annum, giving an adjusted contribution rate of 18.7%. This rate applies for the 2023-24, 2024-25 and 2025-26 financial years.

#### *Police Officers*

Until 2005-2006 the cost of the police pensions scheme, which was an unfunded, defined benefits scheme, was met from the preceding Police Authority's Income and Expenditure Account. In 2006-2007 there was a change in the way that police pensions were accounted for, and a central fund was created by the Home Office to meet the cost of pensions and commutation payments. Police and Crime Commissioners pay a percentage of officers' salaries into the fund (31.0% for 2023-2024 increasing to 35.3% from 1 April 2024). Injury pensions continue to be the responsibility of the Police and Crime Commissioner and are met from the Police and Crime Commissioner's Income and Expenditure Account.

### **The Local Government Pension Scheme**

The Local Government Pension Scheme is a defined benefits scheme:

- the liabilities of the Gwynedd Pension Fund attributable to the Police and Crime Commissioner are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. 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 estimates of projected earnings for current employees.

- the liabilities are discounted to their value at current prices, using a discount rate based on an indicative rate of return on Government bonds adjusted for additional yield from high quality corporate bonds (iBoxx Sterling Corporates AA).
- the assets of the Gwynedd Pension Fund attributable to the Police and Crime Commissioner are included in the Balance Sheet at their fair value:
  - Quoted securities at current bid price
  - Unquoted securities at professional estimate
  - Unitised securities at current bid price
  - Property at market value.
- the change in the net pensions' liability is analysed into the following components:

Service cost comprising:

- (i) Current Service Cost – the increase in the present value of the defined benefit obligation resulting from employee service in the current period which is allocated to the Comprehensive Income and Expenditure Statement.
- (ii) Past Service Cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years and which are debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- (iii) Net interest on the net defined benefit liability (asset) – the net interest expense for the Police and Crime Commissioner from the change during the period in the net defined liability (asset) that arises from the passage of time and is charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit liability obligation at the beginning of the period to the net defined benefit liability (asset) at the end of the period by taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- (i) The return on plan assets – excluding amounts included in the net interest on the net defined benefit liability (asset) and is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- (ii) Actuarial gains or 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 which are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the Gwynedd Pension Fund – cash paid as employers' contributions to the pension fund in settlement of liabilities; this is not accounted for as an expense.

In relation to retirement benefits, statutory provisions require that the General Fund balance be charged with the amounts payable by the Police and Crime Commissioner to the pension fund or directly to pensioners in the year, not the amount calculated in accordance with the relevant accounting standards. In the Movement in Reserves Statement, this means there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with the debits for cash paid to the pension fund and pensioners and together with any other amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions

Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### **Discretionary Benefits**

The Police and Crime Commissioner 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 and accounted for using the same policies as are applied to the Local Government Pensions Scheme and in accordance with the Police and Crime Commissioner's early retirement process.

## **8. Events after the Reporting Period**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period, which require the Statement of Accounts to be adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period, which do not require the Statement of Accounts to be adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

## **9. Financial Instruments**

### Financial Liabilities

Financial Liabilities are recognised on the Balance Sheet when the Police and Crime Commissioner becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are subsequently 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. The effective interest rate is the rate that exactly discounts the estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

The amount presented in the balance sheet with respect to long- and short-term borrowing is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable in the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums or discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years.

The Police and Crime Commissioner's policy is to spread the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by the transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

### Financial Assets

Financial assets are classified into two types:

- loans and receivables which are assets that have a fixed or determinable repayments but are not quoted in an active market
- available-for-sale assets which are assets that have a quoted market price and/or do not have fixed or determinable payments

### Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Police and Crime Commissioner becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured 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 Police and Crime Commissioner 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.

Where assets are identified as impaired because the likelihood arising from a past event that payments due under a contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains or losses that arise in the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

### Available-for-sale Assets

Available-for-sale assets are recognised on the Balance Sheet when the Police and Crime Commissioner becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, 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 amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Police and Crime Commissioner.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation). Financial assets held at amortised cost are shown net of a loss allowance (where material) reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Police and Crime Commissioner.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve. Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

## 10. **Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grant and third-party contributions and donations are recognised as due by the Police and Crime Commissioner when there is reasonable assurance that:

- the Police and Crime Commissioner will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Police and Crime Commissioner are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that future economic benefits 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 relevant service (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non ring-fenced revenue 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 Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is transferred to the Capital Grants Unapplied Reserve.

Where it has been 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.

#### 11. **Interest in other entities**

The Police and Crime Commissioner has material interests in other entities that have the nature of a subsidiary, associate and jointly controlled entities and is required to prepare group accounts. In the Police and Crime Commissioner's single entity accounts interests in other entities are recorded in accordance with proper accounting practice. In respect of the North Wales Police and the Police and Crime Commissioner's group accounts, the Chief Constable of North Wales is deemed to be a 100% wholly owned subsidiary of the Police and Crime Commissioner.

#### 12. **Inventories and Long-term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the first in first out (FIFO) costing formula. Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works or services received under the contract during the financial year.

#### 13. **Jointly Controlled Operations and Jointly Controlled Assets**

Jointly controlled operations are activities undertaken by the Police and Crime Commissioner 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 Police and Crime Commissioner recognises on the Balance Sheet the assets that the Commissioner controls including his share of any assets held jointly and the liabilities that the Commissioner incurs including his share of any liabilities incurred jointly and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure and any share of expenditure incurred jointly and the share of income that is earned from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Police and Crime Commissioner and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Police and Crime Commissioner accounts for only his share of the jointly controlled assets, the liabilities and expenses that he incurs on his own behalf or jointly with others in respect of his interest in the joint venture and income that is earned from the venture. Details of any jointly controlled operations can be seen in Note 21 to the Accounts.

#### 14. **Leases**

Finance leases transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey the right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

#### **The Police and Crime Commissioner as a Lessee**

##### Finance Leases

Property, plant and equipment held under finance leases are recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of



the minimum lease payments, if lower). The asset recognised is matched by the liability for the obligation to pay the lessor. Initial direct costs to the Police and Crime Commissioner are added to the carrying amount of the asset. Premiums paid on entry into the lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment which is applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Police and Crime Commissioner at the end of the lease period).

The Police and Crime Commissioner is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense for the use of leased property, plant and equipment. Charges are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

### **The Police and Crime Commissioner as a Lessor**

A lessor lets property, plant or equipment under a lease arrangement to others.

### Finance Leases

Where the Police and Crime Commissioner grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the balance sheet as a disposal. At the commencement of the lease the carrying amount of the asset in the balance sheet, (whether property, plant or equipment or assets held for sale) 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. A gain representing the Police and Crime Commissioner's net investment in the lease, is credited to the same line in the comprehensive income and expenditure statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long term debtor) asset on the balance sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement).

The gain credited to the comprehensive income and expenditure statement on disposal is not permitted by statute to increase the general fund balance and is required to be treated as a capital receipt. Where

a premium has been received, this is posted out of the general fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the general fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement.

When the future rentals are received the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point the deferred capital receipts are transferred to the capital receipts reserve. The written off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements under capital financing. Amounts are therefore appropriated to the capital adjustment account from the general fund balance through the Movement in Reserves Statement.

### Operating Leases

Where the Police and Crime Commissioner grants an operating lease over a property or an item of plant or equipment, the asset is retained in the balance sheet. Rental income is credited to the other operating expenditure line in the comprehensive income and expenditure statement. Credits are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating or arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

#### **15. Overheads and Support Services**

The costs of overheads and support services are charged to service segments in accordance with the Police and Crime Commissioner's arrangements for accountability and financial performance

#### **16. Property Plant and Equipment**

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

### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Police and Crime Commissioner and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

### Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- 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
- if applicable, the initial estimate of costs of dismantling and removing the item and then restoring the site on which it is located.

The Police and Crime Commissioner does not capitalise borrowing costs incurred whilst the assets are under construction.

The cost of an asset other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows to the Police and Crime Commissioner). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Police and Crime Commissioner.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, (unless the donation has been made conditionally); until conditions are satisfied the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement basis:

- Infrastructure, community assets and assets under construction - depreciated historical cost
- Dwellings and all other assets – fair value determined as the amount that would be paid for the asset in its existing use (i.e. existing use value or EUV).

Where there is no market-based evidence of current value because of the specialist nature of the asset, depreciated replacement cost is used as a substitute for fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a substitute for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure their carrying amount is not materially different from their fair value at the year-end, as a minimum every five years. Increases in the valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains may be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged.

Where decreases in value are identified, they are accounted for as follows:

- 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 the 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 this date have been consolidated into the Capital Adjustment Account.

### Impairment

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 as follows:

- 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 gain)
- 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 in 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 Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (assets under construction).

Where an asset has major components with significant value, the components are depreciated separately. The Police and Crime Commissioner has applied the following de-minimus limits and components will be recognised separately only where:

- (i) Remaining life of component is between 0 and 10 years and value of component is over £500k
- (ii) Remaining life of component is between 10 and 15 years and value of component is over £750k
- (iii) Remaining life of component is between 15 and 20 years and value of component is over £1,000k
- (iv) Remaining life of component is between 20 and 30 years and value of component is over £1,250k
- (v) Remaining life of component is between 30 and 40 years and value of component is over £1,500k
- (vi) Remaining life of component is between 40 and 50 years and value of component is over £2,000k
- (vii) Remaining life of component is between 50 and 60 years and value of component is over £4,000k

Asset Type:	Depreciation Policy:
Buildings	Depreciated over the life expectancy as stated by the valuer on a straight-line method and revalued at least every 5 years
Computer Equipment	Straight line over 3 to 5 years commencing in the year following purchase.
General Equipment, Furniture and Fittings and Radio Equipment	Straight line over 7-10 years commencing in the year following purchase.
Vehicles	Straight line over 3-8 years commencing in the year following purchase.
Land	Undeveloped sites are not depreciated.

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 Non-Current Assets held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. 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 the 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 recognised in the Surplus or Deficit on Provision of Services. 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.

Details of any properties classified as Assets Held for Sale are disclosed in the Balance Sheet and relevant notes.

Assets that are to be abandoned or scrapped are not classified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) 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 also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of 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 then can be used only for new capital investment (or set aside to reduce the Police and Crime Commissioner's underlying need to borrow - the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The value of disposals written out 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 Fund Balance in the Movement in Reserves Statement.

#### **17. Private Finance Initiative**

The Police and Crime Commissioner has entered into one long term contractual agreement under PFI where the contractor is responsible for design, construction, finance and maintenance of the Custody Suite, Major Incident facility, Scientific Support facility and office space at St. Asaph. As the Police and Crime Commissioner is deemed to control the services that are provided under its PFI scheme and as ownership of the fixed assets will pass to the Police and Crime Commissioner at the end of the contract for no additional charge, the Police and Crime Commissioner carries the fixed assets used under the contracts on the Balance Sheet.

The original recognition of these fixed assets has been balanced by a corresponding liability for the amounts due to the scheme operator.

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

Provisions are made where an event has taken place that gives the Police and Crime Commissioner a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense in the Comprehensive Income and Expenditure Statement in the year that the Police and Crime Commissioner 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 and 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 relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is recognised as income for the relevant service only when it is virtually certain that reimbursement will be received if the Police and Crime Commissioner settles the obligation.

The insurance provision covers insurance liability for those risks not covered externally and also covers any excess on external insurance policies. The provision covers public and employer's risk. There are contingent liabilities to be met from this provision.

The provision for doubtful debts, now called loss allowances, is included within Debtors in Current Assets.

Carbon Reduction Commitment (CRC) Energy Efficiency Scheme – this is a mandatory scheme for large public and private sector organisations and is designed to improve energy efficiency and cut emissions. Organisations that qualify are required to purchase and surrender carbon allowances on the basis of their emissions and reflect any liabilities within their accounts. The Police and Crime Commissioner is currently not required to participate in the scheme due to current emissions being below the qualification threshold.

### Contingent Liabilities

A contingent liability arises when an event has taken place that gives the Police and Crime Commissioner 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 Police and Crime Commissioner. They can 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 Assets

A contingent asset arises when an event has taken place that gives the Police and Crime Commissioner 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 Police and Crime Commissioner.

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.

## 19. **Reserves**

The Police and Crime Commissioner sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts from the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged in that year to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The amount is then appropriated back into the Usable Revenue Reserves in the Movement in Reserves Statement so there is no net charge to council tax for the expenditure during the accounting period.

Unusable Reserves - certain reserves are maintained to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Police and Crime Commissioner. Reserves are explained in the relevant policies within the Medium-Term Financial Plan.

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

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure in the Comprehensive Income and Expenditure Statement in the year. Where the Police and Crime Commissioner 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 Fund Balance to the Capital Adjustment Account reverses the amounts charged so that there is no impact on the level of revenue expenditure.

## 21. **Recognition of Revenue from Non-Exchange Transactions**

Assets and revenue arising from non-exchange transactions are recognised in accordance with the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, except where interpreted or adapted to fit the public sector are detailed in the Code and/or IPSAS 23, "Revenue from Non- Exchange Transactions (Taxes and Transfers)."

**Taxation transactions** - Assets and revenue arising from taxation transactions are recognised in the period in which the taxable event occurs, provided that the assets satisfy the definition of an asset and meet the criteria for recognition as an asset.

**Non-taxation transactions** - Assets and revenue arising from transfer transactions are recognised in the period in which the transfer arrangement becomes binding. Services in-kind are not recognised. Where a transfer is subject to conditions that, if unfulfilled, require the return of the transferred resources, the Police and Crime Commissioner recognises a liability until the condition is fulfilled.

**Basis of Measurement of Major Classes of Revenue from Non-Exchange Transactions** - Taxation revenue is measured at the nominal value of cash, and cash equivalents. Assets and revenue recognised as a consequence of a transfer are measured at the fair value of the assets recognised as at the date of recognition:

- Monetary assets are measured at their nominal value unless the time value of money is material, in which case present value is used, calculated using a discount rate that reflects the risk inherent in holding the asset; and
- Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession. Receivables are recognised when a binding transfer arrangement is in place, but cash or other assets have not been received.

## 22. **VAT**

Generally, the Comprehensive Income and Expenditure Statement excludes VAT as any collected is paid to HM Revenues and Customs and any VAT paid is recoverable from them. Value added tax is included in the Comprehensive Income and Expenditure Statement only if it is irrecoverable.

## 23. **Fair Value**

The Police and Crime Commissioner measures some of his financial instruments 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 Police and Crime Commissioner measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## Glossary of Terms

### **Accounting Policies**

These are the set of rules and codes of practice we use when preparing the accounts.

### **Accrual and Prepayment**

A sum included in the final accounts to cover income and expenditure attributable to the accounting period, but for which payment has been or will be made/ received in a different accounting period.

### **Budget**

A statement of the Police and Crime Commissioner's plans in financial terms. A budget is prepared and approved by the Police and Crime Commissioner before the start of each financial year and is used to monitor actual expenditure throughout the year.

### **Capital Expenditure**

Expenditure on new assets or on the enhancement of existing assets so as to prolong their useful life or enhance market value.

### **Capital Receipts**

Proceeds of not less than £10,000 from the sale of fixed assets. They may be used to finance new capital expenditure or repay debt. They cannot be used to finance normal day to day revenue spending.

### **Contingent Liabilities/Assets**

These arise from a past event which is dependent upon future uncertain events and timing prior to being recognised in the accounts.

### **Creditors**

Amounts owed by the Police and Crime Commissioner at 31 March for goods received or services rendered but not yet paid for.

### **Debtors**

Amounts owed to the Police and Crime Commissioner which are collectable or outstanding at 31 March.

### **Depreciation**

The loss in value of an asset due to age, wear and tear, deterioration and obsolescence.

### **Direct Revenue Funding of Capital**

Contributions from revenue to finance capital expenditure and thus reduce the requirement to borrow.

### **Earmarked Reserves**

Amounts set aside for a specific purpose to meet future commitments or liabilities.

### **Fair Value**

The amount for which asset could be exchanged, or a liability settled, between market participants at a specified date.

### **Financial Instruments**

Any contract that gives rise to a financial asset of one entity and a financial liability, or equity instrument of another entity.

### **International Accounting Standard (IAS)**

Standards for the preparation and presentation of financial statements created by the International Accounting Standards Committee.



**International Financial Reporting Standards (IFRS)**

International Financial Reporting Standards, as agreed by the UK accountancy profession and the Accounting Standards Board. These include Statements of Standards Accounting Practice (SSAPs).

**Impairment**

A reduction in the carrying value of a fixed asset below what it is currently recognised within the balance sheet (see accounting policies).

**Liquid Resources**

Current asset investments that are readily disposable by the Police and Crime Commissioner without disrupting business and are either readily convertible to known amounts of cash at or close to the carrying amount or traded in an active market.

**Minimum Revenue Provision**

The prudent amount provided to offset against borrowing under the prudential framework.

**Net Debt**

The Police and Crime Commissioner's borrowings less cash and liquid resources.

**Non-Current Assets**

Assets that yield benefits to the Police and Crime Commissioner and the services it provides for a period of more than one year.

**Non-Domestic Rates (NDR)**

This is the charge levied on occupiers of business premises to finance a proportion of local Police and Crime Commissioner and police revenue expenditure. The amount of NDR is set by central government by virtue of a multiplier applied to the rateable values. The multiplier is consistent throughout Wales with the total collected being distributed by the central government.

**Non-operational Assets**

Fixed assets held by the Police and Crime Commissioner but not directly occupied, used or consumed in the delivery of services.

**Operational Assets**

Fixed assets held and occupied, used or consumed by the Police and Crime Commissioner in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

**Outturn**

The actual income and expenditure during the financial period (as opposed to that budgeted).

**Private Finance Initiative (PFI)**

A contract involving the private sector and public sector jointly to deliver public services.

**Precept**

A levy which the Police and Crime Commissioner makes through the council tax to pay for services.

**Provision**

A liability for which monies are set aside when it is recognised that there is an obligation to pay but the timing or amount may be uncertain.

**Public Works Loan Board (PWLB) (part of the UK Debt Management Office)**

A government agency which provides longer term loans to local authorities at interest rates only slightly higher than those at which the government itself can borrow.

**Remuneration**

All amounts paid to or receivable by a person and includes sums by way of expenses allowances (so far as these are subject to UK income tax) and the estimated money value of any other benefits received by an employee otherwise than in cash.

**Reserves**

Amounts set aside to cover general expenditure needs in the future. These can be usable or unusable (which are reserves held in conjunction with accounting treatments).

**Revaluation**

Carried out to ensure assets are accurately reflected in the accounts at fair value.

**Revenue Expenditure**

Spending on day-to-day items, including salaries, premises costs, transport and supplies and services.

**Revenue Support Grant**

A grant paid by central government in support of a Police and Crime Commissioner's revenue expenditure.

**Slippage**

Delayed capital expenditure not incurred within the original time frame.

**Supported Borrowing**

An approval issued by the Government that enables a Police and Crime Commissioner to borrow up to a specific amount in order to finance capital expenditure.

**Unsupported Borrowing**

Borrowing arranged under the prudential code regime which is funded from the Police and Crime Commissioner's general resources.

**Usable Capital Receipts**

Income from the sale of assets that is available for use to finance only capital expenditure.

## Annual Governance Statement 2023-2024

### Section – 1 - Background

- 1.1 This Annual Governance Statement (AGS) covers the financial year 2023/24 but extends to reflect significant events extending to the period to the signing of the Statements of Accounts on 31 October 2024.
- 1.2 Governance is about how the Police and Crime Commissioner and the Chief Constable ensure they are doing the right things, in the right way for the right people, in a timely, inclusive, open and accountable manner. It comprises the systems, processes, culture, behaviour and values, by which the organisation is directed and controlled and also the activities by which it is held to account and engages with the community it serves. This Annual Governance Statement (AGS) for the Police and Crime Commissioner and the Chief Constable describes how the organisation can show it has discharged its two overarching statutory duties during 2023-2024:
- To secure an effective and efficient police service and
  - To be accountable for the exercise of their functions and those of people under their direction and control.
- 1.3 The Police and Crime Commissioner and the Chief Constable have joint governance arrangements. Therefore, many of the controls are common to both corporations sole. The current view of the Chief Constable and the Police and Crime Commissioner is that this joint oversight of organisational governance remains the most efficient and effective model.
- 1.4 As part of these arrangements there is a Joint Governance Board to ensure that they fulfil their corporate governance responsibilities. The Board is chaired by the Police and Crime Commissioner's Chief Finance Officer and attended by senior officers of both the Police and Crime Commissioner and Chief Constable. The purpose of the Joint Governance Board, therefore, is to enable the Police & Crime Commissioner and Chief Constable to fulfil these responsibilities by ensuring the corporate governance structures, processes and procedures of the OPCC and Force are robust, efficient and effective; comply with all relevant legislation, regulations and guidance; and reflect best practice. The Board also supports the process of collation of information and documentation of evidence to support the production of this Annual Governance Statement.
- 1.5 The force reviews the effectiveness of its Governance each year. Most recently a substantive review was instigated in 2022-23 with the initial findings reported to the Joint Governance Board in June 2023 with several updates on recommendations then being reported into the board subsequently. The changes have been implemented and embedded over the course of 2023-24 with the Governance principles and associated framework outlined in Appendix F. Perhaps the key principle driving the changes have been to ensure that all work undertaken by the Force is contributing and supporting the Forces' vision and that Executive and Strategic Pillar Lead meetings should provide leadership, vision, and direction.
- 1.6 Given the framework has been implemented over the course of 2023-24, there will only be a light touch review of its efficiency and effectiveness with a view to refining and continually improving the model. The groundwork for the review took place in August and September 2024 with a view to reporting to the Joint Audit Committee in December 2024.
- 1.7 The Police and Crime Commissioner and the Chief Constable have a Manual of Governance which includes a Scheme of Consent, which has been in place since 1 April 2014 and has been reviewed and updated periodically, most recently being revised in April 2022 and re-ratified in May 2023 at the Strategic Executive Board. The aim of the Scheme is to provide for proper arrangements for the management of activities on behalf of the Commissioner and the Chief Constable. The Commissioner has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the Chief Constable to account on behalf of the public. The Commissioner is responsible for the totality of policing. The Chief Constable is charged with the impartial direction and control of all police officers and staff within the police force that they lead and is responsible for maintaining the King's Peace. The Chief Constable holds office under the Crown but is appointed by the Commissioner.

- 1.8 Both the Police and Crime Commissioner and the Chief Constable are required to have a Chief Financial Officer to undertake the statutory section 151 responsibilities. There is an established Joint Audit Committee (JAC); the purpose of the Committee is to provide independent advice and recommendation to the Police and Crime Commissioner and the Chief Constable regarding the adequacy of the governance and risk management framework, the internal control environment and financial reporting. An updated Terms of Reference for the audit committee reflecting CIPFA guidance was agreed at the May 2023 Strategic Executive Board. Minor clarifications to the Terms of Reference were incorporated in November 2023.
- 1.9 Each force area has a Police and Crime Panel to support the effective exercise of the functions of the Police and Crime Commissioner, and to review or scrutinise decisions made, or other actions taken, by the Police and Crime Commissioner in connection with the discharge of the commissioner's functions. The Commissioner is also required to consult with the Panel on his plans and budget for policing, as well as the level of council tax and the appointment of a Chief Constable, Chief Executive Officer, Chief Finance Officer and Deputy Police and Crime Commissioner. The panel is made up of ten local councillors and three co-opted independent members. Conwy County Borough Council is the 'Host Authority' for the NorthWales Police and Crime Panel and provides the required support services for the effective operation and discharge of duties of the Police and Crime Panel.
- 1.10 An HMICFRS PEEL (police effectiveness, efficiency and legitimacy) independent assessment took place in June 2022 and reported in February 2023. Other HMICFRS Inspections also took place during 2023-24 providing independent scrutiny to the Force across several areas. Progression of Areas for Improvement from the PEEL inspection and subsequent inspections are regularly reported through the Governance structure. The Force is also undergoing its 2024-25 Assessment as part of the continuous cycle of inspection. The findings from this assessment are yet to be published.
- 1.11 Since 2020-21 the force has undertaken an annual self-assessment against the CIPFA Financial Management (FM) Code of practice. The findings have been reported annually into the Joint Governance Board for consideration and this process was repeated again in 2023-24.
- 1.12 Internal Control activity primarily in the form of TIAA's Internal Audit programme progressed over the course of the year with an Annual Audit Programme being delivered through a hybrid model of in force and remote fieldwork and reporting. The continued arrangements for the Internal Audit services required by the Force were also reviewed during the year, with a competitive tendering process including all key stakeholders (including the NWP JAC Chair) being concluded after the 2023-24 year end. These new arrangements will be implemented in 2024-25.
- 1.13 Work has been undertaken around Business Continuity Planning and Resilience over the course of 2023-24 with a view to ensuring that the Force has suitable arrangements in place.

## **Section 2 - Purpose of the Governance Framework**

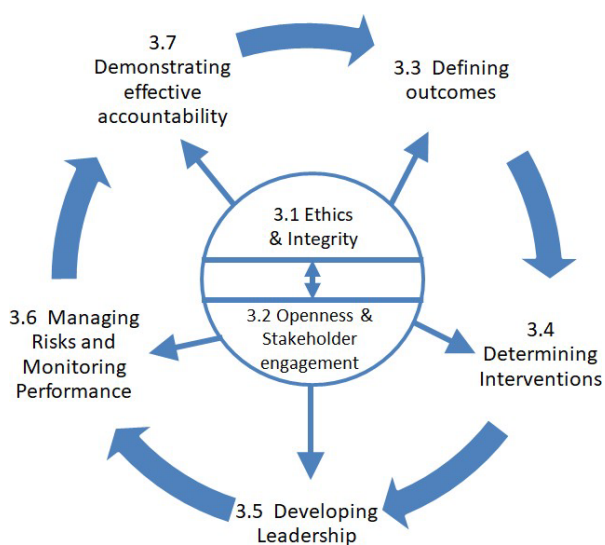
- 2.1 The Police and Crime Commissioner and the Chief Constable are responsible for ensuring their business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used effectively, efficiently and economically. They also have a duty to make arrangements to secure continuous improvement in the way in which their functions are exercised.
- 2.2 In discharging their overall responsibility, the Police and Crime Commissioner and the Chief Constable are also responsible for putting in place proper arrangements for the governance of their affairs and facilitating the exercise of their functions, which includes ensuring a sound system of internal control is maintained throughout the year and that arrangements are in place for the management of risk. The financial management arrangements conform principally with the governance requirements of the CIPFA publication [the Role of Chief Financial Officers in Policing](#) and the [Home Office Financial Management Code of Practice](#) for the Police Forces of England and Wales, and Fire and Rescue Authorities created under Section 4A of the Fire and Rescue Services Act 2004 (revised 2018).

- 2.3 The governance framework comprises the systems and processes, culture and values by which the Police and Crime Commissioner and the Chief Constable direct and control the activities through which they account to and engage with the community. The framework enables the Police and Crime Commissioner and the Chief Constable to monitor the achievement of their strategic objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services and the achievement of value for money.
- 2.4 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot prevent all risk of failure to achieve policies, aims and objectives; it can provide only reasonable rather than absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the organisation's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them efficiently, effectively and economically.

### Section 3 - The Governance Framework

- 3.0.1 The governance framework has been in place throughout the year ended 31 March 2024 and up to the approval of the Statement of Accounts. The meetings taking place over the course of the Financial year reflect the transition to the new Governance structure. The high-level Governance structure of the force is that is now embedded is outlined schematically in Appendix A.
- 3.0.2 The Police and Crime Commissioner and the Chief Constable Code of Corporate Governance, is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government updated in 2016 and also meets the requirements of the Accounts and Audit(Wales) Regulations 2014 as amended, in relation to the statement of internal control and the publication of the Annual Governance Statement. The CIPFA/SOLACE Framework: Delivering Good Governance in Local Government sets out seven principles of good governance which underpin effective governance arrangements to ensure that the intended outcomes for stakeholders are defined and achieved.
- 3.0.3 The arrangements specific to the Police and Crime Commissioner and Chief Constable are detailed within the seven principles below:

The sections that follow, review the arrangements in place across the force and their adequacy, cross referencing the sections outlined on the diagram above.



## Section 3.1 - Ethics and Integrity

- 3.1.1 2023-24 was another year of significant public scrutiny regarding Ethics and Integrity for all Police forces in England & Wales. The revision to the Governance structure introduced a specific strategic pillar aligned to the Trust, Confidence and Legitimacy of North Wales Police. During the year the force maintained the levels of investment in its Professional Standards Department acknowledging the levels of demand faced by the function.
- 3.1.2 There are corporate processes in place to support the core principle of ethics and integrity such as the Policing Protocol 2011 which requires everyone in the organisation to abide by the seven principles of public life (the Nolan principles). Additionally, the Home Office Financial Management Code of Practice requires the Police and Crime Commissioner and Chief Constable to ensure that good governance is embedded within the organisations and the College of Policing Code of Ethics sets out the standards of behaviour expected for all people working in policing.
- 3.1.3 This Police Code of Ethics produced by the College of Policing describes the principles that every member of the Policing profession in England & Wales is expected to uphold and the standards of behaviour that they are expected to meet. On 24 January 2024, a new national Code of Ethics was published by the College of Policing to reflect the challenges of modern-day policing whilst outlining the professional behaviours that the public can expect to see from officers, staff, and volunteers. Designed to underpin the policing sector, the Code of Ethics outlines the professional behaviours from a service that is fair, ethical and can be trusted to make decisions in the interest of keeping the public safe. Following its launch the new Code of Ethics was promoted within North Wales Police.
- 3.1.4 Where there are breaches to the Code of Ethics or Standards of Professional Behaviour there is a positive duty to report these matters and the Force has a Professional Standards department that receives such reports and ensures that they are investigated appropriately and in accordance with Police Regulations.
- 3.1.5 The Police and Crime Commissioner's Code of Conduct and Chief Constable's Code of Ethics underpin the standards of expected conduct and behaviour. The Police and Crime Commissioner and Chief Constable have policies and procedures and regulations in place that comply with law and conform to appropriate ethical standards and standards of professional behaviour. Ethical considerations are part of any business decisions taken and are set out within policies in operation within both organisations.
- 3.1.6 The Police and Crime Commissioner and Chief Constable have an Anti-Fraud and Corruption Policy and whistleblowing arrangements in place which manage effectively the risk of fraud and corruption. Processes for declaring interest and registers for gifts and hospitalities are maintained and updated as required.
- 3.1.7 Both the Joint Audit Committee and the Police and Crime Panel discharged fully all the functions as identified in the relevant CIPFA publication for Audit Committees. The Joint Audit Committee's Terms of Reference may be found on the Police and Crime Commissioner's website.
- 3.1.8 The Police and Crime Commissioner has in place procedures for receiving feedback about policing in North Wales, and decisions made by or on behalf of the Police and Crime Commissioner and his officers. He also has procedures in place for the handling of complaints about the Chief Constable. Additionally, the Police and Crime Panel fulfils its responsibilities in relation to complaints made about the Police and Crime Commissioner as set out within the Police Reform and Social Responsibility Act.
- 3.1.9 To ensure ethical issues and dilemmas occurring at all levels are appropriately considered and discussed, the Force Governance Structure includes an Ethics Committee with an open invitation for staff of the Office of the Police and Crime Commissioner to attend. Ethical dilemmas can be submitted anonymously via the Force Intranet site or by email and a summary of findings from the Committee are published on the Force Intranet site alongside being reported to Senior Management via the Governance structures for further

consideration and reflection as required. During 2023-24 the work of the Ethics committee was co-ordinated by an independent chair. Due to the previous chair relinquishing the role, a new independent chair was appointed in October 2023. The JAC annual report includes a focus on the work of the ethics committee and developing the work of the Committee to support this area, remains an area of focus in its forwards plan.

- 3.1.10 The Force undertook a Cultural audit instigated by the Chief Constable. The findings of the audit generated a number of insights that have been communicated through several forums to the workforce including through a number of chief officer roadshows. The work will be overseen through a Culture board chaired by the Chief constable that commenced in early 2024-25.

## **Section 3.2 - Openness and Stakeholder Engagement**

- 3.2.1 The Police and Crime Commissioner and the Chief Constable promote an open and transparent culture throughout the organisations to ensure that services meet people's needs. All public meeting papers and minutes are published on the website along with any decisions taken by the Police and Crime Commissioner. Decisions are also reported to the Police & Crime Panel. The Police and Crime Commissioner's website complies with The Elected Policing Bodies (Specified Information) Order 2011 and the OPCC continues to have arrangements in place to assess publication transparency.
- 3.2.2 The Police and Crime Commissioner and the Chief Constable regularly publish information on the Commissioner's and Chief Constable's work and achievements and satisfaction of users, including the publication of a Police and Crime Plan and an Annual Report. The force regularly publishes direct updates via its social and digital channels which included X, Facebook, Instagram and LinkedIn during the year and also offer engagement via its North Wales Community Alert, a free messaging service for people who live, work and visit North Wales.
- 3.2.3 During 2023/24 the Police and Crime Commissioner held a budget consultation exercise across the region taking a range of steps to increase engagement in relation to any proposed precept rise for 2024/25. The consultation exercise was advertised across a range of media and included the ability to engage on the PCCs priorities. This exercise attracted 1,564 responses, which is the highest number since the introduction of Police and Crime Commissioners in 2012. The Office of the Police and Crime Commissioner is optimistic that the number of responses will continue to increase, in line with increasing engagement activities.
- 3.2.4 The Force engages with an Independent Advisory Group (IAG) who are a group of independent community members who act as a critical friend to North Wales Police on Equality and Diversity issues.
- 3.2.5 The Force measures the satisfaction of service users through the use of victim surveys. It also reviews public confidence through monitoring its results through the National Crime Survey of England & Wales. In addition, North Wales Police undertakes its own public perceptions survey as well to aid understanding on issues of public confidence and satisfaction.
- 3.2.6 There is a consultation and engagement strategy in place to ensure that our services are responsive to issues raised. We regularly conduct surveys to inform our service delivery and assist in developing our priorities and objectives. Both the Police and Crime Commissioner and Chief Constable have internal and external consultation mechanisms in place which are used to inform and improve services.
- 3.2.7 The Police and Crime Commissioner and Chief Constable work in partnership and collaboration with other organisations to achieve shared objectives and to ensure effective delivery of services which meet the needs of the organisations. Partnership and collaboration arrangements that are in place are monitored and kept under review to ensure that performance is achieved, and objectives are met, and stakeholder engagement is also a feature of our recruitment process for senior roles. The Police and Crime Commissioner attends local authority scrutiny committees.

- 3.2.8 We have a scrutiny function, supported by evidence and data analysis, to challenge decision makers constructively, including those who work in partnership with the Commissioner and Chief Constable. All key decisions taken include a financial impact, legal impact, equality impact and risk assessment with the Governance structures in place providing visibility around them and this continued to be the case during 2023-24.
- 3.2.9 The Police and Crime Commissioner frequently attends local authority scrutiny committees.
- 3.2.10 Further scrutiny is provided by the Joint Audit Committee. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards with committee papers being published on the Commissioner's website. During 2023-24 it has continued to provide independent scrutiny and challenge in a number of areas including continued focus on developing the understandability of our financial statements; transparency regarding our financial position and the delivery of the Force's capital programme; management action of key corporate risks and in relation to the Force's ongoing Digital and Technology work streams.
- 3.2.11 Further areas of focus are identified in the Audit Committee's annual report which is published annually on the PCC's website.
- 3.2.12 The post of Chief Executive to the Police and Crime Commissioner is the designated Monitoring Officer and there are arrangements to record any professional advice that is required for specialist areas. Furthermore, the Chief Financial Officers for the Police and Crime Commissioner and the Chief Constable complied with the CIPFA statement 'the Role of Chief Financial Officers in Policing'.

### Section 3.3 - Defining Outcomes

- 3.3.1 The Police and Crime Commissioner and Chief Constable will, as part of the strategic planning process, develop informed strategies and plans which are outcome focused, sustainable and take into account the level of resources required to adequately deliver them.
- 3.3.2 An election for the position of Police and Crime Commissioner was held on 2 May 2024, and the incumbent was re-elected.
- 3.3.3 The Police and Crime Commissioner sets the police and crime objectives, and these are contained in the Police and Crime Plan. The Police and Crime Plan has been communicated to the public through the website and by various engagement activities and a brief summary of performance is included on the council tax leaflet sent to every household, either electronically or by post. An extract is given below:

**MY VISION**

North Wales communities are safe, victims and vulnerable people feel supported, crime and reoffending are low, and people have confidence in policing and the criminal justice system

**MY PRIORITIES**

**DELIVERING SAFER NEIGHBOURHOODS**

- Tackle and prevent rural and wildlife crime
- Improve the efficiency and effectiveness of police officers and police staff
- Improve Road safety

**SUPPORTING VICTIMS AND COMMUNITIES**

- Tackle and prevent domestic abuse and sexual violence
- Safeguard vulnerable people including children
- Tackle and prevent cybercrime
- Establish a victims panel
- Tackle and prevent Hate Crime

**FAIR AND EFFECTIVE CRIMINAL JUSTICE SYSTEM**

- Introduce a North Wales Female Offender Strategy
- Increase the use of Restorative Justice
- Support and protect children and young people and divert them away from the Criminal Justice System
- Address the root causes of offending and support the rehabilitation of people who have offended

3



3.3.4 The police and crime objectives, priorities and financial options were developed from the Police and Crime Commissioner’s vision and a joint analysis of: Assessment of crime and the required level of service; Consultation with local people; Consultation with partners; Consultation between the Police and Crime Commissioner and the Chief Constable; The findings of external audit and reviews by Wales Audit Office and HMI-CFRS and Risk assessments.

3.3.5 The Chief Constable also issued the Force Strategy early in 2023-24. This clearly set out the Vision, Priorities, Standards and Outcomes being pursued by the Force. The Force strategy included a simplified version of this strategy ‘A Plan on a Page’ that is shown below:



3.3.6 The Police and Crime Commissioner’s police and crime objectives are directed and delivered by the Chief Constable and, in turn, by the Strategic Management Board (SMB) during the year. Resources are allocated against the plan as part of the Force’s annual strategic planning process which considers demand and resource requirements against each area taking account of detailed demand assessments (via the Force Management Statement). This co-ordinated process for strategic and medium term planning resulted in a budget for 2023/24 being set with a council tax increase of £16.56 per annum for a Band D equivalent property with the increase being used to invest in and improve the services for the communities of North Wales. The PCC’s proposal was unanimously supported by the Police & Crime Panel and was based on identifying savings to balance the budget whilst also increasing Officer numbers due to the Government funding provided for Operation Uplift. The resulting Medium Term Financial Plan is published on the OPCC website.

3.3.7 The Force monitors performance against its delivery via its Strategic Performance Board, monitoring and managing performance across the three strategic pillars with regular reporting being made to senior managers, the Chief Officers and the PCC. The Commissioner’s performance in turn, is monitored and reported within the Annual Report, Statement of Accounts and the Medium-Term Financial Plan.

3.3.8 The Strategic Executive Board (SEB) is the public forum for scrutiny of the Chief Constable by the Police and Crime Commissioner and action logs of each meeting are published. The additional functions of the Board include:

- To take such decisions as are required by the Scheme of Governance to be taken jointly by the Commissioner and the Chief Constable; and
- To develop proposals for the delivery of the Commissioner's police and crime objectives as set out in the Plan.

3.3.9 The Strategic Executive Board (SEB) and Strategic Management Board (SMB) scrutinise operational and financial performance, service delivery and the achievement of the police and crime objectives. A programmed approach to delivery of plans is in place via the Strategic Management Board (SMB). These boards have continued to meet at the usual frequency for 2023-24 with hybrid meetings being conducted using appropriate technology to ensure all required officers and staff are able to attend. The Police & Crime Panel then scrutinise the PCC's work of delivering the Police & Crime plan.

### **Section 3.4 - Determining Interventions**

3.4.1 In order to optimise the achievement of our intended outcomes the Police and Crime Commissioner and Chief Constable will ensure that there are adequate arrangements in place to deliver services which demonstrate efficiency and value for money.

3.4.2 Detailed resource planning is carried out annually and published within the Medium-Term Financial Plan. This risk assesses resource requirements based on appropriate assumptions to enable the Police and Crime Commissioner and Chief Constable to prioritise competing demands for services.

3.4.3 The annual strategic and operational planning cycle takes into account the expected level of resources required and identifies where savings, reductions or growth are required. The Force Management Statement (FMS) which considers the demand the force faces now and in the future and risk assessments utilising Management of Risk In Law Enforcement (MORILE) are also taken into consideration. The resulting financial plans are monitored through the Strategic Management Board which is chaired by the Chief Constable.

3.4.4 As well as establishing the revenue budgets the annual planning process also involves a review of the Capital programme providing the basis for the Capital Strategy for subsequent review by the Joint Audit Committee. Programme and project boards are in place which monitor the implementation and achievement of the agreed initiatives and plans. These are established to support robust decision making in order to achieve the required outcomes with programmes such as Digital Transformation and Workforce Transformation being critical to the overall delivery of organisational strategies. Decision making is devolved where appropriate to enable flexible and responsive action and better outcomes. Accountability is achieved through the governance structure and processes in place with actions and decisions clearly recorded in meetings and progressed over the course of 2023-24.

3.4.5 In addition to the core Strategic Planning process the Chief Constable also commissioned an Optimisation Programme for the Force which reviewed a number of areas where productivity or effectiveness could be enhanced. This programme has involved reviewing the Force's operating model and processes with a view to driving the operational performance, productivity & efficiency of the force. It produced a number of outputs during 2023-24.

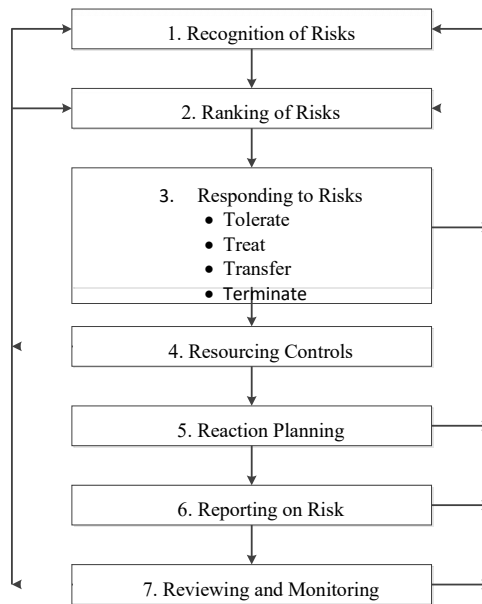
3.4.6 The Strategic Planning Unit is a department that undertakes analysis, research and improvement and evaluation activity across the organisation. Its outputs support strategic, operational, corporate and performance reporting. This allows for more robust analysis to be undertaken on any part of the organisation through the application of a variety of techniques to aid tactical and strategic decision making and support problem solving techniques.

### **Section 3.5 - Developing Leadership**

- 3.5.1 The Police and Crime Commissioner and Chief Constable have defined structures and roles within the organisations to enable effective leadership. This is supported by the Manual of Governance which sets out the roles and responsibilities and is critical to enable delivery of the strategies and plans in place.
- 3.5.2 There is an approved scheme of consent in place which formalises the functions and delegation between the Commissioner and Chief Constable. In turn there is a Scheme of Delegation from the Chief Constable to Chief Officers and in turn letters of delegation outlining the financial responsibilities that are devolved to specific roles empowering them to make decisions appropriately.
- 3.5.3 Our people are our key investment, and we ensure that there are member and officer training and development programmes in place so that knowledge is kept up to date, including any professional development requirements. Our recruitment and succession planning processes are designed in order that we appoint the right people with the right skills into roles within the organisation. Focussing on our wellbeing, learning and development offer to our people remained a key area of focus during 2023-24.
- 3.5.4 During the year the Force continued to roll out its Supportive Leadership course – a leadership course delivered with input from Durham University – aimed at developing inclusive and supportive cultures that help drive an inclusive culture within the Force and enhance productivity. The course is mandatory and will continue to run into future Financial years. The force continued its activities in relation to Coaching and Reverse Mentoring.
- 3.5.5 The Force also progressed work resulting from a Cultural audit instigated by the Chief Constable. The audit created a shared awareness amongst the senior team of the Force that enables positive aspects of the force culture to be enhanced and aspects of the culture that need change to also be addressed. Three working groups were established with a Chief officer chairing these.
- 3.5.6 Nationally set terms and conditions exist for officers and staff with agreed pay scales and a job evaluation system and we have a performance management framework which the Commissioner and Chief Constable use to assess performance and address any improvements required.
- 3.5.7 The Force has an electronic PDR process and during 2023-24 the levels of completion were monitored and reported through the governance structures. PDR completion continues to be linked to Pay Progression Standards for officers which is one of several work streams that feature as part of national pay reform activity.

### **Section 3.6 - Managing Risks and Monitoring Performance**

- 3.6.1 Risk management and internal control is an integral part of the performance management system within both organisations. The risk management process underpins the financial management arrangements and governance processes and is fundamental to achieving our intended outcomes and supports our vision for a safer North Wales.
- 3.6.2 The below represents the 7R's and 4T's of risk management as noted in the ISO31000 and NWP risk arrangements continued to follow this model in 2023-24



- 3.6.3 Embedding a risk management culture across the organisation at all levels continued to be developed and built upon during 2023-24. There are corporate and individual area risk registers which are regularly reviewed and updated and reported to committees and boards across the organisation. Risk management features as a standing agenda item on keyboards across the Force.
- 3.6.4 Our plans, processes and policies are drawn up having due regard to the risks identified, with our Force Management Statement being informed through a MORILE assessment for all areas of the force. The area is overseen primarily by the Assurance Board. A partnership framework is in place to ensure that any partnerships are managed appropriately including risk management.
- 3.6.5 Strategic risks and the risk management process are overseen and monitored by the Joint Audit Committee. Members of the Joint Audit Committee are able to review all risks to ensure transparency. The Joint Audit Committee continued to provide challenge and support to improve our risk management processes during 2023-24. The Risk Appetite document was reviewed and amended where appropriate for 2023-24 and agreed at the Chief Constable's Strategic Management Board meeting prior to be shared with the Joint Audit Committee.
- 3.6.6 The work programme for reviewing these risks is developed in conjunction with the audit committee to ensure that it provides the appropriate assurance required. During 2023-24 several risk deep dives were undertaken exerting scrutiny around key decisions and management actions taken in relation to the Force's corporate risks. Furthermore, detailed briefings were also provided to the audit committee. These were in the following areas: Sexual Assault Referral Unit, ICT Service Delivery Contract, Agile Working Rollout, Collaboration Governance Arrangements, Safer Streets Fund, Safety of Women at Night, Violence against women and girls, Applications Management Framework, Cyber Security threats, IT and Technology Risks and Sustainability.
- 3.6.7 The Force has established processes and governance in place to ensure Crime Data Integrity is the subject of rigorous ongoing review to ensure that crime and incidents are recorded accurately. This is subject to HMICFRS scrutiny as appropriate. Updates on HMICFRS Areas for improvement are also shared with the Joint Audit Committee.
- 3.6.8 Internal Audit assesses the adequacy of our internal controls and reports fully to the independent Joint Audit Committee. Internal and external audit have examined and reported on compliance with applicable regulations and internal controls.

- 3.6.9 The Strategic Executive Board (SEB) chaired by the Police and Crime Commissioner and Strategic Management Board chaired by the Chief Constable scrutinise operational and financial performance, service delivery and the achievement of the police and crime objectives. The meetings during 2023-24 included wider performance updates accompanied by 'deep dives' in specific areas where the Police and Crime Commissioner wished to exert greater scrutiny.
- 3.6.10 The Commissioner and Chief Constable have data protection and information security policies in place which are regularly tested and supported with a training programme for all staff. Our Internal Audit function and HMICFRS provide further periodic scrutiny in this area.
- 3.6.11 There are information sharing protocols between the Commissioner and Chief Constable and also with our partners.

### **Section 3.7 - Demonstrating Effective Accountability**

- 3.7.1 The Police & Crime Commissioner has a Statutory Duty to produce and publish an annual report which details performance for the previous year. This is published on the PCC's website. Standardised reporting templates are used to ensure that information is presented in an efficient but sufficient manner and this informs the annual report.
- 3.7.2 The Police and Crime Commissioner and Chief Constable ensure that decision-makers involved in service delivery are accountable to them through the processes in place in both organisations. The Governance framework and the associated internal control framework provide a robust mechanism for retaining oversight of the key decisions being made. Financial delegation documentation provides a clear basis for accountability for both Revenue and Capital budgets.
- 3.7.3 The Police and Crime Commissioner's and Chief Constable's websites publish information which is pertinent to the public and stakeholders, ensuring the transparency needed for external accountability to be effective, is in place. The internal audit service reports to the Joint Audit Committee and has direct access to the Police and Crime Commissioner, Chief Constable and members. Recommendations for service improvements are acted upon and reported to the committee.
- 3.7.4 Independent and external reviews and inspections are routinely carried out by regulatory bodies and the reports are published and any recommendations made are acted upon. During 2023-24, this included HMIC Inspections for NWP.

### **Section 4 - Review of Effectiveness**

- 4.0.1 The Police and Crime Commissioner and the Chief Constable have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal control.
- 4.0.2 The review of effectiveness is informed by the work of the executive managers who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report and also by comments made by the external auditors, the Police and Crime Panel, Joint Audit Committee, HMICFRS and other review agencies and inspectorates.
- 4.0.3 A summary of key points stemming from the review is provided below:

#### **Section 4.1 - Joint Governance Board**

- 4.1.1 A Joint Governance Board exists as part of our governance framework to ensure that we review our governance arrangements for effectiveness and compliance and to make recommendations for their development as may be required. The TOR for the board are included at Appendix B. This board continued

to meet quarterly during 2023-24 with agendas structured around its work programme.

- 4.1.2 The areas of both Corporate Governance and Risk Management were subject to continued scrutiny and challenge via the Joint Governance Board (and the Joint Audit Committee) over the course of 2023-2024. The approach in both areas has continued to develop over the course of the year.
- 4.1.3 The Force continues to have a Manual of Governance in place that remains up to date and approved by both Chief Constable and Police and Crime Commissioner and a Scheme of Consent was in effect throughout the financial year and has been agreed by all the named Senior Officers within the Scheme and the Chief Constable and Police and Crime Commissioner for North Wales.

#### **Review of Governance Efficiency & Effectiveness**

- 4.1.4 During 2022-23 the Force commissioned a review of its Governance framework. The review reported to the Chief Officer team in July 2023 and the recommendations associated with introducing a new structure have been embedded over the course of 2023-24.
- 4.1.5 The review was primarily aimed at ensuring the Force continued to have effective and efficient governance arrangements in place. This meant aiming to strike an optimal balance between assurance provided by formal governance, balanced against effective delivery and decision making; that the Force had a clear meeting structure which aligned with the Force priority areas and finally; that the Force made best use of technology and information available to facilitate decision making and reduce demand and duplication.
- 4.1.6 The review considered national good practice from those Forces who had received an outstanding grade in the Strategic Planning, Organisational Management and Value for Money section of PEEL and feedback from internal stakeholders and recommendations were developed on the back of this work.
- 4.1.7 The review was undertaken by the Force Governance and Policy Lead reporting to the Head of Business Intelligence, Corporate Services Service Lead and Director of Finance and Resources. 11 recommendations were made aimed at the Force to strengthen and improve its governance arrangements and optimise its decision-making process by building on existing positive practice. The recommendations and their status are listed below:
  - 1. The Force should produce a set of clear Governance Principles to outline how governance should be executed in practice – Implemented / Complete.
  - 2. The Force should extend the current scheme of delegation to include clear parameters for decision making for all levels of authority – Implemented / Complete.
  - 3. The Force should align the governance structure to the Force Strategic Plan using the three pillars as the fundamental delivery structure – Implemented / Complete
  - 4. The Force should introduce regular Portfolio Meetings for Chief Officers to receive appropriate briefings on matters of concern/areas of interest to them – Implemented / Complete.
  - 5. The Force should ensure performance reporting is clear on the Force Governance Structure and in line with the performance framework – Implemented / Complete.
  - 6. Performance meetings at a Service Area level should be brought in and aligned to the Force Vision and Force Strategic Plan – Implemented / Complete.
  - 7. Performance Development Reviews should be used to ensure all members of staff are aligned to the Force Vision and Force Strategic Plan – Implemented / Complete.
  - 8. The Force should merge Strategic Management Board and Senior Leadership Board to become a monthly executive board – Implemented / Complete.

9. The concept of Core Governance meetings should be brought in, with meetings falling outside of this managed at the discretion of Service Areas – Implemented / Complete.
10. The Force Policy and Governance lead should take on a gatekeeper function to oversee the preparation of agenda's and supporting papers for Executive, Pillar Leads and Pillar Delivery Meetings – Implemented / Complete.
11. The Force should prepare a meeting toolkit which includes the governance principles, scheme of delegation, corporate templates, risk appetite statement to be used as a reference guide for existing leaders and those who are newly promoted – Implemented / Complete.

4.1.8 Having implemented the new structure a light touch review of the Governance structures effectiveness was undertaken in August and September 2024 with initial findings reported into the Joint Governance Board for consideration in September 2024.

#### **AGS Action Plan 2022-23**

4.1.9 During 2023-24, the action plan identified as part of the last AGS has progressed and been completed. The action plan focussed on embedding the recommendations associated with the new Governance structure. An update against these actions is included in Appendix D below but the actions are marked as complete.

#### **CIPFA FM Code Self Assessment**

4.1.10 During 2023-24, the annual self-assessment of the Force's financial management practice took place against the CIPFA FM Code. The assessment concluded that both the Police and Crime Commissioner and the Chief Constable were compliant with the Code. Findings from this assessment were reported initially to the Joint Governance Board and subsequently to the Joint Audit Committee.

### **Section 4.2 - Internal Audit**

4.2.1 The Audit plan for 2023-24 was prepared on a risk basis with oversight from the Audit Committee.

4.2.2 During the year the Audit Committee received reports from the internal auditors ('TIAA') on their agreed programme of inspection and reviewed progress on actions identified in their reports. During 2023-24, whilst there was plenty of attention and discussion, there were no significant issues raised by the Committee to the OPCC or NWP Chief Constable ('NWPC') stemming from this work area.

4.2.3 It is worth noting that during the year changes to the plan can occur and in 2023-24 this was the case with all of the changes being reported to the Joint Audit Committee. The Community Engagement, ICT Fixed Assets and ICT Change Management audits deferred from 2022-23 were all completed during 2023-24.

4.2.4 The summary position on assurance levels against the audit plan for 2023/24 were as follows:

Assurance Level		
Substantial	Reasonable	Limited
16	5	0

4.2.5 The recommendations associated with the Limited assurance audits from 2022-23 - Governance - Health & Safety Management; Property Subject to Charge; and HR Absence Management linked to Agility - were given particular emphasis for scrutiny via the Joint Audit Committee during 2023-24. Recommendations have progressed but a number of recommendations remain ongoing for the HR Advance Management audit in particular. These are progressing as a priority but are taking longer than originally envisaged to complete. The 2024-25 Internal Audit plan has also been agreed and is progressing.

4.2.6 The recommendations in relation to these audits (and more generally) have been reviewed by management and will continue to be tracked and monitored through to completion.

#### 4.2.7 The annual report concluded:

##### **HEAD OF INTERNAL AUDIT'S ANNUAL OPINION**

*I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of the Police and Crime Commissioner's and the Chief Constable's risk management, control and governance processes. In my opinion, the Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives.*

*This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Office of the Police and Crime Commissioner for North Wales and the Chief Constable North Wales Police from its various sources of assurance.*

- 4.2.8 A review has been conducted to determine the most appropriate model for internal audit services moving forwards for the Force which has progressed over the course of 2023-24. In line with the JAC terms of reference of determining the appropriateness of the Internal Audit services, audit committee members have been included in this process as a stakeholder. Given the collaborative model of Internal Audit implemented across Welsh Policing, where appropriate the conversations have involved the NWP JAC members in an all Wales dialogue.
- 4.2.9 The review concluded that the current outsourced model was still the most appropriate when compared against other options of in house provision, collaborative in house provision with other Welsh Forces or a hybrid of in house and outsourced provision. Tendering arrangements, with South Wales Police leading on the process, are complete. The current Internal Audit Contract with TIAA was extended to ensure an audit provision ran through to October 2024 by which time the new contract was in place. Hence, arrangements were made to ensure that there was no gap in an appropriate internal audit provision being established.
- 4.2.10 In accordance with regulations, the Police and Crime Commissioner and Chief Constable have reviewed the effectiveness of its internal audit service utilising the audit committee to provide independent oversight and scrutiny of their arrangements. In conclusion, the service has complied fully with all public sector internal auditing standards (PSIAS). Oversight and ensuring that an effective Internal audit system is in place continues to feature as a part of the Audit Committee remit.

#### **Section 4.3 - External Audit**

- 4.3.1 The external auditors provided periodic updates to the Joint Audit Committee on their approach to the 2023-24 Statement of accounts enabling the Audit Committee to ask questions and seek advice as necessary.
- 4.3.2 The JAC has reviewed the work of External Audit and is satisfied that the external audit service is of a sufficiently high standard and that fees are appropriate and reasonable.
- 4.3.3 The Wales Audit Office annual audit letter for 2022-2023 gave an unqualified opinion on the accounts for the Police and Crime Commissioner and the Chief Constable and recorded that they had not identified any significant weaknesses in the overall framework. It also concluded that the Police and Crime Commissioner and Chief Constable had appropriate arrangements in place to secure economy, efficiency and effectiveness in the use of their resources.

#### **Section 4.4 - HMICFRS / PEEL**

- 4.4.1 The HMICFRS PEEL inspection report for NWP was published in January 2023 following the inspection in June 2022. This was accompanied by a number of Areas for Improvement (AFIs) that have been progressed and reported against through the Governance over the course of 2023-24.



- 4.4.2 During the year the Force was part of an inspection of the north-west regional response to serious and organised crime. The North Wales Police force arrangements were assessed as being inadequate at tackling serious and organised crime in the report issued in November 2023. Four recommendations were issued related to this assessment with a target completion date of 1<sup>st</sup> November 2024. The recommendations have been progressed and are reported against via the Force governance.
- 4.4.3 The Force was scheduled for its 2023-25 PEEL inspection in the summer of 2024. The Force has engaged with HMIC over the course of 2023-24 and 2024-25 as part of its continuous assessment.
- 4.4.4 The Force has arrangements in place to ensure that AFIs and any other associated recommendations are being progressed.

#### **Section 4.5 - Joint Audit Committee**

- 4.5.1 The JAC continues to meet regularly to discharge its term of reference, meeting 4 times on a hybrid basis over the course of 2023-24 and has published all open session papers and its Chair is scheduled to issue the draft annual report outlining the work undertaken over the previous year and as necessary any areas of concern at the July 2024 meeting.
- 4.5.2 Over the course of 2023-24 in discharging its remit its activity has included:
- A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the narrative report and Annual Governance Statement, which have once again seen more clarity.
  - Receiving assurance on capital strategy and treasury management strategy, with the former in particular continuing to be challenging in the current external environment.
  - Reviewing the risk management strategy, its implementation and delivery of improvements to risk management and assurance mapping. Done through regular reports and scrutiny of prioritised deep dives.
  - Receiving assurance on the IT control environment including cyber security controls and the overall risk management of the infrastructure and application estate to maintain currency.
  - Reviewing the effective, efficient and robust governance arrangements and structures.
  - Reviewing and receiving assurance on value for money.
  - Receiving assurance on the self-assessment undertaken by the Force in relation to the CIPFA Financial Management Code.
  - Receiving organisational updates at each quarterly meeting from the Force and OPCC to remain apprised of key events taking place within the Force.
  - Briefings or Deep dives on: Sexual Assault Referral Unit, ICT Service Delivery Contract, Agile Working Rollout, Collaboration Governance Arrangements, Safer Streets Fund, Safety of Women at Night, Violence against women and girls, Applications Management Framework, Cyber Security threats, IT and Technology Risks and Sustainability.
  - The work of the ethics committee.
  - Receiving assurance on the work in relation to HMICFRS inspections.
  - Involvement in the development of the internal audit programme, including collaborative audits.

- A review of effectiveness of both the internal and external auditors.
- Meeting with All Wales JAC.

4.5.3 Following the Annual report being issued by the JAC Chair in 2023, a JAC action plan was developed to further enhance the effectiveness of the JAC where possible in the spirit of Continuous Improvement. The action plan involved considering several areas where there was scope to further enhance the JAC's ability to discharge their responsibilities. These included Internal Audit oversight; Feedback on committee performance; considering training needs and the levels of transparency being achieved. All of these areas have been considered and progressed during 2023-24.

4.5.4 Meetings were arranged for the Chief Constable and PCC to meet with the JAC chair to discuss areas of concern or areas where further assurance was required.

4.5.5 No formal areas of concern or significant issues have been highlighted by the Chair.

#### **Section 4.6 - Police & Crime Panel**

4.6.1 The Police and Crime Panels occurred regularly over the course of 2023-24 providing effective scrutiny with the meetings being held publicly in person, with live-streaming available for members of the public to observe.

4.6.2 The panel fulfilled their remit to scrutinise decisions made, or other actions taken, by the Police and Crime Commissioner in connection with the discharge of the commissioner's functions. The Commissioner also consulted with the Panel on his plans and budget for policing for FY2024-25, as well as the re-ratification of the appointment of the Deputy Police and Crime Commissioner.

#### **Section 4.7 - Information Assurance**

4.7.1 Effective arrangements are in place to ensure that data is safeguarded and appropriately collected, used, stored and shared. All data is subject to agreed retention policies and the security classification scheme in operation throughout the force.

4.7.2 The Force had an Information Security Board in place to monitor arrangements and their effectiveness. In addition to this as part of the Governance review an Information Data Management Board was created which provides oversight to Strategy, Policy and Process in this area. The relevant boards met during 2023-24.

4.7.3 Any significant issues of compliance are escalated upwards, and brought to the attention of the Force's Senior Information Risk Owner. During the year there has been 1 referral to the Information Commissioners Office compared to 1 in the previous year. None of these referrals have resulted in formal action by the ICO.

### **Section 5 - Significant Issues of Governance.**

5.1 There are no formal Significant issues of Governance to report in this AGS. However, issues of governance to highlight in this section include:

- There were no 'Limited' Assurance audits during 2023-24, but the recommendations associated with the HR Absence Management linked to Agility Limited assurance audit from 2022-23 remain outstanding. However, assurance can be given that progress is being made and that this is being treated as a priority.
- The North Wales Police force arrangements were assessed as being inadequate at tackling serious and organised crime in the HMICFRS report issued in November 2023. The associated recommendations are all being progressed and monitored.
- The incumbent PCC was re-elected as a result of the May 2024 PCC elections for a further 4 year term.
- Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires that the Responsible Financial Officer sign and date the statement of accounts and certify that it presents a true

and fair view of the financial position of the body at the end of the year to which it relates and of that body's income and expenditure for that year. The Regulations require that this is completed by 31 May 2024. The 2023-2024 statutory deadlines are shown in the table below along with the extended deadlines provided by Welsh Government. The Police and Crime Commissioner and the Force met the extended deadlines.

	<b>Statutory Deadline</b>	<b>Extended Deadline</b>
Draft Statement of Accounts	31 May 2024	30 June 2024
Audited Statement of Accounts	31 July 2024	30 November 2024

## Section 6 - Governance Action Plan stemming from 2023-24

6.1 In assessing the governance arrangements that are in place, the Governance Board will also develop and monitor any action plans to address any governance issues identified or where improvement to current arrangements is required.

6.2 The proposed action plan is:

<b>Issue</b>	<b>Actions</b>
<p><b>Governance: Efficiency &amp; Effectiveness</b></p> <p>With the new governance structure embedded and the recommendations implemented, there would be value in ensuring it is functioning as intended.</p>	<p>Conclude the high level review of the 'new' Governance structure to draw conclusions in relation to its Efficiency &amp; Effectiveness and to identify any potential areas for improvement.</p> <p>Consider the governance findings stemming from the HMICFRS PEEL Inspection as part of this overall review of Governance.</p>

## Section 7 – Conclusion & Assurance Summary

7.1 No statement of internal control can provide absolute assurance against material loss; this statement is intended to provide reasonable assurance.

7.2 However, based on the review of the sources of assurance set out in this statement, we are satisfied that the North Wales Police and Crime Commissioner had in place satisfactory governance arrangements, including appropriate systems of internal control and risk management which facilitate the effective exercise of their functions.

Signed:

**Amanda Blakeman KPM**

**Chief Constable**

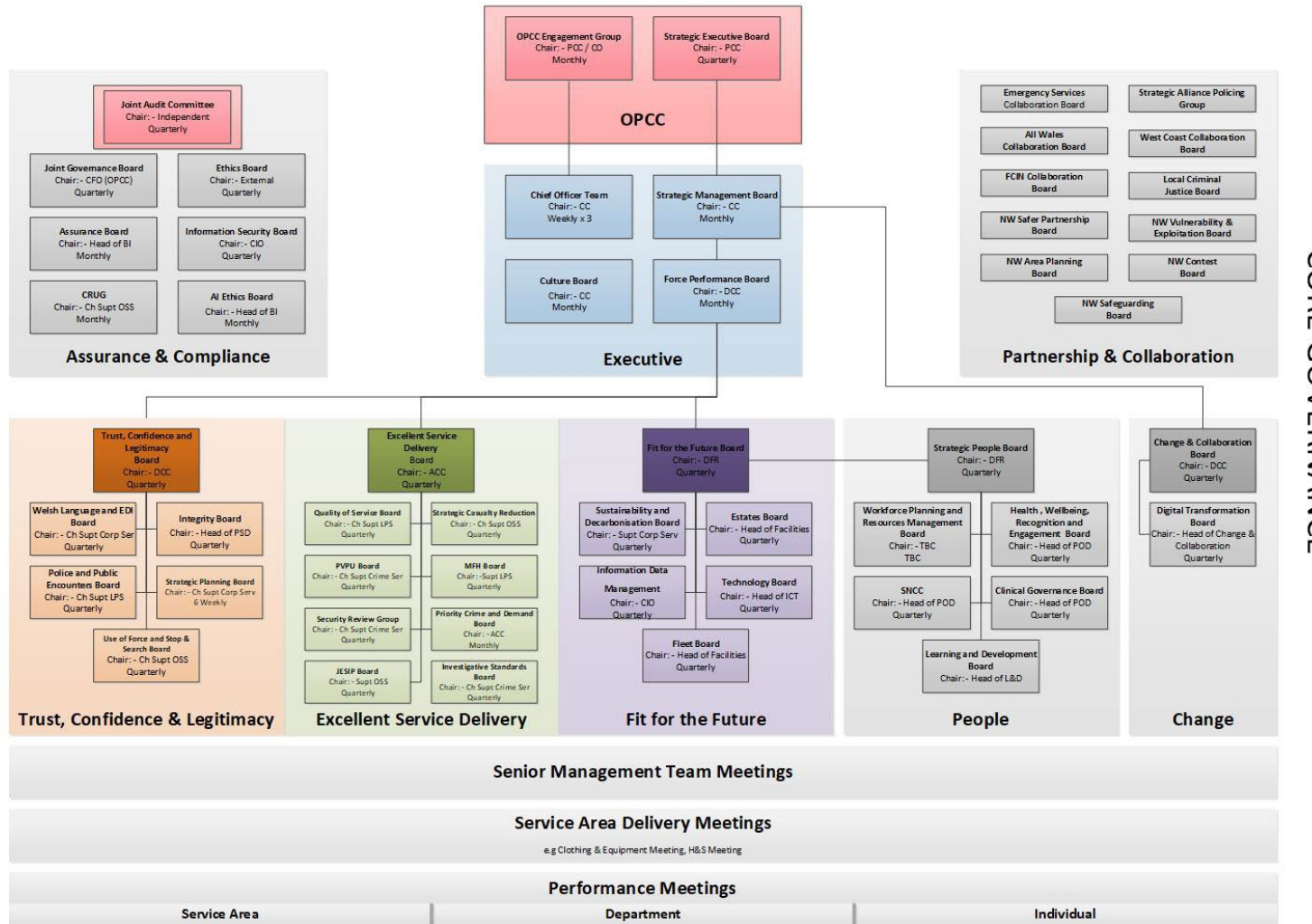
**Seb Phillips**

**Director of Finance and Resources.**

Governance Structure Implemented 2023-2024

North Wales Police Governance Arrangements

CORE GOVERNANCE



CORE GOVERNANCE

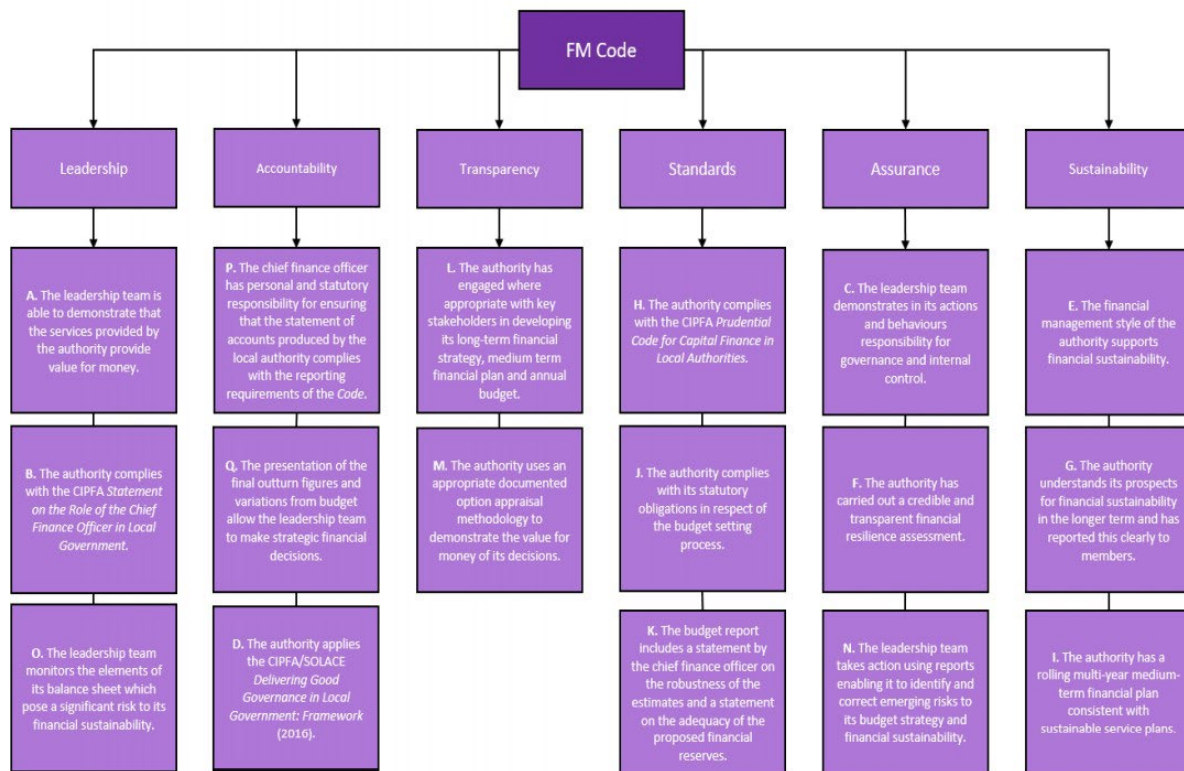
2023 v1.7

**Joint Governance Board Terms of Reference (TOR)**

The remit of reviewing the efficiency & effectiveness of the Governance framework is ongoing but the full objectives of the Joint Governance Board are listed below with the terms of reference being reviewed and endorsed at the March22 meeting:

- To ensure a continual review of the adequacy and appropriateness of the governance arrangements ensuring that they operate Efficiently and Effectively.
- To oversee the production, management and review (as necessary) of the high-level corporate governance documents of the Office of the Police and Crime Commissioner and Force, specifically the Manual of Governance and its constituent parts.
- To co-ordinate, oversee and review (as necessary) the corporate governance structures of the Office of the Police and Crime Commissioner and Force and their associated processes and procedures.
- To review all recommendations relating to corporate governance arising from internal and external audits and inspections and consider their implications for the corporate governance arrangements of the Office of the Police and Crime Commissioner and Force.
- To review any Client Briefing Notes issued by the Internal Auditor and consider their implications for the corporate governance arrangements of the Office of the Police and Crime Commissioner and Force.
- To oversee and co-ordinate the preparation of the Annual Governance Statements of the Police & Commissioner and Chief Constable.  
To make any recommendations to the Police & Crime Commissioner and Chief Constable on any matter relating to the corporate governance arrangements of the Office of the Police and Crime Commissioner and Force, where action or improvement is required.

CIPFA FM Code Framework



## 2022-23 AGS Action Plan Status

Issue	Actions
<p data-bbox="156 264 746 297"><b>Governance: Efficiency &amp; Effectiveness</b></p> <p data-bbox="156 331 746 439">Consider the findings of the wider Governance review, commissioned following the HMICFRS PEEL report issued in February 23.</p>	<p data-bbox="746 331 1337 439">Monitor the progress of the implementation of any recommendations associated with the February 2023 Governance review.</p> <p data-bbox="746 477 1337 584"><b>Completed</b> - Action Complete with narrative showing Recommendation status included in section 4 of the 2023-24 AGS.</p>

## 2023-24 Internal Audit Assurance

Title	Assurance Level
Collaborative Fleet Telematics	Reasonable
Collaborative Property Subject to Charge	Reasonable
ICT - Fixed Assets	Reasonable
Eastern Area - Command Unit	Reasonable
Collaborative Data Protection	Substantial
Governance - Collaboration & Partnerships	Substantial
Governance - Yr Community Engagement	Substantial
Collaborative Risk Management - Mitigating Controls	Substantial
Budgetary Control	Substantial
Purchasing/Creditors	Substantial
Collaborative - Debtors	Substantial
General Ledger	Substantial
Collaborative Payroll	Substantial
Collaborative Treasury Management	Substantial
Collaborative Anti-Fraud/Counter Fraud	Substantial
Capital programme - PROJECT MANAGEMENT	Substantial
Occupational Health Unit	Substantial
Estate Management – Strategy	Substantial
Fleet Management - Fuel	Substantial
Procurement - VALUE FOR MONEY	Substantial
ICT Change Management	Substantial

Assurance Levels of Reports	2023/24
Substantial Assurance	17
Reasonable Assurance	4
Limited Assurance	0
No Assurance	0
Advisory	0
	21





# GOVERNANCE PRINCIPLES

## EXECUTIVE, STRATEGIC PILLAR LEAD AND PILLAR DELIVERY MEETINGS

1. Meetings are primarily for
  - Decisions
  - Problem solving
  - Actions
  - Horizon Scanning
  - Assurance / Awareness
2. Executive and Strategic Pillar Lead meetings will have strategic oversight and responsibility and will ensure that all work undertaken by the Force is contributing and supporting the Forces' vision.
3. Executive and Strategic Pillar Lead meetings should provide leadership, vision, and direction.
4. Executive and Strategic Pillar Lead meetings should ensure appropriate challenge and scrutiny.
5. Executive and Strategic Pillar Lead meetings should ensure work is prioritised in line with the Force Strategic Plan.
6. Those attending meetings should be at the correct level for taking part in decision making.
7. A meeting with no meaningful actions or decisions will be decommissioned.
8. Executive and Strategic Pillar Lead meetings will be chaired by Chief Officers.
9. Pillar Delivery Boards will be chaired by Service Leads or Subject Matter Experts.
10. Chief Officers can attend Pillar meetings they don't chair as attendees.
11. Exceptions to chairing rules will be limited and must be agreed by the Chief Constable.
12. Meetings should not be solely used to brief Chief Officers and Senior Leaders; dedicated briefings should take place through other means i.e., portfolio meetings, Chief Officer Briefing Report Template
13. Meeting attendees are obliged to cascade key messages and decisions through their reporting structure.
14. Short term task and finish or working groups may be set up below Executive or Strategic Pillar Level meetings, but they must be time bound with clear deliverables.
15. Pillar Delivery meetings will have responsibility for ensuring any strategies and performance objectives associated with the meetings theme are implemented appropriately.
16. Meetings will make appropriate use of the Force Risk Appetite to inform decision making and make appropriate use of the Risk Management processes.

## SERVICE AREA DELIVERY MEETINGS

1. Service Area Delivery meetings and below are at the discretion of the relevant Service Lead
2. There will be no tactical versions of Pillar Level meetings.
3. Any duplication of meetings, attendance or papers at the Service Area Delivery meeting level and below are at the behest of the Service Lead to influence and remove.
4. Commissioning and decommissioning of meetings at the Service Area Delivery meeting and below will still follow the formal process of seeking approval from Strategic Management Board.
5. Service Area Delivery meetings and below will still need to conform to Force meeting templates but will not be considered a part of the Core Governance Structure
6. Service Area Delivery meetings and below will be subject to the Annual Governance Review for independent scrutiny.
7. Performance meetings are the exception, and the agreed levels of Force performance meetings will need to be in place and fit for purpose.

## WHAT GOES WHERE?

1. Matters of strategic importance or high financial value will be taken to an Executive Level meeting before business cases or options are developed.
2. The decision-making scheme of delegation should be used as a guide to what level of meeting is appropriate for what item.
3. Pillar Delivery meetings and Service Area Delivery meetings will make operational decisions within their business area and only escalate to a higher board where the impact or financial value is beyond their remit.
4. The Governance Lead will have an oversight of all meeting agendas to identify duplication at source and have the responsibility to advise meeting Chair's and Secretariat in the interests of good governance.

## BEHAVIOURS

1. Chairs and meeting members will follow the Police Code of Ethics and have due regards for the Welsh Language Standards in all their dealings.

## MEETING MANAGEMENT

1. All meetings that fall within the Force Governance Structure must have Terms of Reference using the agreed corporate template and a copy should be forwarded to the Force Governance Lead.
2. Any amendments to the Terms of Reference during the year should be in consultation with the Force Governance Lead.
3. All Executive and Strategic Pillar Lead and Pillar Delivery meetings should be scheduled 12 months in advance and where possible sequenced.
4. All meetings should use the agreed Force templates i.e., agendas, minutes / action log, reports.
5. All Executive and Strategic Pillar Lead meetings should have a forward work plan (FWP) which will assist the meeting to plan for the forthcoming year and assist with the preparation of the meeting agendas.
6. All meeting agenda's and supporting papers should be submitted to the secretariat at least 10 days prior to the meeting.

7. All meeting agenda's and supporting papers should be circulated at least 7 days prior to a meeting.
8. All minutes and actions / decisions log should be circulated no later than 14 days after a meeting.
9. All Executive, Strategic Pillar Lead and Pillar Delivery meeting agenda's, minutes and actions / decisions logs should be uploaded to the central repository on the NWP Force Governance Teams site.
10. The Chairperson has overall responsibility for ensuring the meeting fulfils its purpose and achieves its objectives as set out in the Terms of Reference.
11. The Chairperson has an important role to play in providing clear leadership and direction.
12. Members have overall responsibility for working with each other to fulfil the purpose and achieve the objectives of the meeting as set out in the Terms of Reference.
13. Members must be familiar with the meeting's Terms of Reference in order to undertake the role effectively.
14. Members must ensure colleagues within their business area are briefed on any decisions and / or actions that directly affect the business area.
15. The Secretariat has overall responsibility for managing the business of the meeting and providing professional support to the Chairperson, Vice-Chairperson (where relevant) and members.
16. Before a meeting, the Secretariat will be responsible for:
  - Setting the date and time of the meeting in consultation with the Chairperson.
  - Preparing the draft agenda based on the agreed Forward Work Plan and items submitted by Members in consultation with the Chair and Force Governance Lead.
  - Finalising the draft agenda following discussions with the Chairperson and Force Governance Lead.
  - Ensuring all the relevant papers are submitted in the appropriate format at least 10 days prior to the date of the meeting. Alternative timescale will only be agreed in exceptional circumstances.
  - Ensuring the agenda and papers are circulated no later than 7 days before the date of the meeting.
  - Noting all the apologies received for the meeting.
17. During the meeting, the Secretariat is responsible for:
  - Ensuring the Chairperson or Vice-Chairperson has all the necessary information / papers for all the items on the agenda.
  - Making a note of the names and positions of those in attendance.
  - Making a note of the apologies received for the meeting.
  - Making a note of the decisions and actions agreed by the meeting, as well as making a brief note of how the decisions and actions were reached in order to provide sufficient context and ensure an audit trail.
  - Seeking clarification on any decisions, actions or discussions which may be unclear.
  - Supporting the Chairperson or the Vice-Chairperson to ensure the meeting stays focussed and on-track by reminding them if an agenda item has been overlooked and highlighting any issues with the timing of agenda items to ensure the meeting doesn't overrun.
18. After the meeting, the Secretariat is responsible for:
  - Preparing draft Minutes or Decision and Action List for review by the Chairperson or Vice-Chairperson within 7 working days after the meeting.
  - Circulating the Minutes or Decision and Action List to Members and Attendees within 14 working days after the meeting (corrections to the Minutes or Decision and Actions List should be noted at the following meeting.)
  - Collating any updates received in relation to agreed actions in preparation for the next meeting.

## USE OF TECHNOLOGY

1. All meetings will be held in the most efficient way possible, whether that be online, hybrid or face to face.
2. If meetings are held face to face, making best use of technology should still be a consideration i.e. sharing of documents via teams.
3. All Executive and Strategic Pillar Lead and Pillar Delivery meetings will be recorded, and the recordings and transcripts will be available to all attendees and interested parties for consideration by the Chair.
4. All Executive and Strategic Pillar Lead and Pillar Delivery meeting papers should be stored electronically on the Force Governance Teams Site and accessible to all attendees and interested parties for consideration by the Chair.
5. All meeting papers should be circulated electronically via MS Teams.

# **The report of the Auditor General for Wales to the Chief Constable of North Wales Police**

## **Opinion on financial statements**

I have audited the financial statements of:

- Chief Constable of North Wales Police; and
- North Wales Police Pension Fund

for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

The Chief Constable of North Wales' financial statements comprise the Expenditure and Funding Analysis, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including the material accounting policies.

The North Wales Police Pension Fund financial statements comprise the Fund Account and Net Assets Statement.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Chief Constable of North Wales, and the North Wales Police Pension Fund as at 31 March 2024 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

## **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Chief Constable of North Wales Police and the North Wales Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable of North Wales Police and the North Wales Police Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

## Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Chief Constable of North Wales Police and the North Wales Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns.

## Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintain proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Chief Constable of North Wales Police and the North Wales Police Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Chief Constable of North Wales Police and the North Wales Police Pension Fund will not continue to be provided in the future.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Chief Constable of North Wales Police, the Chief Constable of North Wales Police's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Chief Constable of North Wales Police and the North Wales Police Pension Fund policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud by posting of unusual journals;
- Obtaining an understanding of the Chief Constable of North Wales Police and the North Wales Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Chief Constable of North Wales Police and the North Wales Police Pension Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Chief Constable of North Wales Police and the North Wales Police Pension Fund; and
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Joint Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Chief Constable of North Wales Police and

the North Wales Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of the Chief Constable of North Wales Police and the North Wales Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton

1 Capital Quarter

Auditor General for Wales

Tyndall Street

Date

Cardiff, CF10 4BZ

**The maintenance and integrity of the Police and Crime Commissioner for North Wales' website is his responsibility; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website**





**NORTH WALES POLICE & CRIME COMMISSIONER  
GROUP STATEMENT OF ACCOUNTS  
2023 – 2024**

## Table of Contents

Narrative Report .....	3
Statement of Responsibilities for the Group Statement of Accounts .....	26
Group Expenditure and Funding Analysis 2023-2024 .....	27
Group Expenditure and Funding Analysis 2022-2023 .....	28
Group Comprehensive Income and Expenditure Statement .....	29
Group Movement in Reserves Statement .....	30
Group Balance Sheet .....	31
Group Cash Flow Statement .....	32
Notes to the Group Statement of Accounts .....	33
Police Pension Fund Account.....	72
Group Statement of Accounting Policies.....	73
Glossary of Terms .....	89
Annual Governance Statement 2023-2024 .....	92
The report of the Auditor General for Wales to the Police and Crime Commissioner for North Wales.....	118
Summary Capital Expenditure and Funding 2023-2024 .....	122

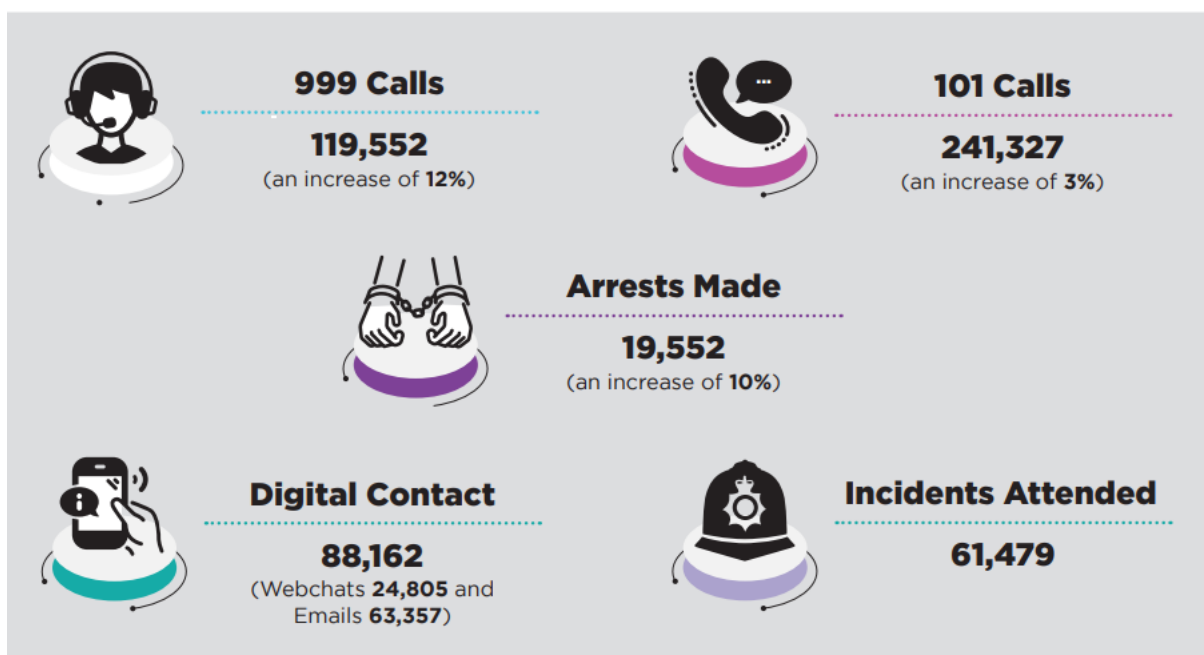
## Narrative Report

### 1. **FOREWORD** (from Police and Crime Commissioner, Andy Dunbobbin)

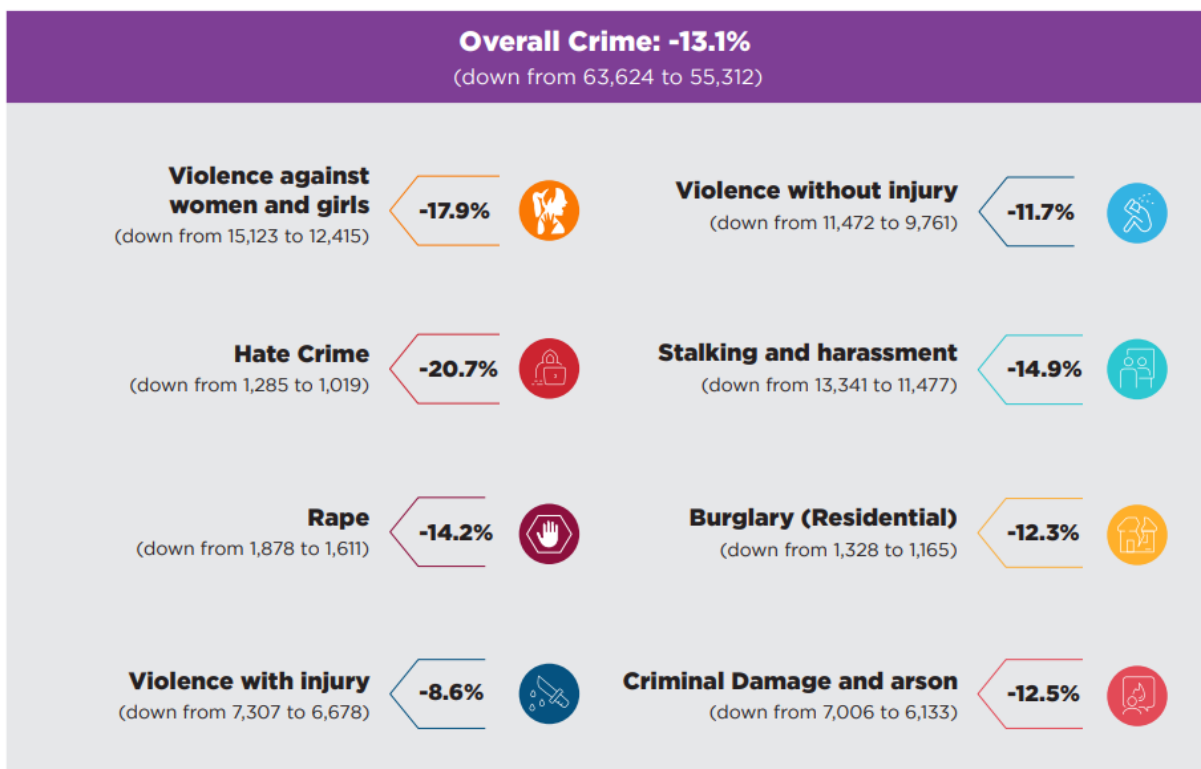
1.1 I was immensely honoured to have been re-elected by the people of North Wales in May 2024. It shows that they are happy with the work I have been doing since 2021 to make policing more effective, efficient and accountable. There is always more work we can do, and I look forward to serving all of the people of North Wales, whether they voted for me or not.

1.2 2023/24 has been a successful year for North Wales Police and my Office. Operation Uplift – the plan to increase police officer numbers by 20,000 nationally – was maintained, with North Wales Police meeting its target of an additional 206 officers on the key dates, ensuring that we were able to receive the maximum grant available in order to fund these officers.

1.3 The impact of having these additional officers, and the staff to support them, means that they are able to deal with more demand than previously. In the financial year from 1 April 2023 to March 2024 the key areas of demand included:



1.4 We have seen the following changes in reported crime recorded compared with the previous 12 months:



- 1.5 In addition to monitoring the work of the Force, my office has continued to work with other organisation and to commission services, with the aims of reducing crime and supporting victims, including the national roll-out of the Serious Violence duty, the continued support of the Victims’ Help Centre, and various Safer Streets projects.
- 1.6 2023-24 has confirmed once again that, if we are to achieve the outcomes that our community deserves, to the levels that we aspire to then we must ensure that we use our resources in the way that most effectively delivers against our strategy and priorities. Over the course of the year, the “Optimisation review” that I commissioned, has been working towards just that, assessing a range of functions within the force as we endeavour to continuously improve.
- 1.7 I am excited about what the Force can achieve in future, and I would like to take the opportunity to pass my thanks on to the wider North Wales Police team for their unwavering efforts and commitment displayed over the past year.

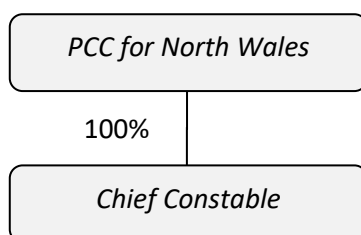
## 2. **INTRODUCTION** *(from Chief Finance Officer, Kate Jackson)*

- 2.1 Having emerged from a testing 2022-23 financial year with a sound financial platform, 2023-24 presented the Office of the Police and Crime Commissioner and Force with new challenges.
- 2.2 A sustained cost-of-living crisis extensively impacted our employees, our community, our supply chain and our organisation’s cost base. Inflationary pressures – both Pay and Non-Pay - continued to have a negative impact across a whole range of budget line items, prompting attempts to actively manage them wherever possible. Increases in demand were also felt across a range of areas, meaning that allocating resources to the areas of highest priority remained a critical emphasis of our organisation planning process. Despite this context, the Group still underspent against the Revenue and Capital budgets for 2023-24 and enters 2024-25 on a solid financial footing.
- 2.3 This Narrative report aims to provide further context on these, and other issues faced by the Police and Crime Commissioner and Force during 2023-24. The report is subjected to independent scrutiny by our appointed external auditors to ensure that our aim of producing an output that is fair, balanced and understandable is achieved.

- 2.4 To that end the narrative report starts out in the usual way, by clarifying the responsibilities of the Police and Crime Commissioner and Chief Constable before moving onto sections covering the organisations' Strategic Priorities, their Operational and Financial Performance, their Future Outlook and a brief summary of some of the important content relating to the main Statement of Accounts that then follow within the document.
- 2.5 With regard, to the review of financial performance in particular, there is a need to reference figures external to this report to deliver an overall analysis of the position. The Code of Practice on Local Government Accounting in the United Kingdom 2023-24 (CIPFA/LASAAC) provides us with guidance on how we should prepare our accounts to comply with International Financial Reporting Standards and in line with legislation. While we must comply with these requirements in preparing our Statement of Accounts, for the purposes of effectively monitoring our income and expenditure, we measure our financial performance in the year by comparing our budget with our outturn (actual income and expenditure in the year) and ultimately the impact that this has on usable reserves at a Group level.
- 2.6 Hence, the review of financial performance in the Narrative report analyses performance against those budgeted figures and makes several references to figures that can be reconciled back to the Group (rather than Chief Constable) 2023-24 Statement of accounts. It is felt that preparing the narrative report in this way provides greater insight for the reader into the substance of the financial performance of the Force.
- 2.7 Before commencing that narrative report in earnest, I would like to follow the Commissioner's lead by passing my thanks onto the Office of the Police and Crime Commissioner and the entire North Wales Police team as they continue to adapt to the changing demands and pressures to ensure that we remain focussed on delivering for our communities.

### 3. **GOVERNANCE & RESPONSIBILITIES**

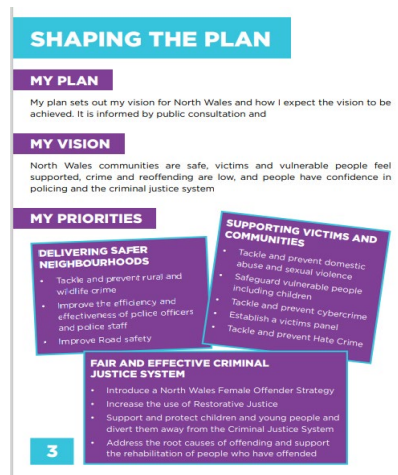
- 3.1 The Police Reform and Social Responsibility Act 2011 introduced the role of Police and Crime Commissioners in England and Wales with the new structure being implemented in 2012-13.
- 3.2 In principle, the Act established both the Police and Crime Commissioner and the Chief Constable as corporations sole, each deemed a separate legal entity that can employ staff, enter into contracts and take part in legal proceedings. The Police and Crime Commissioner has the responsibility to secure the maintenance of an efficient and effective police force and will commission the delivery of this from the Chief Constable. The Act has also established Police and Crime Panels for each policing area whose role is to hold the Police and Crime Commissioners to account for their decisions and actions.
- 3.3 In practice the two corporations sole are required to prepare their own statutory single entity Statement of Accounts, in accordance with the Code of Practice on Local Authority Accounting and relevant International Financial Reporting Standards. The Police and Crime Commissioner is also required to produce a set of Group Accounts. The Police and Crime Commissioner is identified as the holding organisation, and the Chief Constable is deemed a wholly owned subsidiary. A more detailed review of the governance arrangements in place is included later in this document in the form of the Annual Governance Statement but the nature of the group's structure is set out within the legislation and the preparation of the group accounts is in accordance with statutory accounting practice.



- 3.4 The Statement of Accounts for 2023-2024 provides a picture of the financial position at 31 March 2024 and a summary of the income and expenditure in the year to 31 March 2024.

#### 4. NORTH WALES STRATEGIC CONTEXT & PRIORITIES

- 4.1 North Wales is regarded as one of the most beautiful places to live and visit in the UK.
- 4.2 With a population of around 700,000, the North Wales force area covers an area of 6,300 square kilometres extending from Bronington in the East to Aberdaron in the West and from Cemaes Bay in the North to Aberdyfi in the South.
- 4.3 The Force area covers the six geographic counties of North Wales, namely Gwynedd, Anglesey, Conwy, Denbighshire, Flintshire and Wrexham and is serviced by a single Health Board, Betsi Cadwaladr University Health Board and by the North Wales Fire and Rescue Service and Authority. The area is also serviced by the National Probation Trust and the Welsh Ambulance Service Trust.
- 4.4 North Wales encompasses both urban and rural areas including three cities, the Eryri National Park, two significant ports (Holyhead in Anglesey and Mostyn in Flintshire), expanding industrial regions and numerous busy towns, many of which attract a high volume of tourists during the summer months.
- 4.5 The Police and Crime Commissioner (PCC) Andy Dunbobbin was originally elected in May 2021 and re-elected in May 2024. The PCC set the Police and Crime Plan 2021–2024 at the start of his first term, which is the Plan that covers the period of these accounts, and set the priorities as summarised below. The full plan is available on the PCC’s website.



- 4.6 All priority areas present issues beyond policing and an effective response can be delivered only in partnership as reflected in the graphic below:



- 4.7 With the overall priorities set by the PCC, the Chief Constable’s Strategic Plan (North Wales Police Force Strategic Plan 2023-2026) then sets out the vision, priorities and values and approach North Wales Police will take to deliver these priorities.
- 4.8 Chief Constable Amanda Blakeman reviewed and updated the Force plan to produce the North Wales Police Force Strategic Plan 2023–2026.
- 4.9 The Chief Constable’s ‘plan on a page’ which summarises this Strategic Plan is outlined below:



- 4.10 To deliver this vision, the following three Policing Priorities have been set embodying the PCC’s priorities as well:





## 5. OPERATIONAL PERFORMANCE

5.1 The Statement of Accounts is primarily focused upon the financial performance for the year; however, it is also important to consider key objectives and performance set out in the Police and Crime Plan 2021-2024. The priorities in the plan have been developed in response to the areas of greatest threat, risk and harm facing North Wales following an extensive consultation process.

5.2 Some of the key demand faced by the Force in 2023-24 was as follows:

- 999 calls – 119,552 (an increase of 12%)
- 101 calls – 241,327 (an increase of 3%)
- Digital Contact – 88,162 (Webchats 24,805 and Emails 63,357)
- Incidents Attended – 61,479
- Arrests Made – 19,552 (an increase of 10%)

5.3 Overall performance against the priorities and outcomes identified within the Strategic Plan are monitored and managed regularly by the Force at its Strategic Performance board. Typically these meetings took place on a monthly basis during 2023-24 providing assurance to the executive on progress across the key areas underpinning its strategy. The reporting at this board is structured around the Outcome strategic pillars of *Increase Trust Confidence & Legitimacy; Provide Excellent Service Delivery* and ensuring the force is *Fit for the Future*. Further analysis and deep dives take place at the board where additional understanding or assurance is required.

5.4 As part of its overall performance monitoring, the Force also monitors its position as reflected in the National Crime Survey for England & Wales. The statistics are published on a quarterly basis and over the course of 2023-24 North Wales Police maintained its position in the top quartile of Forces for levels of confidence in the local police service providing an important indicator of the Trust & Confidence levels that are being achieved.

5.5 The Force also receives further independent scrutiny on performance through its HMICFRS inspections. Further detail on the findings and reports stemming from these inspections can be found in the Annual Governance Statement included at the end of this report.

5.6 The performance of the Force, in turn, is monitored by the PCC and over the course of the year, there may be the need for specific areas of operational performance to be scrutinised in the form of deep dives at the Strategic Executive Board. During 2023-24 these took place in the following areas:

- VAWG
- Professional Standards and Culture
- Hate Crime
- Restorative Justice
- Serious and Organised Crime
- Road Safety
- Rural Crime
- Force Control Room

5.7 The PCC produces and publishes an annual report which includes an analysis of the overall performance of the Force and so that content won't be duplicated here but the reports are available via the PCC website.

## 6. CORPORATE RISK

6.1 A Joint Risk Management Framework is shared by the Police and Crime Commissioner and Chief Constable to identify, evaluate and manage the risks faced by the respective organisations. The framework defines the steps that are required to gain the necessary understanding to support effective decision making.

6.2 Under the scrutiny of the Joint Audit Committee the Force has developed its risk management framework over recent years. Over the course of the year the corporate risk registers have tracked the emergence of new risks, the treatment and termination of existing risks and also any changes in the risk level occurring over the course of

the year. The risk management framework itself has also been the subject of an annual review which included revisiting the Force's Risk Appetite statement.

- 6.3 Risk and Issues that were subject to particular scrutiny via the audit committee during the year included the Sexual Assault Referral Centre (SARC) accreditation, Helicopter Link to Control Room, Force Control Room provision, ICT Service Delivery Contract and Cyber Security Threats. Further detail is provided in the Annual Governance Statement and risk reports are regularly published as part of the quarterly Joint Audit Committee papers.
- 6.4 Of particular relevance to the statement of accounts is the issue of Financial Risk and during the year this was considered and scrutinised by the Joint Audit Committee via regular updates being provided by the Corporate Finance team on the general financial position; the Capital & Treasury management strategy; the self-assessment against the CIPFA Financial Management Code and the pursuit of delivering Value for Money. A key consideration for the Force when managing its financial risk is striking an appropriate balance between supporting the PCC in keeping precept increases mitigated for local households whilst also ensuring that the force has the finances it needs to deliver on its operational priorities. Over the previous two years the PCC's revenue reserves have increased significantly by £18.2m primarily due to underspends against budget as the Force has looked to recruit the Officers and Staff it needs to make the most of its Uplift funding allocations. These underspends and the increases in reserves have been a particular area of focus for the Joint Audit Committee and HMICFRS during this period and the Force has provided regular reports and analysis as a result. They have also been a consideration as part of the annual financial planning process and ultimately when setting and progressing the PCC's precept proposal.
- 6.5 During this period the management of both the Force and the OPCC have placed an emphasis on taking a balanced approach when managing its finances and the amount of underspend significantly reduced in 2023-24 when compared to the prior two financial years.
- 6.6 However, 2023-24 does still see an underspend against original budget mainly due to a time lag on recruitment and additional income being received. Whilst this increase in reserves is positive in terms of positioning the force to deal with unforeseen financial events in future at a time of uncertainty (reflected for example, by the healthy position on CIPFA's Financial Resilience Index), it is also an important consideration when setting future budgets and it is recognised that such large underspends should not become the norm. These issues are explored further in the Financial Performance section of this report which includes a more in-depth analysis of the underspends that occurred against both the Revenue and Capital budgets during the 2023-24 financial year.

## **7. FINANCIAL PERFORMANCE**

### **7.1 2023-2024 Budget**

7.1.1 The Police and Crime Commissioner operated with a Net Revenue Budget of £188.959m for 2023-2024, which was formally agreed at a meeting of the Police and Crime Panel on 30 January 2023. This equated to a 3.68% increase to the base revenue budget from the previous financial year, comprising:

- Increase in precepts of 6.80%.
- Increase in Government funding of 0.35%.

7.1.2 The CFO delivered a presentation and report for the panel outlining the precept proposal which was subject to scrutiny in the meeting. The precept proposal was approved unanimously.

7.1.3 The main challenge in setting the Budget was the high pay and non-pay inflation being encountered. The inflationary increase was over 7%, although this was compensated partially by £3.753m of cashable savings being identified and £1.442m of additional specific grants.

7.1.4 An increase in Government Grants from the previous three years was directed towards the costs of an additional 207 Police Officers (Operation Uplift). This included funding pay, recruitment, training and the associated infrastructure costs.

### **7.2 2023-2024 Net Revenue Outturn & Net Transfer to Reserves**

- 7.2.1 The precept proposal agreed on the 30 January 2023 utilised realistic assumptions deemed appropriate based on the information available at the time. This took account of funding anticipated from sources other than the precept and the expenditure plans for the year and also the strength of the Force's balance sheet in terms of its Reserves.
- 7.2.2 When setting the budget and the associated Precept proposal, consideration is also given to uncertainty and whether contingency budgets are required. Held centrally, by Corporate Finance, assumptions for 2023-24 were to include a contingency budget of £0.4m for Operational Major Incidents and a further £0.4m for Other Contingency and Inflation to provide for unplanned events that occur over the course of the Financial Year. This equates to 0.4% of the overall budget. With a view to keeping the annual contingency budget to a minimum, earmarked reserves are also used by the force to give the Force further ability to respond to changing circumstances or demands. Alongside the centrally held contingency budget, this removes the need to build contingencies into every individual budget. Despite this approach, the contingency budgets have been a recent area of discussion with the audit committee and further consideration will be given to them in the budget planning conversations for future years as a result.
- 7.2.3 North Wales Police is a complex organisation and variances against budget will occur in any dynamic environment. As stated earlier in the Corporate Risk section of this report the level of revenue underspend that occurred in 2021-22 and 2022-23 (whilst being well understood) was higher than would normally be expected. The underspends have been subject to close scrutiny and consideration by the Force.
- 7.2.4 However, pay and non-pay inflation was also higher than historical levels during 2023-24 which required some close monitoring and management during the year to assist in minimising the impact where possible. Pay awards were agreed nationally at 7% from Sept 2023 which was higher than the 2.5% planned into Force budgets. Thankfully the pay award was accompanied by additional grants from the Home Office that compensated for most, but not all, of the additional increase.
- 7.2.5 Despite the inflationary pressures, Actual net operating expenditure for 2023-2024 was an outturn of £184.579m resulting in a net transfer to Group revenue reserves of £4.380m which is 2.3% of the Net Revenue Budget of £188.959m as summarised below:

Net Revenue Budget	£188.959m
Net Operating Expenditure	£184.579m
Net transfer to Group Revenue Reserve	£4.380m
Net transfer to Group Revenue Reserve %	2.3%

- 7.2.4 The overall underspend was primarily due to the turnover of officers and staff being higher than anticipated, a reduction in energy and fuel prices from the previous peaks experienced and additional income being generated from a number of sources.
- 7.2.5 The capacity of the Force recruitment and training teams meant that Officers were brought into the force in four broadly equal tranches over the course of achieving Uplift. The Uplift target increase of 207 Officers was attained at the end of March 2023; however, it was necessary to continue with the same level of recruitment intakes throughout 2023-24 to maintain the officer numbers at the higher level given the rates of attrition from the force. Due to the higher turnover officer numbers dipped below the target level between April and September 2023 resulting in some under spend. There was also turnover in staff posts that resulted in further underspend. It is worth noting that whilst staff turnover was higher than the historical levels of the force in 2023-24, it is still at some of the lowest levels when compared with the policing sector of Wales and England overall.
- 7.2.6 The additional income was generated from a number of factors; most significantly were higher interest rates and higher investment balances (due to the Home Office paying an element of the grants in one lump sum early in the financial year).
- 7.2.7 In terms of further important context for the underspend, it is worth commenting that £3.774m related to Force activities; during the financial year Body Armour was delivered but not issued and therefore has been treated as

stock within these accounts equating to £0.675m of the overall number; and a further £0.173m related to local Partnerships and OPCC specific reserves £0.433m to national collaborations in support of the broader police service including transfer of balances from other Forces.

7.2.8 As the Force related underspend was known and well understood during the 2024-25 planning process, a £3m additional contribution to reserves was included in the Medium-Term Financial Plan for the Capital Reserve (£2m) and Management of Change Reserve (£1m) respectively. The final outturn allowed a further £0.392m to be contributed to the Capital Reserve above these assumptions.

7.2.9 The total transfer to reserves of £4.380m, was allocated as follows:

	£m
Earmarked Reserves	3.774
OPCC and Partnership Reserves	0.173
National Partnerships	0.433
<b>Net Transfer to Group Reserves</b>	<b>4.380</b>

7.2.10 The overall net movement in Earmarked reserves (including the national and local partnerships where North Wales Police acts as the host force) is summarised below:

	£m	£m
<b>Earmarked Reserves at 31 March 2023</b>		<b>41.492</b>
PFI Planned Use	-0.294	
Earmarked to fund Body Armour in 2024-25	0.675	
Additional amounts earmarked MTFP	3.000	
Final end of year other movements	0.393	
OPCC and Partnerships	0.173	
National Collaborations	0.433	
<b>Net Movement</b>		<b>4.380</b>
<b>Earmarked Reserves at 31 March 2024</b>		<b>45.872</b>

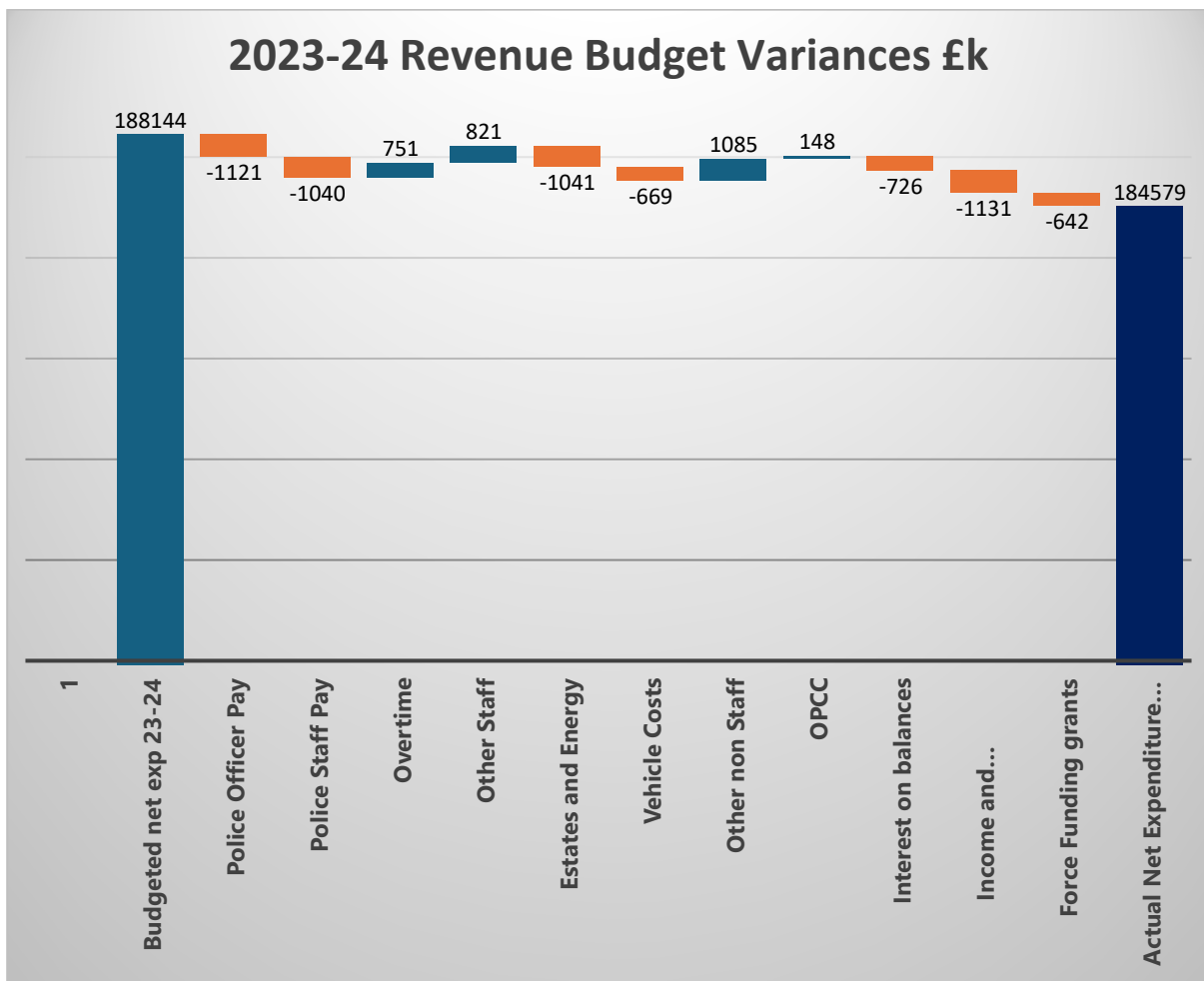
7.2.11 Further context for the Earmarked reserve net movement of £4.380m is:

- £2.393m being earmarked in the Capital Reserve for future investments and potential cost increases for planned projects reflecting recent trends;
- £1.000m in the Management of Change Reserve to fund temporary costs agreed during the 2023-24 planning round;
- £0.675m to fund Body Armour replacements which was originally budgeted to be spent in year, but given it was delivered but not issued at 31.3.24 a reserve was created to charge to revenue in 2024-25;
- £0.173m relating to local Partnerships (£0.011m) and specific OPCC managed reserves (£0.162m);
- £0.433m related to contributions to earmarked reserves relating to the Forensic Collision Investigation Network, Minerva and other national collaborations which North Wales Police host on behalf of all Policing areas. This was analysed as £0.153m used and £0.586m contribution to reserves (the majority of which were transfers from previous hosting Policing Areas);
- There was no need to contribute to the General Reserve as it stands just above the 3% of Net Budget target following additional contributions made in 2022-23.

### 7.3 Analysis of Outturn v Total Budgeted Operational Expenditure

7.3.1 Overall Operating expenditure for the year increased by 5.39% on prior year to £184.579m (2022-2023: £175.142m). Despite this, there was still a £3.565m underspend variance to budgeted operating expenditure of £188.144m (total budget adjusted for planned movement in reserves). This variance is further explained first graphically and then also line by line in more detail below:

## 2023-24 Revenue Budget Variances £k



	£m
<b>Budgeted net exp 23-24</b>	<b>188.144</b>
Police Officer Pay	-1.121
Police Staff Pay	-1.040
Overtime	0.751
Other Staff	0.821
Estates and Energy	-1.041
Vehicle Costs	-0.669
Other non-Staff	1.085
Community Safety	0.148
Interest on balances	-0.726
Income and Reimbursements	-1.131
Force Funding grants	-0.642
<b>Actual Net Expenditure 23-24</b>	<b>184.579</b>

7.3.2 The outturn spend and financing is shown in the table below with further explanation of the key variances following:

Revenue Budget 2023-24	Annual Budget	Actual	Variance to Budget
	£m	£m	£m
Police Officer Pay	101.737	100.616	-1.121
Police Staff Pay	58.841	57.801	-1.040
Overtime	4.632	5.383	0.751

Other Staff related	7.540	8.361	0.821
Estates Costs	11.474	10.433	-1.041
Vehicle Costs	3.020	2.351	-0.669
Other non-staff	35.239	36.324	1.085
OPCC Grants and National Collaboration	10.035	10.183	0.148
<b>Gross Expenditure</b>	<b>232.518</b>	<b>231.452</b>	<b>-1.066</b>
Interest on Balances	-1.675	-2.401	-0.726
Income and reimbursements	-13.350	-14.481	-1.131
Force funding Grants	-23.307	-23.949	-0.642
OPCC Grants and National Collaboration	-6.042	-6.042	0
<b>Total Income</b>	<b>-44.374</b>	<b>-46.873</b>	<b>-2.499</b>
<b>Net Expenditure</b>	<b>188.144</b>	<b>184.579</b>	<b>-3.565</b>
<b>Funding</b>	<b>-188.959</b>	<b>-188.959</b>	<b>0</b>
PFI Reserve	-0.293	-0.293	0
Contribution to Management of Change	0	1.000	1.000
Contribution to Capital Reserve	0	2.392	2.392
Contribution to Body Armour Reserve	0.675	0.675	0
<b>Force related movement in Reserves</b>	<b>0.382</b>	<b>3.774</b>	<b>3.392</b>
<b>Partnerships and OPCC Reserves</b>	<b>0</b>	<b>0.173</b>	<b>0.173</b>
<b>National Collaborations</b>	<b>0.433</b>	<b>0.433</b>	<b>0</b>
<b>Total movement in reserves</b>	<b>0.815</b>	<b>4.380</b>	<b>3.565</b>
<b>Net Funding</b>	<b>-188.144</b>	<b>-184.579</b>	<b>3.565</b>

#### 7.4 Further Analysis of Revenue Outturn against budget – Underspend £3.565m

A further, more detailed analysis of the underspend outlined above is provided below.

##### 7.4.1 Employee pay costs – Underspend £1.121m

The budget for officer pay was set at the establishment of 1,696 full time equivalents (FTE), an increase of 236 from the 2019-20 pre-Uplift Base (which includes 30 officers funded from precept in 2019-20). The Uplift target was reached with one officer to spare at the end of March 2023 with the original plan for 2022-23 to be 24 officers 'over' establishment by March 2024. However, due to an increase in leavers it was not possible to achieve this head room. Resignations were higher than historic figures (although still lower than most other Policing areas) increasing from an average of 1.5 per month to around 3.5 per month over 2023-24. The Uplift target for the year, assessed initially at the end of September 23, and then again at March 2024 was met. However, in between these assessment dates, the total Officer headcount dropped below the targeted number. This together with a reduction in increment costs (again due to the increased turnover) resulted in the underspend which equated to circa 1% of the Officer pay budget.

##### 7.4.2 Staff pay costs – Underspend £1.040m

At the beginning of the financial year there were 33 additional posts from growth and restructures planned. 88 staff left in year, meaning that in total to achieve the growth, 121 posts needed to be filled. However, any internal appointments create another internal gap to fill, resulting in further churn at a time of growth. PCSO numbers being below establishment (in part due to a number being appointed as Police Officers), further contributed towards the underspend. NB: The Welsh Government confirmed that there would be a reduction in PCSO grant which is reflected in the income section.

##### 7.4.3 Overtime – Overspend £0.751m

Operationally additional resources were required on occasion, especially over summer 2023, and overtime was used to provide this and funded from the pay underspend. In addition to this circa £1.3m of overtime spend was funded from income and grants which has been reflected in the budgeted figure.

Where overtime is used it is still subject to robust financial control and it is worth commenting that the total underspend of £1.410m equated to 0.85% of a total pay and overtime budget of £165.210m.

#### 7.4.4 **Other employee costs – Overspend £0.821m**

Increases in the Employer Liability and Public Liability provision (EL/PL) are the main driver of the variance. These are charged in the year identified, based on an estimate of the likely cost. An increase in both the number and the value of claims has led to a need to increase the provisions, resulting in an overspend of £0.596m. The balance of the overspend is made up of additional Injury Pension costs including some back payments that were identified following a review by the external pension administrator.

#### 7.4.5 **Estates Costs – Underspend £1.041m**

The majority of the underspend relates to energy costs of £0.734m. This reflects the reduction in energy costs seen over the 2023-24 winter (those reductions being 'banked' early as part of the energy contract to protect from future volatility); the mild winter; and an overall reduction in the volume of gas and electricity being consumed. The balance of underspend is made up of savings on the building rates budget of £0.260m following successful appeals, and some planned maintenance works which were due to be funded from the rates savings. The planned works will now be funded from the Estates Maintenance Reserve.

#### 7.4.6 **Vehicle Costs – Underspend £0.669m**

£0.373m of the underspend stems from the re-negotiated vehicle insurance contract agreed just prior to the start of the financial year. The balance reflects the reduction in fuel costs during the first 2 quarters of the year, and an underspend on the accident repairs budget.

#### 7.4.7 **Other non-staff – Overspend £1.085m**

The additional spend on this line item spans a number of headings, some of which have reserves to fund them if necessary. Some of the key elements were:

- Upgrading furniture and equipment in a number of stations and other buildings as part of the agility programme
- Printing and stationery including additional costs on the 'We Don't Buy Crime' initiative.
- Other supplies and services including consultancy for the cultural review, IT transition (to the new Technology operating model), business systems upgrade and support.
- Dog Kennelling costs being higher due to increased levels of demand.
- Legal costs being higher due to increased levels of demand.
- Additional contributions being made to the regional insourcing of forensics project due to revised timelines.
- Additional direct capital financing (where it made more sense than using reserves or borrowing).

The majority of the costs above are not recurring but where they are, they were identified and considered in the planning process for the 2024-2025 budget.

#### 7.4.8 **Community Safety– Overspend £0.148m**

This reflects an overall overspend on the PCC's Community Safety budget.

#### 7.4.9 **Interest on balances – additional income £0.726m**

Interest rates remained higher for longer than anticipated and investment balances were also higher due to the Home Office paying part of the base grant (£22m) in April 2023 rather than throughout the year. Part of this additional income was allocated to fund the replacement body armour, with the balance of being £0.726m. The total interest income of £2.4m reflects a significant increase from the £0.016m interest income in 2021-22 although this level isn't anticipated to remain in the long term.

#### 7.4.10 **Income and Reimbursements – additional income £1.131m**

The majority of the additional income net of budgeted costs resulted from Operation Safeguard (£0.345m) and the refund of Rates following appeals (£0.323m). Other headings where additional income was received were Escort of Abnormal Loads and other charges, and specific funding received by service areas. These will have corresponding costs reflected in other non-staff and overtime costs.

#### 7.4.11 **Force Funding Grants – additional income £0.642m**

There were a number of movements in grants in the year, including a reduction of £0.607m in PCSO funding compared to the prior year actual and 2023-24 budget. This was offset by a number of increases. There was an increase in Uplift Grant of (£0.490m) for being 10 above the base targeted headcount at September 2023 and March 2024 and in POCA (£0.217m). The Home office also provided £3.399m additional funding for the September 2023 pay award which, while less than the additional cost, was £0.100m more than originally estimated and included in the budget. The Home Office also provided £0.206m at the end of year towards increases in national IT systems costs. The balance was against a number of smaller grants.

#### 7.4.12 **Office of the Police & Crime Commissioner**

Included within the relevant expenditure headings is the cost of the Office of the Police and Crime Commissioner. The revised budget for the year was £1.164m and the outturn was £1.199m. The general overspend of £0.043m related mainly to contributions to collaborations and was funded from the OPCC General Reserve. An underspend of £0.008m related to legal costs, which was transferred to the OPCC Legal Reserve. There was also an underspend of £0.130m on Checkpoint budgets, £0.116m of this was added to the Community Safety Reserve and £0.014m to the Checkpoint Reserve, for the purposes of purchasing replacement vehicles.

The Office of the Police and Crime Commissioner is responsible for commissioning services to support the Police and Crime Plan which amounted to £5.691m in 2023-24. This was funded from the Commissioner's Community Safety budget and grants including Ministry of Justice grant to support victims of crime, and from Welsh Government for the VAWDASV programme. This expenditure was administered by the Office of the Police and Crime Commissioner during the financial year.

#### 7.4.13 **National Collaborations**

North Wales Police takes a leading role in a number of collaborations:

- **FCIN** (Forensic Collision Investigation Network) - North Wales Police hosts FCIN with the aim of enabling the accreditation of collision investigations nationally. All Policing areas in England and Wales have signed a collaboration agreement which includes the funding of the FCIN. 2023-24 was the fourth year for FCIN. There was a net contribution from reserves of £0.011m.
- **MINERVA** - a partnership between 26 UK police forces and Niche Technology was hosted in 2023-24 and had a planned net use of £0.101m from reserves. This collaboration will move to Avon and Somerset Police from 1 April 2024.
- **National Police National Database (PND) Team** – North Wales Police hosted the management team of PND during 2023-24. There was an overall contribution of £0.024m to the National PND reserve.
- **Crime Prevention Projects** – North Wales Police hosted two National Crime Prevention Teams during 2023-24 as part of the Chief Constable's national responsibilities. An overall contribution of £0.521m was made to these reserves at the end of the year, the majority of which related to a transfer of balances from the previous hosting policing area.

7.4.14 This concludes the further analysis of Revenue Outturn against budget.

### 7.5 **Further Analysis of Capital Financing**

7.5.1 The PCC's capital programme is focussed on enabling efficiency and effectiveness and sustainability into the future, allowing North Wales Police to refresh and renew assets at the appropriate times. Over recent years the force has had an ambitious and challenging capital programme and whilst much has been delivered, the general pattern has been for elements of the programme to be deferred to following years. Whilst this picture is not uncommon for the public sector, these deferments of spend potentially defer the benefit associated with those programmes into the following years as well. However, not including these projects in the capital programme could potentially further delay those benefits.

7.5.2 The original Capital Budget for 2023-24 was approved as part of the Capital Strategy in March 2023 at £12.212m. Once final figures for 2022-23 were known the Programme was reviewed to include carry forward figures and then re-profiled to reflect anticipated activity. Taking this into account, a revised estimate of £10.978m was set.



This process also took account of the underspends seen in recent financial years against the approved Capital budget. Whilst these underspends were driven by a range of factors (including elements beyond the PCC's or Force's control). The capital budget set for 2023-24 was considered to be realistic and deliverable based on the facts known at the time.

7.5.3 The budget was reviewed and re-profiled quarterly, with the 2023-24 estimate reducing to £9.636m at Q2, £7.656 at Q3, and to £6.635 at Q4, and reported in the Capital Strategy for 2024-25. The final spend was lower again at £4.931m.

7.5.4 Whilst this differs significantly from the original planned figure of £12.212m, the reality is that a number of important areas have been progressed and moved forwards over the course of the financial year. Capital expenditure remains challenging in all areas with general issues being planning delays, inflation affecting tendered costs, and supply chain issues. This means that the underspend against the budget has been primarily driven by delays to delivery rather than schemes coming in at a lower cost than anticipated. Indeed, certain schemes – particularly in construction – have experienced significant inflationary pressure over the course of 2022-23 and 2023-2024.

7.5.5 A summary of capital expenditure is given below with the variance column analysing the difference between the Revised Budget and Actual outturn:

Description	Original Estimate (MTFP & Cap Strat Mar 23) £000	Revised Estimate 2023-24 Q1 £000	Revised Estimate 2023-24 Q2 £000	Revised Estimate 2023-24 Q3 £000	Revised Estimate (Cap Strat Mar 24) £000	Outturn 2023-24 £000	Variance 2023-24 £000	Variance from Q1 £000
<b>Capital Expenditure:</b>								
Total Building Works	4,761	2,486	2,209	2,209	2,209	1,298	-911	-1,188
Total Vehicles and Other Equipment	2,957	2,797	2,467	2,467	2,467	2,384	-83	-413
Total Information Technology and Equipment	4,494	5,695	4,960	2,980	1,959	1,249	-710	-4,446
<b>Total Capital Expenditure</b>	<b>12,212</b>	<b>10,978</b>	<b>9,636</b>	<b>7,656</b>	<b>6,635</b>	<b>4,931</b>	<b>-1,704</b>	<b>-6,047</b>
<b>Funding:</b>								
Welsh Government Grant	0	620	620	620	620	532	-88	-88
Revenue Contribution	3,327	3,327	3,327	3,447	3,358	3,614	256	287
Earmarked Reserves	2,297	3,236	2,791	1,791	966	0	-966	-3,236
Capital Receipts	250	377	200	200	200	0	-200	-377
Borrowing for Estates	4,386	1,466	1,366	1,366	1,366	485	-881	-981
Borrowing for replacement programme	1,952	1,952	1,332	232	125	300	175	-1,652
<b>Total Funding</b>	<b>12,212</b>	<b>10,978</b>	<b>9,636</b>	<b>7,656</b>	<b>6,635</b>	<b>4,931</b>	<b>-1,704</b>	<b>-6,047</b>

7.5.6 Key elements of the capital programme driving the figures are outlined below:

#### 7.5.6.1 Building and Estates Work

- The Sexual Assault Referral Centre refurbishment and upgrade was completed in 2023-2024 and became operational at the beginning of 2024-2025.
- The major scheme included in the original Capital Programme in the year is the building of a new Police Station in Holyhead, with work expected to start in Q4 2024-2025. Planning and other issues delayed the tendering process for the scheme. This has now been completed and is being assessed with work expected to start summer/autumn 2024.
- The other major project was the refurbishment of Caernarfon Police Station; although this accounts for some of the final slippage the work is expected to be completed by June 2024.
- Other projects were either final payments for completed schemes or planning costs for future schemes.

#### 7.5.6.2 Vehicles and Equipment

- Vehicle replacement has been extremely challenging since 2021-2022. A combination of the final national contract (and pricing) being agreed later than expected caused a backlog, and supply issues due to a number of reasons (including COVID) resulted in considerable slippage into 2022-2023, with a level of uncertainty on delivery dates continuing.
- These issues continued during 2022-2023 with slippage into 2023-2024. This led to an initial Programme of £2.897m compared to the normal base of £1.6m. This was revised to £2.567m in Q1 with the final outturn of £2.007m for Vehicles.
- 103 vehicles were delivered during the financial year. Despite the delays to the procurement of vehicles, the force continues to operate a well maintained, effective fleet with generally high availability figures being achieved.

#### 7.5.6.3 IT and Communications

- A substantial cross-cutting Digital and IT upgrade programme commenced in 2019-2020, the majority of which was completed in 2022-2023. This included implementation of personal-issue laptops and the completion of the project for personal-issue body worn video equipment for officers who previously shared equipment, national projects, and other smaller upgrades and developments within the Force's infrastructure.
- The original 2023-2024 Programme had 10 new or replacement Projects, 6 of which were deferred to 2024-2025 which were: Main server replacement; telephony equipment; digital interview recorders; digital intelligence and investigation; Airwave unit replacement; and body worn video replacement.
- Replacement laptops and desktop computers were issued as planned.
- The digital forensics server was delivered to the Force to be installed in Q1 2024-2025.
- There was also some but not all of the planned expenditure associated with the Command and Control upgrade.

7.5.7 More generally, the force continues to monitor and scrutinise its business change programme and the associated capital expenditure, reporting on progress and key variances routinely through the force governance. Clearly the analysis above reflects another position of underspend, and this has been considered by the Force in terms of its future plans and the monitoring of their actual delivery. The force has been mindful of this pattern when making finance decisions to avoid scenarios where funds for the capital programme are raised ahead of them being required. It has also been mindful of the other impacts that delays to these elements of work can have, considering these in a number of governance forums.

7.5.8 This concludes the further analysis of Capital Outturn against budget.

## 8. RECONCILIATION OF FUNDING AVAILABLE & GAAP

8.1 The earlier sections of this report show how the funding available to the Police and Crime Commissioner (i.e. government grants and council tax) for the year have been spent to provide services in comparison with the original budget. It is on this basis that the expenditure and income is managed on a day-to-day basis.

8.2 However, the primary statements that follow within the Statement of Accounts are prepared and presented in accordance with generally accepted accounting practices and show the accounting cost in year rather than the amount to be funded from taxation. The differences are detailed in Note 7. Adjustment between accounting basis and funding basis under regulations.

## 9. RESERVES, PROVISIONS, SOURCES of INCOME & BORROWING:

### 9.1 Reserves

Revenue Reserves increased by £7.125m in the previous set of accounts and by a further £4.380m in 2023-2024. The net effect of this has been to strengthen the PCC's balance sheet and to improve the overall standing in terms of Financial Resilience (with this position being reflected by North Wales Police's standing in CIPFA's Financial Resilience index). Whilst the level of underspend seen over this period is higher than historical levels, the PCC has considered the most appropriate earmarking of the reserves to ensure that the OPCC and force deliver value for money, facilitate the management of risk and invest in infrastructure for the future as appropriate. Furthermore, this strengthened balance sheet was also considered when establishing the most appropriate financial plans for 2024-2025 and beyond (with reserves being used to fund certain elements of expenditure to

ensure council tax increases could be mitigated where deemed appropriate). The reserves movement and year end balances at 31 March 2024 are shown in the table below:

<b>Movement in Reserves 2023-24</b>	<b>Balance at 31-03-2023</b>	<b>Transfers Out 2023-24</b>	<b>Transfers In 2023-24</b>	<b>Total Movement 2023-24</b>	<b>Balance at 31-03-2024</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>General Reserve</b>	<b>6.120</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.120</b>
<b>Earmarked Reserves</b>					
Capital Reserve	3.300	0.000	2.393	2.393	5.693
Pensions ill health reserve	0.975	0.000	0.000	0.000	0.975
PFI Reserve	2.677	-0.293	0.000	-0.293	2.384
Major Incident Reserve	2.435	0.000	0.000	0.000	2.435
Insurance Reserve	1.561	0.000	0.000	0.000	1.561
Estates Security and Maintenance	1.141	0.000	0.000	0.000	1.141
Management of Change Reserve	6.589	0.000	1.000	1.000	7.589
Training Reserve	0.650	0.000	0.000	0.000	0.650
Uplift Reserve	3.475	0.000	0.000	0.000	3.475
ESN Reserve	7.285	0.000	0.000	0.000	7.285
COVID Reserve	0.284	0.000	0.000	0.000	0.284
PEQF Reserve	0.622	0.000	0.000	0.000	0.622
Energy Reserve	2.800	0.000	0.000	0.000	2.800
Sustainability Reserve	2.000	0.000	0.000	0.000	2.000
Body Armour Reserve	0.000	0.000	0.675	0.675	0.675
Neighbourhood Policing Reserve	1.282	0.000	0.000	0.000	1.282
Partnerships Balances Reserve	1.062	-0.023	0.034	0.011	1.073
FCIN Reserve	2.056	-0.051	0.040	-0.011	2.045
Other National Collaborations	0.000	0.000	0.546	0.546	0.546
Minerva	0.224	-0.101	0.000	-0.101	0.123
Commissioners Community Safety Fund	0.699	-0.007	0.188	0.181	0.880
Checkpoint (OPCC)	0.047	0.000	0.014	0.014	0.061
Legal Reserve (OPCC)	0.100	0.000	0.008	0.008	0.108
OPCC Reserve	0.228	-0.043	0.000	-0.043	0.185
<b>Total Earmarked Reserves</b>	<b>41.492</b>	<b>-0.518</b>	<b>4.898</b>	<b>4.380</b>	<b>45.872</b>
<b>Total Revenue Reserves</b>	<b>47.612</b>	<b>-0.518</b>	<b>4.898</b>	<b>4.380</b>	<b>51.992</b>
<b>Capital Receipts Reserve</b>	<b>3.577</b>	<b>0.000</b>	<b>0.210</b>	<b>0.210</b>	<b>3.787</b>
<b>Total all reserves</b>	<b>51.189</b>	<b>-0.518</b>	<b>5.108</b>	<b>4.590</b>	<b>55.779</b>

**9.2 Usable Reserves** – these are the reserves that are available for future expenditure (further details are in Notes 7 and 8). A further commentary is also provided below.

9.2.1 The Police and Crime Commissioner’s reserves are required to meet any unforeseen events, fund the revenue and capital plans of the Force and Office of the Police and Crime Commissioner over forthcoming periods, and to facilitate changes and developments that are required to improve efficiency and effectiveness and meet new demands.

9.2.2 Significant savings delivered over the last 13 years of £42.8m mean that any ‘low hanging fruit’ has been long since picked, and any further savings become harder to deliver and at increased risk of affecting service delivery (despite this the organisation continually strives for efficiency as a key component of its annual planning process). Furthermore, the continued uncertainty over government funding and large-scale national projects being implemented also adds to a context where the OPCC and force must be prudent in the management of their finances. The Police and Crime Commissioner continues to implement the budget strategy to deliver the required

savings over the period and as part of this, £3.753 million savings were identified and delivered during 2023-2024 with the planning process balancing the proposals against the levels of risk that they created.

9.2.3 As part of the strategy, the level of reserves and provisions currently held is considered prudent and the general reserve was increased to £6.120 million to maintain it within the acceptable range of 3% to 5% as defined in the Medium-Term Financial Plan covering the next 4 years.

9.2.4 There were a number of movements within the reserves during 2023-24. Key elements in 2023-2024 to comment on in relation to Reserves and other long-term funding are listed below:

**9.2.4.1 Capital Reserve**

The reserve was increased by £2.393m in 2023-2024. This brings the total for the reserve to £5.693m. However, circa £4.6m of this is committed to the current capital programme. The reserve is intended for use on future investments and to mitigate potential increases in costs of exiting projects.

**9.2.4.2 Pension Ill Health Reserve**

This reserve is for mitigating uneven spend on ill-health retirements due to their variability. It was not used in 2023-2024.

**9.2.4.3 PFI Reserve**

The Police and Crime Commissioner has a PFI scheme for the divisional headquarters in St. Asaph. The funding for this scheme continues to be partially met from government grants, with the remainder funded by the revenue budget and an earmarked reserve. Details of the scheme and liability can be seen in Note 31. A planned contribution of £0.293m from reserves offsets the annual reduction in grant.

**9.2.4.4 Major Incident Reserve**

The reserve is for mitigating uneven spend associated with major incidents. It was not used in 2023-2024.

**9.2.4.5 Insurance Reserve**

A review was independently conducted during 2021-2022. There were no changes in 2023-2024.

**9.2.4.6 Estates Security and Maintenance Reserve**

This was established to cover the costs relating to the Estates Condition Survey carried out in 2018-2019 and any other unforeseen significant estates works. This reserve was not used in 2023-2024, planned expenditure of £0.321m was instead funded from income received from rate appeals in year.

**9.2.4.7 Management of Change Reserve**

The reserve was increased by £1m as agreed during the latest planning cycle, with the funds being available to facilitate change.

**9.2.4.8 Training Reserve**

The reserve was established to deal with the training backlog following the reduction in training due to COVID during 2020-2021 and 2021-2022. No additional funding was required in 2023-2024.

**9.2.4.9 Uplift Reserve**

The Home Office strongly advised that any uncommitted Uplift funding should be put to one side to fund future recruitment, training of probationers, and infrastructure. Recruitment is still at a higher-than-normal level to maintain officer numbers. The reserve is also intended to allow additional officers to be recruited to ensure targets are met, but this has not been required to date.

**9.2.4.10 Emergency Service Network (ESN) Reserve**

ESN funding was removed from the annual revenue budget in 2023-2024 to reflect that the national programme has been delayed. To mitigate the risk of future cost a reserve was established. It was not used in 2023-24.

**9.2.4.11 Neighbourhood Policing Grant Reserve**

The reserve is in place to manage short notice changes to grant conditions relating to Police Community Support Officers (PCSOs) or other one-off Neighbourhood Policing requirements. It was not used in 2023-24.

**9.2.4.12 COVID Reserve**

The reserve was not used in 2023-2024 and so the balance can be considered for re-purposing during 2024-2025.

**9.2.4.13 Police Education Qualifications Framework (PEQF) Reserve**

Probationers commenced with the PEQF qualifications from September 2020. As the numbers of Probationers increased due to Operation Uplift so too do the associated costs with a peak in costs in future years. The reserve can be used to fund the peak in costs, so that a recurring budget increase is not required. There were no changes in 2023-2024.

#### 9.2.4.14 Energy Reserve

This reserve was set up to mitigate the risk of volatility in energy prices. A fall in energy prices meant that the reserve was not used in 2023-2024.

#### 9.2.4.15 Sustainability Reserve

This reserve was set up to support the investment needed to improve sustainability, progress decarbonisation and reduce associated costs. The reserve was not used in 2023-2024.

#### 9.2.4.16 Body Armour Reserve

£0.675m was added to the reserve in 2023-2024 funded from interest income. The Body Armour was delivered in March 2024 but held as stock at the end of the year. The armour will be issued in the first quarter of 2024-2025 funded from the reserve.

#### 9.2.4.17 Partnership Balances

This reserve relates to a number of partnerships and regional collaborations where balances are held, which will be used to fund future expenditure. Net contributions of £0.011m were made in the year.

#### 9.2.4.18 FCIN Reserve

The Force agreed to host the Forensic Collision Investigation Network to facilitate national accreditation of Forensic Collision Investigation work. £0.011m of the reserve was used during the year.

#### 9.2.4.19 Minerva Reserve (a partnership between 26 UK police forces and Niche Technology)

North Wales Police agreed to host the partnership from 2021-2022. There was a planned use of £0.101m in 2023-2024. The reserve will be transferred to Avon and Somerset as they take the lead for this collaboration from 1<sup>st</sup> of April 2024.

#### 9.2.4.20 Other National Collaborations Reserve

These are the national PND management team and two crime reduction projects that the Chief Constable leads on nationally. A total of £0.546m was transferred into the reserve.

#### 9.2.4.21 Community Safety Fund Reserve

A contribution of £0.181m was made to the reserve balancing the contributions and costs of the various commissioned work by the PCC.

#### 9.2.4.22 Checkpoint Reserve

A contribution of £0.014m was made to the reserve to fund the future replacement of vehicles.

#### 9.2.4.23 OPCC Legal Reserve

A contribution of £0.008 was added to the reserve in 2023-2024.

#### 9.2.4.24 OPCC Reserve

£0.043m was used from the reserve in 2023-2024.

#### 9.2.4.25 Capital Receipts Reserve

This reserve can only be used to fund capital expenditure. Proceeds from the sale of Cefn Mawr Police Station and the sale of 4 Vehicles with proceeds of over £10k were added totalling £0.291m. The reserve was not used to finance the Capital Programme in 2023-2024.

9.2.5 Further analysis showing the full details of the capital expenditure and financing are shown in Appendix A.

### 9.3 Pensions impact on Reserves

9.3.1 The Police and Crime Commissioner has a negative reserve on the Balance Sheet arising from the treatment of IAS 19 Employee Benefits. This relates to the Police Officers' Pension Schemes and the Police Staff Local Government Pension Scheme liabilities/assets. This amounts to a net deficit of £1.397 billion as at 31 March 2024. The Police Officer Pension Schemes are unfunded, and the amount shown in the reserve of £1.396 billion represents the amount that would be required to have a fully funded scheme. This liability is underwritten by the Home Office. The Police Staff Local Government Scheme does have a fund to finance future liabilities, and the reserve shown of £0.001 billion reflects the reported surplus in the fund as at the end of March 2024. Further

details are shown in Note 34 in the accounts. The Police Pension Scheme was subject to actuarial revaluation in 2023 and the Police Staff Local Government Scheme subject to actuarial revaluation in 2022, with the results of these have been incorporated within the Statement of Accounts.

#### 9.4 Capital Balances & Reserves:

9.4.1 The following table provides a summary of the capital balances and reserves held by the Police and Crime Commissioner. There is a significant increase in the Unusable Capital Reserves which are detailed in Note 20. This is as a result of a change in valuation method for those buildings which are considered to be specialised in nature and is due to a change in the guidance for valuers. These adjustments that are made in the balance sheet to reflect the difference between General Accepted Accounting Practice (GAAP) and statutory provisions and are not available to be used:

CAPITAL BALANCE AND RESERVES	OPENING BALANCE	MOVEMENT	CLOSING BALANCE
	01/04/2023		31/03/2024
	£'000	£'000	£'000
<b>USABLE CAPITAL RESERVES</b>			
Capital Receipts Reserve	3,577	210	3,787
<b>UNUSABLE CAPITAL RESERVES</b>			
Revaluation Reserve	43,061	-471	42,590
Capital Adjustment Account	33,642	2,188	35,830

9.4.2 During the year the Police and Crime Commissioner reviewed asset valuations of 19 properties within the portfolio.

#### 9.5 Provisions

PROVISIONS	OPENING BALANCE	MOVEMENT	CLOSING BALANCE
	£'000	£'000	£'000
INSURANCE FUND	1,273	485	1,758

9.5.1 Further breakdown is shown in Note 18. The amounts shown are for known liability claims.

#### 9.6 Sources of Income

9.6.1 The Comprehensive Income and Expenditure account shows where the Police and Crime Commissioner's money comes from and what it is spent on. The majority of his income was received from Government Grants and the precept, which is raised locally and is collected by the Unitary Authorities along with their council tax.

9.6.2 The following are the levels of the Police share of the Council Tax that were set during the 2022-2023 and 2023-2024 financial years:

Band	A	B	C	D	E	F	G	H	I
2022-2023	211.20	246.40	281.60	316.80	387.20	457.60	528.00	633.60	739.20
2023-2024	222.06	259.07	296.08	333.09	407.11	481.13	555.15	666.18	777.21

#### 9.7 Borrowing

9.7.1 No long-term or short-term borrowing was taken out in 2023-2024. The total of loans outstanding at the end of the financial year was £7.904 million (2022-2023 £8.406 million).

## 10. FUTURE OUTLOOK

- 10.1 The uncertainty surrounding the level and potential impact of future funding settlements in the Police Service mandates the need to continue to ensure that we maintain a stable financial platform and continue to review and transform our services. Of particular importance are the conflicts in Ukraine and the Middle East, the lingering impacts of COVID, and the current political uncertainty arising from a General Election in July 2024. The likely review of the Police Funding Formula following the election heightens the current levels of uncertainty around funding further.
- 10.2 Over the period of implementing Operation Uplift (2019-2020 to 2022-2023) to increase officer numbers the PCC has significantly strengthened the balance sheet. As officer numbers settle at the increased level the pay budget will be fully utilised, and the reserves can be used to recruit over the base target to ensure that the establishment is in place through the year. The additional reserves have improved the OPCC's and Force's position in terms of financial resilience at a time of ongoing financial uncertainty, an assessment by CIPFA's Achieving Finance Excellence in Policing (AFEP) Programme has scored North Wales Police to be the most resilient in Wales and England. Whilst this is positive from the perspective of the Force being able to manage future service delivery demands, it is also acknowledged that the level of recent underspends and the associated strengthening of reserves needs to be carefully considered when determining funding requirements in future planning cycles. As part of the 2024-25 planning process, the decision was taken to draw down on some of this balance sheet strength to avoid having to raise precept levels further.
- 10.3 A careful balance needs to be struck between having the financial agility to adapt to cost pressures associated with employee pay, new operational demands, complex challenges such as accreditation and decarbonisation; and other uncertainties (such as pay awards) and the need to mitigate council tax pressures on local households.
- 10.4 The Medium-Term Financial Plan sets out the financial requirements over the 2024-2029 period. It links the Police and Crime Plan priorities and the Chief Constable's Strategic Plan to the financial strategy and can be found on the Police and Crime Commissioner's website.
- 10.5 The Police and Crime Commissioner and Chief Constable are committed to ensuring that the police service in North Wales is fit for purpose and provides value for money to the people of North Wales. An essential part of this is the requirement for adequate reserves, in order to meet forthcoming challenges and ultimately protect front line services. Having a sustainable financial platform is vitally important for future service delivery. The strategic planning process also has a critical role to play in ensuring that resources are allocated to the areas that matter most to meeting the demands that the organisation faces, in an effective way that delivers value for money in the process.
- 10.6 Despite the revenue underspend in 2023-24, these are non-recurring with spends returning to 'on budget' once appropriate resources are put in place for future years, and a significant element of the total underspend being due to non-recurring income. A significant part of the overall strategy was to recruit up to a new higher police establishment which was achieved in March 2023 and maintained at the target dates of September 2023 and March 2024 during 2023-2024 but dipping under the target in between these dates. Inflationary pressures which have been high for the last two financial years will also have a bearing on the future cost base. The cost-of-living crisis experienced during 2022-23 and 2023-24 also generates greater uncertainty with regard to potential pay inflation and the impact that this could have on future costs in this area. Furthermore, the planning model aims to strive for value for money on a continuous basis, ensuring that each service area reviews its position and efficiency, with the knowledge that contingency budgets are held at force level should unplanned events transpire in year, as well as having an Optimisation Team to focus on specific areas and thematic reviews to look at cross-cutting services. These will remain a critical element of the planning process as the OPCC and Force seek to mitigate the financial pressures they face.
- 10.7 The 2024-2025 budget was set by the Police and Crime Commissioner and approved by the Police and Crime Panel on 29 January 2024, at £200.281 million. This represented a 4.97% Council Tax increase, a 5.97% increase in Government Base Grant funding and an overall net increase of 5.99% compared to the 2023-2024 budget of £188.959 million. Savings of £3.171m were required to balance the budget with pay and non-pay inflation running at 8.61%. The final year of the Government's Operation Uplift to increase officer numbers by 20,000 nationally and by 206 in North Wales was completed in March 2023, however recruitment at the higher level is still required

to maintain the higher officer numbers. Investments in growth were limited due to inflationary pressure, but have been made in delivering safer neighbourhoods, supporting victims and communities, and a fair and effective criminal justice system as well as protecting School Liaison Officers and Community Support Officers numbers due to a reduction in Welsh Government specific grants funding for these programmes. The Chief Finance Officer delivered a presentation and report to the Police and Crime Panel outlining the precept proposal, which was subject to scrutiny in the meeting. The precept proposal was approved unanimously. The level of precept proposed considered the strength of the balance sheet with certain operational areas – PCSOs for example – being funded in part through an approach that utilises reserves rather than relying on increased Precept funding. Similarly the assumptions on which the budget was based was also revisited to consider previous areas driving underspend related to Income and Staff Turnover. The level of precept proposal reflected these factors and the position on underspend will continue to be carefully monitored in the future as well.

- 10.8 During the last quarter of 2019-2020 Coronavirus spread internationally, resulting in the UK entering lockdown on 23 March 2020. The impact of the 2019-2020 and 2020-2021 accounts and activities were significant, the impact on 2022-2023 and 2023-2024 being much less, although the timeline for auditing and finalising these accounts is still longer than that set out in statute, while positive changes in working practices yielding efficiencies have been maintained and incorporated as business as usual. The international conflicts also had a bearing on pricing and supply chains in 2023-2024. Increased political and economic instability pushed inflation to higher rates than normal and these have remained higher for longer than expected but are now reducing towards the Bank of England target of 2%. Interest rates remained higher in 2023-24 than before 2022-2023, this has had a positive financial effect because borrowing rates for loans in place are fixed, while investment income has increased. Additional disclosures are included where appropriate.
- 10.9 The future financial plans for the OPCC and force, and indeed the future precept proposals, will be based on a consideration of all of these factors to ensure a stable and sustainable financial plan, which is ultimately achievable over the medium term of 5 years. The recent inflationary pressures experienced, combined with the conclusion of Operation Uplift create a very different financial context for the force when compared to recent experience. The review of the Police Funding Formula is likely to be an issue over the medium term, and although the strong balance sheet builds resilience, a review of the funding formula could result in a significant reduction in government funding.

## **11. ACCOUNTING POLICIES**

- 11.1 Changes in accounting policies are 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 financial position or financial performance.

## **12. COLLABORATION WITH OTHER BODIES**

- 12.1 Police and Crime Commissioners are encouraged to explore areas where they might collaborate on the delivery of services, either with other police forces or on a local level with other public bodies.
- 12.2 To that end the Police and Crime Commissioner and Force are working closely with the other Welsh Forces and the North West Region to explore areas for collaboration. Consideration is given to the potential cost, benefits, risks and opportunities that each collaboration represents, and to aid this process the All-Wales Collaboration Programme has established a dedicated productivity and efficiency work stream which holds a remit to ensure that collaboration in this area delivers value for money.
- 12.3 The Force has been hosting the national Forensic Collision Investigation Network (FCIN) since 2020-2021. This is a significant collaboration between all policing areas in Wales and England with an aim to attain accreditation and ensure the highest standards in collision investigation nationally. The FCIN was a significant area of work for the Force in its host force capacity during 2023-2024. It will remain a challenging undertaking for the force headed into the future.
- 12.4 On 1 April 2021 lead responsibility for Minerva, a collaboration made up of 27 Minerva member forces based upon their common use of the Niche Records Management System (NicheRMS365), was passed to the Police and



Crime Commissioner for North Wales. The force continued to fulfil this lead responsibility during 2023-24 but this responsibility will move to Avon and Somerset Police from 1 April 2024.

12.5 The national teams for PND and two national crime prevention teams have been hosted by North Wales Police during 2023-2024 as part of the Chief Constable's national responsibilities.

12.6 Details of all current collaboration arrangements are shown in Note 39.

### **13. EVENTS AFTER THE REPORTING PERIOD**

13.1 At the time that the Statement of Accounts were submitted to the Police and Crime Commissioner on 30 June 2024, all material adjusting or non-adjusting events which would be required to be included in the Statement of Accounts have been reflected under Note 6.

### **14. CHIEF CONSTABLE'S STATEMENT OF ACCOUNTS**

14.1 The Act and other legislative documents specify that the Police and Crime Commissioner should hold the group reserves and account for income received. Therefore, the Chief Constable's Cash flow Statement and Movement of Reserves Statement will only contain the movements relating to the Accumulated Absence Account. Movements relating to all other reserves and cash flows are reported at Group level and contained within the Group Statement of Accounts.

14.2 The accounts present a detailed picture of the financial affairs of the Chief Constable and comprise:-

- **Statement of Responsibilities** (Page 26).  
This sets out the responsibilities of the Chief Constable and the Chief Financial Officer in respect of the Statement of Accounts and confirms that the accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting.
- **Expenditure and Funding Analysis** (Page 27).  
This shows how annual expenditure is used and funded from resources (government revenue support grant, council tax precept and business rates) by the Police and Crime Commissioner and the Group in comparison with those resources consumed or earned by the Police and Crime Commissioner and the Group in accordance with generally accepted accounting practice. It also shows how this expenditure is allocated for management accounting purposes. Income and expenditure accounted for under generally accepted accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.
- **Comprehensive Income and Expenditure Statement** (Page 29).  
This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practice rather than the amount to be funded from taxation. The Police and Crime Commissioner Group raises taxation to cover expenditure in accordance with statutory requirements and uses this income to provide intra-group funding to the Chief Constable. The costs funded by taxation may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.
- **Movement in Reserves Statement** (Page 30).  
This summarises the movement in the year on the different reserves held by the Chief Constable analysed into usable reserves (those that can be applied to fund expenditure) and other (principally technical accounting) unusable reserves.
- **Balance Sheet** (Page 31).  
This shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The net assets of the Chief Constable (assets less liabilities) are matched by the reserves held by the Chief Constable. The Chief Constable holds only unusable reserves i.e. that are not able to be used to provide services.

- **Cash Flow Statement** (Page 32).  
This statement shows the changes in cash and cash equivalents during the year.
- **Notes to the Statements** (Pages 33 to 71).  
These are all the explanatory notes relating to the statements.
- **Police Pension Fund Account** (Page 72).  
This details the transactions relating to Police Pension income and expenditure.
- **Statement of Accounting Policies** (Page 73).  
This statement supports the accounts and details the specific principles, rules and practices applied by the Group in preparing and presenting the financial statements.

14.3 These accounts have been produced in accordance with the accounting standards which currently apply to local policing bodies. Where this produces a conflict with the underlying legal requirement to produce accounts showing taxpayers' funds, relevant adjustments have been made in accordance with the CIPFA code of practice. A schedule of these adjustments can be found in Note 4 "Adjustments between Accounting Basis and Funding Basis under Regulations".

## Statement of Responsibilities for the Group Statement of Accounts

The purpose of this statement is to set out the responsibilities of the Police and Crime Commissioner and the Chief Financial Officer in respect of the Statement of Accounts.

### **The Police and Crime Commissioner's Responsibilities**

The Police and Crime Commissioner is required:-

- \* to make arrangements for the proper administration of his financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs. In this organisation, that officer is the Chief Finance Officer,
- \* to manage his affairs to secure economic, efficient and effective use of resources and safeguard his assets,
- \* to approve the group statement of accounts.

I approve this Statement of Accounts for the year ended 31 March 2024.

**Andy Dunbobbin Police and Crime Commissioner for North Wales**

Date: 31 October 2024

### **The Chief Finance Officer's Responsibilities**

The Chief Finance Officer is responsible for the preparation of the Group Statement of Accounts in accordance with proper practice as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code'). In preparing this Statement of Accounts, the Chief Finance Officer has:

- \* selected suitable accounting policies and then applied them consistently,
- \* made judgments and estimates that were reasonable and prudent,
- \* complied with the Code of Practice.

The Chief Finance Officer has also:

- \* kept proper accounting records which were up to date,
- \* taken reasonable steps for the prevention and detection of fraud and other irregularities.

### **CHIEF FINANCE OFFICER'S CERTIFICATE**

The statement of accounts has been prepared in accordance with the requirements of the Local Government Accounts and Audit (Wales) Regulations 2014 and reflects the format and content of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2023-2024 and the Service Reporting Code of Practice.

I certify that this Statement of Accounts gives a true and fair view of the financial position of the Police and Crime Commissioner and the Group at the reporting date and of its income and expenditure for the year ended 31 March 2024. The audit certificate appears on pages 118 to 121.

**Kate Jackson (Chief Finance Officer)**

Date: 31 October 2024

### Group Expenditure and Funding Analysis 2023-2024

The objective of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the Police and Crime Commissioner (i.e. government grants and council tax) for the year has been used in providing services in comparison with those resources consumed or earned by the Police and Crime Commissioner in accordance with generally accepted accounting practice. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

2023-2024	GROUP			PCC			CC		
	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Policing Services	212,092	-38,933	173,159	-28,509	-1,004	-29,513	240,601	-37,929	202,672
<b>Net Cost of Services before intra group transfer</b>	<b>212,092</b>	<b>-38,933</b>	<b>173,159</b>	<b>-28,509</b>	<b>-1,004</b>	<b>-29,513</b>	<b>240,601</b>	<b>-37,929</b>	<b>202,672</b>
Intra Group Transfer				240,601	0	240,601	-240,601	0	-240,601
<b>Net Cost of Services</b>	<b>212,092</b>	<b>-38,933</b>	<b>173,159</b>	<b>212,092</b>	<b>-1,004</b>	<b>211,088</b>	<b>0</b>	<b>-37,929</b>	<b>-37,929</b>
Other Income and Expenditure	-216,472	61,565	-154,907	-216,472	-562	-217,034	0	62,127	62,127
<b>SURPLUS(-)/DEFICIT(+) ON PROVISION OF SERVICES</b>	<b>-4,380</b>	<b>22,632</b>	<b>18,252</b>	<b>-4,380</b>	<b>-1,566</b>	<b>-5,946</b>	<b>0</b>	<b>24,198</b>	<b>24,198</b>
Opening General Fund Balance *	-47,612								
Add surplus(-)/deficit(+) on General Fund balance in year	-4,380								
<b>CLOSING GENERAL FUND BALANCE *</b>	<b>-51,992</b>								

\* Usable Revenue Reserves

### Group Expenditure and Funding Analysis 2022-2023

The objective of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the Police and Crime Commissioner (i.e. government grants and council tax) for the year has been used in providing services in comparison with those resources consumed or earned by Police and Crime Commissioners in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2022-2023	GROUP			PCC			CC		
	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Policing Services	198,296	-11,392	186,904	-22,324	-13,735	-36,059	220,620	2,343	222,963
<b>Net Cost of Services before intra group transfer</b>	<b>198,296</b>	<b>-11,392</b>	<b>186,904</b>	<b>-22,324</b>	<b>-13,735</b>	<b>-36,059</b>	<b>220,620</b>	<b>2,343</b>	<b>222,963</b>
Intra Group Transfer	0	0	0	220,620	0	220,620	-220,620	0	-220,620
<b>Net Cost of Services</b>	<b>198,296</b>	<b>-11,392</b>	<b>186,904</b>	<b>198,296</b>	<b>-13,735</b>	<b>184,561</b>	<b>0</b>	<b>2,343</b>	<b>2,343</b>
Other Income and Expenditure	-205,421	51,635	-153,786	-205,421	-133	-205,554	0	51,768	51,768
<b>SURPLUS(-)/DEFICIT(+) ON PROVISION OF SERVICES</b>	<b>-7,125</b>	<b>40,243</b>	<b>33,118</b>	<b>-7,125</b>	<b>-13,868</b>	<b>-20,993</b>	<b>0</b>	<b>54,111</b>	<b>54,111</b>
Opening General Fund Balance *	-40,487								
Add surplus(-)/deficit(+) on General Fund balance in year	-7,125								
<b>CLOSING GENERAL FUND BALANCE *</b>	<b>-47,612</b>								

\* Usable Revenue Reserves

## Group Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Police and Crime Commissioner raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2022-2023				2023-2024		
GROUP	PCC	CC		GROUP	PCC	CC
£000	£000	£000		£000	£000	£000
75,124	0	75,124	Police Officers	81,220	0	81,220
45,018	655	44,363	Support Staff	49,517	774	48,743
57,497	111	57,386	Pensions	23,908	128	23,780
1,260	0	1,260	Allowances	1,207	0	1,207
4,314	3	4,311	Indirect Employees Expenses	4,267	12	4,255
8,021	7	8,014	Premises	8,743	7	8,736
2,861	10	2,851	Transport Expenses	2,697	12	2,685
23,311	247	23,064	Supplies and Services	25,217	316	24,901
11,478	0	11,478	Third Party Payments	12,085	0	12,085
417	76	341	Support Services	395	64	331
-7,298	-7,298	0	Depreciation, amortisation and impairment	5,070	5,070	0
0	5,831	-5,831	PCC expenditure on grants and initiatives	0	5,517	-5,517
602	0	602	Uncompensated absences accrual	246	0	246
<b>222,605</b>	<b>-358</b>	<b>222,963</b>	<b>Gross Operating Expenditure</b>	<b>214,572</b>	<b>11,900</b>	<b>202,672</b>
-35,701	-35,701	0	Income	-41,413	-41,413	0
<b>186,904</b>	<b>-36,059</b>	<b>222,963</b>	<b>COST OF SERVICES</b>	<b>173,159</b>	<b>-29,513</b>	<b>202,672</b>
0	220,620	-220,620	Commissioning Cost (intra group transfer)	0	240,601	-240,601
<b>186,904</b>	<b>184,561</b>	<b>2,343</b>	<b>NET COST OF SERVICES</b>	<b>173,159</b>	<b>211,088</b>	<b>-37,929</b>
-133	-133	0	Other Operating Expenditure (Note 9)	-30	-30	0
51,921	153	51,768	Financing & investment income and expenditure (Note 10)	60,489	-1,638	62,127
-23,306	-23,306	0	Home Office Grant Payable towards the cost of retirement benefit	-25,876	-25,876	0
-182,268	-182,268	0	Taxation & Non-specific grant income (Note 11)	-189,490	-189,490	0
<b>33,118</b>	<b>-20,993</b>	<b>54,111</b>	<b>SURPLUS(-)/DEFICIT(+) ON PROVISION OF SERVICES</b>	<b>18,252</b>	<b>-5,946</b>	<b>24,198</b>
-23,994	-23,994	0	(Surplus) or deficit on revaluation of PPE	-361	-361	0
-704,867	0	-704,867	Actuarial (gains) / losses on pension assets / liabilities	-12,998	0	-12,998
56,161	0	56,161	Adjustment of pension surplus/asset ceiling	31,477	0	31,477
<b>-672,700</b>	<b>-23,994</b>	<b>-648,706</b>	<b>Other Comprehensive Income and Expenditure</b>	<b>18,118</b>	<b>-361</b>	<b>18,479</b>
<b>-639,582</b>	<b>-44,987</b>	<b>-594,595</b>	<b>TOTAL COMPREHENSIVE INCOME &amp; EXPENDITURE</b>	<b>36,370</b>	<b>-6,307</b>	<b>42,677</b>

### Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Police and Crime Commissioner, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Movement in Reserves Statement shows how the movements in year of the Police and Crime Commissioner's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practice, and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/(Decrease) line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Police and Crime Commissioner Reserves £000
<b>Balance at 31 March 2022</b>	<b>40,487</b>	<b>2,350</b>	<b>0</b>	<b>42,837</b>	<b>-1,918,355</b>	<b>-1,875,518</b>
<u>Movement in reserves during 2022-2023</u>						
Comprehensive Expenditure and Income	-33,118	0	0	-33,118	672,700	639,582
Adjustments between accounting basis & funding basis under regulations (Note 7)	40,243	1,227	0	41,470	-41,470	0
<b>Net increase (+)/decrease (-) in 2022-2023</b>	<b>7,125</b>	<b>1,227</b>	<b>0</b>	<b>8,352</b>	<b>631,230</b>	<b>639,582</b>
<b>Balance at 31 March 2023 carried forward</b>	<b>47,612</b>	<b>3,577</b>	<b>0</b>	<b>51,189</b>	<b>-1,287,125</b>	<b>-1,235,936</b>
<u>Movement in reserves during 2023-2024</u>						
Comprehensive Expenditure and Income	-18,252	0	0	-18,252	-18,118	-36,370
Adjustments between accounting basis & funding basis under regulations (Note 7)	22,632	210	0	22,842	-22,842	0
<b>Net increase (+)/decrease (-) in 2023-2024</b>	<b>4,380</b>	<b>210</b>	<b>0</b>	<b>4,590</b>	<b>-40,960</b>	<b>-36,370</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>51,992</b>	<b>3,787</b>	<b>0</b>	<b>55,779</b>	<b>-1,328,085</b>	<b>-1,272,306</b>

1: The general fund balance includes those reserves that are specifically earmarked as set out in Note 8.

## Group Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Police and Crime Commissioner. The net assets of the Police and Crime Commissioner (assets less liabilities) are matched by the reserves held by the Police and Crime Commissioner. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Police and Crime Commissioner may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may be used only to fund capital expenditure or repay debt). The second category of reserves are those that the Police and Crime Commissioner is not able to use to provide services. This category of reserves includes reserves that record unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that record timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Chief Constable	Police & Crime Commissioner	Group		Chief Constable	Police & Crime Commissioner	Group
2022-2023				2023-2024		
£000	£000	£000		£000	£000	£000
0	93,572	93,572	Land & Properties	0	92,623	92,623
0	11,166	11,166	Vehicles, Plant, Furniture and Equipment	0	11,991	11,991
1,354,866	0	0	Long-term Debtors to PCC (note 34)	1,397,297	0	0
<b>1,354,866</b>	<b>104,738</b>	<b>104,738</b>	<b>Long Term Assets (note 12)</b>	<b>1,397,297</b>	<b>104,614</b>	<b>104,614</b>
0	24,566	24,566	Short Term Investments (note 36)	0	22,694	22,694
0	0	0	Assets Held for Sale (note 16)	0	165	165
343	0	343	Inventories (note 13)	947	0	947
5,332	15,667	20,999	Short Term Debtors (note 14)	5,652	19,725	25,377
10,223	0	0	Intra Group Transfer	10,374	0	0
0	5,418	5,418	Cash and Cash Equivalents (note 15)	0	7,838	7,838
<b>15,898</b>	<b>45,651</b>	<b>51,326</b>	<b>Current Assets</b>	<b>16,973</b>	<b>50,422</b>	<b>57,021</b>
0	-531	-531	Short Term Borrowing (note 36)	0	-529	-529
-19,185	-995	-20,180	Short Term Creditors (note 17)	-19,582	-1,156	-20,738
0	-1,031	-1,031	Short Term Finance Lease (note 31)	0	-1,118	-1,118
-5,675	-4,548	0	Intra Group Transfer	-6,599	-3,775	0
0	-44	-44	Provisions (note 18)	0	-259	-259
<b>-24,860</b>	<b>-7,149</b>	<b>-21,786</b>	<b>Current Liabilities</b>	<b>-26,181</b>	<b>-6,837</b>	<b>-22,644</b>
0	-1,229	-1,229	Provisions (note 18)	0	-1,499	-1,499
0	-1,354,866	0	Long Term Creditor	0	-1,397,297	0
0	-7,875	-7,875	Long Term Borrowing (note 36)	0	-7,375	-7,375
0	-6,244	-6,244	Long Term Finance Lease (note 31)	0	-5,126	-5,126
-1,354,866	0	0	Other long-term liabilities (note 34)	-1,397,297	0	0
0	0	-1,354,866	Liability Related to Defined Pension Scheme (note 34)	0	0	-1,397,297
<b>-1,354,866</b>	<b>-1,370,214</b>	<b>-1,370,214</b>	<b>Long Term Liabilities</b>	<b>-1,397,297</b>	<b>-1,411,297</b>	<b>-1,411,297</b>
<b>-8,962</b>	<b>-1,226,974</b>	<b>-1,235,936</b>	<b>Net Assets</b>	<b>-9,208</b>	<b>-1,263,098</b>	<b>-1,272,306</b>
			<b>Financed By:</b>			
0	51,189	51,189	Usable Reserves (note 19)	0	55,779	55,779
-8,962	-1,278,163	-1,287,125	Unusable Reserves (note 20)	-9,208	-1,318,877	-1,328,085
<b>-8,962</b>	<b>-1,226,974</b>	<b>-1,235,936</b>	<b>Total Reserves</b>	<b>-9,208</b>	<b>-1,263,098</b>	<b>-1,272,306</b>



### Group Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Police and Crime Commissioner during the reporting period. The statement shows how the Police and Crime Commissioner generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Police and Crime Commissioner are funded by way of taxation and grant income or from the recipients of services provided by the Police and Crime Commissioner. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Police and Crime Commissioner's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Police and Crime Commissioner.

<b>2022-2023 £000</b>		<b>2023-2024 £000</b>
33,118	Net surplus (-) or deficit (+) on the provision of services	18,252
-41,309	Adjust net surplus (-) or deficit (+) on the provision of services for non-cash movements (Note 21)	-25,264
1,644	Adjust for items included in the net surplus (-) or deficit (+) on the provision of services that are investing and financing activities	742
-6,547	Net cash flows from Operating Activities (Note 21)	-6,270
9,956	Investing activities (Note 22)	2,317
1,453	Financing Activities (Note 23)	1,533
<b>4,862</b>	<b>Net increase (-) or decrease (+) in cash and cash equivalents</b>	<b>-2,420</b>
10,280	Cash and cash equivalents at the beginning of the reporting period (note 15)	5,418
<b>5,418</b>	<b>Cash and cash equivalents at the end of the reporting period (Note 15)</b>	<b>7,838</b>

## Notes to the Group Statement of Accounts

### 1. Restatement of previous years Statements

There are no changes that require the restatement of the previous year's Statements.

### 2. Accounting Standards that have been issued but have not yet been adopted

The Code requires the Police and Crime Commissioner to disclose information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code. The following changes will be required from 1 April 2024 :-

- IFRS 16 was issued by the IASB in 2016. Its main impact is to remove (for lessees) the traditional distinction between finance leases and operating leases. Finance leases have effectively been accounted for as acquisitions (with the asset on the Balance Sheet, together with a liability to pay for the asset acquired). In contrast, operating leases have been treated as 'pay as you go' arrangements, with rentals expensed in the year they are paid. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset. Initial work has been conducted for implementation from 1 April 2024.
  - Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
  - Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022.
  - International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023.
  - Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.
- None of these amendments will have a significant effect on the Statement of Accounts.

### 3. Critical Judgements in applying Accounting Policies

In applying the accounting policies set out in the Statements, the Police and Crime Commissioner has had to make certain judgements about complex transactions or those involving uncertainty about future events.

There remains uncertainty around proposed changes to the Police funding and funding formula in the medium term. There are plans in place to balance the budget in future years as set out in the medium-term financial plan; however, it is not certain whether the current levels of funding will be sufficient in order to meet the resources required over the period of the medium-term financial plan (MTFP) and therefore annual cycles of organisational planning will take place in line with the Financial Strategy contained in the MTFP.

### 4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Police and Crime Commissioner where the exact amount is not yet known. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. Items within the Group Balance Sheet as at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming year are as follows:

Item	Uncertainties	Effect if Actual results Differ from Assumptions
Pensions Liability/ Asset	Estimation of the net liability/asset to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected return on pension funds' assets. A firm of consulting actuaries is engaged to provide the Police and Crime Commissioner with expert advice about the assumptions to be applied.	The effects on the net pension liability/asset of changes in individual assumptions can be measured. The impact of increase or decrease in the assumptions e.g. increase or decrease in the discount rate, is set out in Note 34.

## 5. **Material Items of Income and Expenditure**

All applicable material items of income and expenditure are shown on the face of the Comprehensive Income and Expenditure Statement.

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

The Statement of Accounts was authorised by the Chief Finance Officer on 31 October 2024. Material events taking place after this date are not reflected in the financial statements or related notes. Where events taking place provided information about conditions existing at 31 March 2024 the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## 7. **Adjustment between Accounting Basis and Funding Basis under Regulations**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Police and Crime Commissioner in the year to reflect the difference between General Accepted Accounting Practice (GAAP) and statutory provisions.

### **General Fund Balance:**

The General Fund Balance is the statutory fund into which all the receipts of a Police and Crime Commissioner are required to be paid, and out of which all liabilities of the Police and Crime Commissioner are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which the liabilities and payments should impact on the General Fund Balance which is not necessarily in accordance with proper accounting practice. The General Fund Balance, therefore, summarises the resources that the Police and Crime Commissioner is statutorily empowered to spend on services or capital investment (or the deficit of resources that the Police and Crime Commissioner is required to recover) at the end of the financial year.

### **Capital Receipts Reserve**

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that are yet to be applied for these purposes at the year end.

### **Capital Grants Unapplied**

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Police and Crime Commissioner has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or for the financial year in which this can take place.

2023-2024	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
<b>Adjustments to Revenue Resources:</b>				
Pensions costs (transferred to (or from) the pensions reserve	23,952	0	0	-23,952
Charges for depreciation and impairment of non-current assets	5,070	0	0	-5,070
Capital grants and contributions applied	-532	0	0	532
Holiday Pay (transferred to the accumulated absences account)	246	0	0	-246
Reversal of entries included in the SDPS in relation to capital expenditure (charged to the CAA).	180	0	0	-180
<b>Total Adjustments to Revenue Resources</b>	<b>28,916</b>	<b>0</b>	<b>0</b>	<b>-28,916</b>
<b>Adjustments between Revenue and Capital Resources:</b>				
Transfer of Non-Current Asset sale proceeds from revenue to the capital receipts reserve	-210	210	0	0
Statutory provision for repayment of debt	-2,460	0	0	2,460
Capital expenditure financed from revenue balances	-3,614	0	0	3,614
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>-6,284</b>	<b>210</b>	<b>0</b>	<b>6,074</b>
<b>Total Adjustments</b>	<b>22,632</b>	<b>210</b>	<b>0</b>	<b>-22,842</b>

2022-2023	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
<b>Adjustments to Revenue Resources:</b>				
Pensions costs (transferred to (or from) the pensions reserve	53,509	0	0	-53,509
Charges for depreciation and impairment of non-current assets	-7,298	0	0	7,298
Holiday Pay (transferred to the accumulated absences account)	602	0	0	-602
Reversal of entries included in the SDPS in relation to capital expenditure (charged to the CAA).	1,511	0	0	-1,511
<b>Total Adjustments to Revenue Resources</b>	<b>48,324</b>	<b>0</b>	<b>0</b>	<b>-48,324</b>
<b>Adjustments between Revenue and Capital Resources:</b>				
Transfer of Non-Current Asset sale proceeds from revenue to the capital receipts reserve	-1,644	1,644	0	0
Statutory provision for repayment of debt	-2,425	0	0	2,425
Capital expenditure financed from revenue balances	-4,012	0	0	4,012
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>-8,081</b>	<b>1,644</b>	<b>0</b>	<b>6,437</b>
<b>Adjustments to Capital Resources:</b>				
Use of the Capital Receipts Reserve to finance new capital expenditure	0	-417	0	417
<b>Total Adjustments to Capital Resources</b>	<b>0</b>	<b>-417</b>	<b>0</b>	<b>417</b>
<b>Total Adjustments</b>	<b>40,243</b>	<b>1,227</b>	<b>0</b>	<b>41,470</b>

## 8. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet expenditure in 2023-2024. The net movement in 2023-2024 was £4.380m increase.

Reserve:	Balance at 31 March 2022 £'000	Transfers Out 2022-2023 £'000	Transfers In 2022-2023 £'000	Transfers Between 2022-2023 £'000	Balance at 31 March 2023 £'000	Transfers Out 2023-2024 £'000	Transfers In 2023-2024 £'000	Transfers Between 2023-2024 £'000	Balance at 31 March 2024 £'000
Capital Reserve	3,810	-510	0	0	3,300	0	2,393	0	5,693
Pensions ill health reserve	975	0	0	0	975	0	0	0	975
PFI Reserve	2,918	-241	0	0	2,677	-293	0	0	2,384
Major Incident Reserve	2,435	0	0	0	2,435	0	0	0	2,435
Insurance Reserve	1,561	0	0	0	1,561	0	0	0	1,561
Estates Security and Maintenance	1,604	-463	0	0	1,141	0	0	0	1,141
Management of Change Reserve	8,427	0	45	-1,883	6,589	0	1,000	0	7,589
Training Reserve	650	0	0	0	650	0	0	0	650
Uplift Reserve	4,403	0	216	-1,144	3,475	0	0	0	3,475
Emergency Service Network	908	0	3,350	3,027	7,285	0	0	0	7,285
COVID and COVID Recovery	284	0	0	0	284	0	0	0	284
PEQF	575	0	47	0	622	0	0	0	622
Energy Reserve	800	0	2,000	0	2,800	0	0	0	2,800
Sustainability Reserve	0	0	2,000	0	2,000	0	0	0	2,000
Body Armour Reserve	0	0	0	0	0	0	675	0	675
Neighbourhood Policing Reserve	1,282	0	0	0	1,282	0	0	0	1,282
Partnerships Balances Reserve	952	-16	126	0	1,062	-23	34	0	1,073
FCIN	1,615	-51	492	0	2,056	-51	40	0	2,045
Other National Collaborations	0	0	0	0	0	0	546	0	546
Minerva	294	-70	0	0	224	-101	0	0	123
Commissioners Community Safety Fund	581	0	118	0	699	-7	188	0	880
Checkpoint (OPCC/LPS)	30	0	17	0	47	0	14	0	61
Legal Reserve (OPCC)	106	-6	0	0	100	0	8	0	108
Office of the Police & Crime Commissioner Reserve	271	-43	0	0	228	-43	0	0	185
	<b>34,481</b>	<b>-1,400</b>	<b>8,411</b>	<b>0</b>	<b>41,492</b>	<b>-518</b>	<b>4,898</b>	<b>0</b>	<b>45,872</b>

## 9. Other Operating Expenditure

	2023-2024 £000	2022-2023 £000
Gains (-)/losses(+) on the disposal of non-current assets	-30	-133
	<b>-30</b>	<b>-133</b>

## 10. Financing and Investment Income and Expenditure

	2023-2024 £000	2022-2023 £000
Interest payable and similar charges	763	857
Pension interest cost and expected return on pensions assets	62,127	51,768
Interest receivable and similar income	-2,401	-704
	<b>60,489</b>	<b>51,921</b>

## 11. Taxation and Non-Specific Grant Incomes

<b>Council Tax Income:</b>	<b>2023-2024 £000</b>	<b>2022-2023 £000</b>
Denbighshire County Council	-13,630	-12,875
Wrexham County Borough Council	-17,932	-17,001
Isle of Anglesey County Council	-10,932	-10,151
Gwynedd Council	-18,714	-17,017
Conwy County Borough Council	-17,114	-16,163
Flintshire County Council	-21,922	-20,654
Non-Domestic Rates Income	-227	-253
Non-ringfenced government grants	-88,487	-88,154
Capital Grants and contributions	-532	0
	<b>-189,490</b>	<b>-182,268</b>

## 12. Property, Plant and Equipment

<b>Movements in 2023-2024</b>	<b>Land &amp; Building Inc. PFI £000</b>	<b>Masts &amp; Sites £000</b>	<b>Plant &amp; Equipment £000</b>	<b>Vehicles £000</b>	<b>Total Operational Assets £000</b>	<b>Surplus Assets (Non- Operational) * £000</b>	<b>Assets under construction £000</b>	<b>Total Non- Operational £000</b>	<b>Total Non- Current Assets £000</b>
<b><u>Cost or Valuation</u></b>									
At 1 April 2023	115,479	100	25,686	10,313	151,578	370	3,043	3,413	154,991
Additions	281	0	912	2,307	3,500	0	1,431	1,431	4,931
Revaluation Increases (+)/decreases (-) recognised in the Revaluation Reserve	-156	0	0	0	-156	-35	0	-35	-191
Revaluation Increases (+)/decreases (-) recognised in the Surplus/Deficit on the Provision of Services	-66	0	0	0	-66	0	-90	-90	-156
Derecognition - disposals	-176	0	0	-643	-819	0	0	0	-819
Derecognition – other #	0	0	-3,562	0	-3,562	0	0	0	-3,562
Other movements in cost or valuation	0	0	633	0	633	0	-633	-633	0
Assets reclassified (to)/from held for sale	-95	0	0	0	-95	-70	0	-70	-165
<b>At 31 March 2024</b>	<b>115,267</b>	<b>100</b>	<b>23,669</b>	<b>11,977</b>	<b>151,013</b>	<b>265</b>	<b>3,751</b>	<b>4,016</b>	<b>155,029</b>
<b><u>Accumulated Depreciation and Impairment</u></b>									
At 1 April 2023	-22,655	-100	-20,508	-6,990	-50,253	0	0	0	-50,253
Depreciation Charge	-1,827	0	-1,623	-1,184	-4,634	0	0	0	-4,634
Depreciation written out to the Revaluation Reserve	551	0	0	0	551	0	0	0	551
Impairment losses (-)/reversals (+) recognised in the Surplus/Deficit in the Provision of Services	-280	0	0	0	-280	0	0	0	-280
Derecognition - disposals	-2	0	0	641	639	0	0	0	639
Derecognition - other #	0	0	3,562	0	3,562	0	0	0	3,562
<b>At 31 March 2024</b>	<b>-24,213</b>	<b>-100</b>	<b>-18,569</b>	<b>-7,533</b>	<b>-50,415</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-50,415</b>
<b><u>Net Book Value</u></b>									
<b>At 31 March 2024</b>	<b>91,054</b>	<b>0</b>	<b>5,100</b>	<b>4,444</b>	<b>100,598</b>	<b>265</b>	<b>3,751</b>	<b>4,016</b>	<b>104,614</b>
<b>At 31 March 2023</b>	<b>92,824</b>	<b>0</b>	<b>5,178</b>	<b>3,323</b>	<b>101,325</b>	<b>370</b>	<b>3,043</b>	<b>3,413</b>	<b>104,738</b>

# this relates to the derecognition of historical assets

\* these include 2 small Police Stations which are no longer operational, but which do not reach the specific criteria for Assets Held for Sale (Note 16).

<b>Movements in 2022-2023</b>	<b>Land &amp; Building Inc. PFI</b>	<b>Masts &amp; Sites</b>	<b>Plant &amp; Equipment</b>	<b>Vehicles</b>	<b>Total Operational Assets</b>	<b>Surplus Assets (Non-Operational) *</b>	<b>Assets under construction</b>	<b>Total Non- Operational</b>	<b>Total Non- Current Assets</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>Cost or Valuation</u></b>									
At 1 April 2022	77,547	100	23,388	10,035	111,070	400	4,177	4,577	115,647
Additions	287	0	1,682	1,528	3,497	0	3,392	3,392	6,889
Revaluation Increases (+)/decreases (-) recognised in the Revaluation Reserve	23,068	0	0	0	23,068	-30	0	-30	23,038
Revaluation Increases (+)/decreases (-) recognised in the Surplus/Deficit on the Provision of Services	11,515	0	0	0	11,515	0	0	0	11,515
Derecognition - disposals	-272	0	0	-1,250	-1,522	0	0	0	-1,522
Derecognition – other #	0	0	-576	0	-576	0	0	0	-576
Other movements in cost or valuation	3,334	0	1,192	0	4,526	0	-4,526	-4,526	0
Assets reclassified (to)/from held for sale									
<b>At 31 March 2023</b>	<b>115,479</b>	<b>100</b>	<b>25,686</b>	<b>10,313</b>	<b>151,578</b>	<b>370</b>	<b>3,043</b>	<b>3,413</b>	<b>154,991</b>
<b><u>Accumulated Depreciation and Impairment</u></b>									
At 1 April 2022	-22,450	-100	-19,412	-6,753	-48,715	0	0	0	-48,715
Depreciation Charge	-906	0	-1,672	-1,391	-3,969	0	0	0	-3,969
Depreciation written out to the Revaluation Reserve	957	0	0	0	957	0	0	0	957
Impairment losses (-)/reversals (+) recognised in the Surplus/Deficit in the Provision of Services	-248	0	0	0	-248	0	0	0	-248
Derecognition - disposals	-8	0	0	1,154	1,146	0	0	0	1,146
Derecognition - other #		0	576	0	576	0	0	0	576
<b>At 31 March 2023</b>	<b>-22,655</b>	<b>-100</b>	<b>-20,508</b>	<b>-6,990</b>	<b>-50,253</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-50,253</b>
<b><u>Net Book Value</u></b>									
<b>At 31 March 2023</b>	<b>92,824</b>	<b>0</b>	<b>5,178</b>	<b>3,323</b>	<b>101,325</b>	<b>370</b>	<b>3,043</b>	<b>3,413</b>	<b>104,738</b>
<b>At 31 March 2022</b>	<b>55,097</b>	<b>0</b>	<b>3,976</b>	<b>3,282</b>	<b>62,355</b>	<b>400</b>	<b>4,177</b>	<b>4,577</b>	<b>66,932</b>

## Depreciation

The following useful lives rates have been used in the calculation of depreciation:

Other Land and Buildings	35-60 years
Vehicles, Plant, Furniture and Equipment	3-10 years

## Capital Commitments

As at 31 March 2024, the Police and Crime Commissioner was contractually committed to capital works on Land and Buildings amounting to £0.497million, which related to the refurbishment of Caernarfon Police Station. For the Command and Control System Upgrade (Plant and Equipment) there is an outstanding commitment of £0.147million, with further commitments raised for the Upgrade of Digital Interview Recorders (£0.351million) and Telephony Modernisation (£0.132million). There are also 28 vehicles which have been individually ordered but not delivered at the Balance Sheet date.

## Effects of Changes in Estimates

There were no material changes to the method of estimation.

## Revaluations

A rolling programme of valuations is undertaken to ensure that all properties are revalued at least once within the statutory 5-year cycle. 2023-2024 is the third year of the second 5-year cycle.

Operational properties were valued using Net Realisable Value in Existing Use and Depreciated Replacement Cost (DRC). Non-operational properties were valued using Fair Value where available. The valuation also included a review of the useful lives of the assets. The change in useful life has had no material financial effect on the accounts. All properties valued using DRC method are re-valued annually.

The valuation was undertaken by an independent valuer, Mr G.S.C. Harbord MA MRICS IRRV (Hons) of Wilks Head & Eve Chartered Surveyors. The 2023-2024 report states that 'property markets are functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our commentary is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation –Global Standards'.

## 13. Inventories

	HQ Stores		Body Armour		Other Stores		Total 2023-2024 £000
	2023-2024 £000	2022-2023 £000	2023-2024 £000	2022-2023 £000	2023-2024 £000	2022-2023 £000	
<b>Balance held at start of year</b>	<b>258</b>	<b>273</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>121</b>	<b>343</b>
Purchases	553	476	547	0	453	347	1553
Recognised as an expense in the year	-494	-491	0	0	-455	-383	-949
Written off balances	0	0	0	0	0	0	0
<b>Balance held at year end</b>	<b>317</b>	<b>258</b>	<b>547</b>	<b>0</b>	<b>83</b>	<b>85</b>	<b>947</b>

## 14. Debtors

	2023-2024 £000	2022-2023 £000
<b>Amounts falling due in one year -</b>		
Trade Receivables	11,985	10,769
Prepayments	5,652	5,332
Other receivable amounts	7,740	4,898
	<b>25,377</b>	<b>20,999</b>

## 15. Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

	2023-2024 £000	2022-2023 £000
Bank Current Accounts	-8	-18
Cash held by the Police and Crime Commissioner	40	40
Short Term Deposits with Banks /Building Societies	7,806	5,396
	<b>7,838</b>	<b>5,418</b>

## 16. Assets Held for Sale

The assets which are held for sale by the Police and Crime Commissioner are surplus police properties. The asset sold in 2022-2023 relates to the surplus land at the Llay Police facility site.



	Current		Non-Current	
	2023-2024 £000	2022-2023 £000	2023-2024 £000	2022-2023 £000
<b>Balance outstanding at start of year</b>	0	1,135	0	0
Assets newly classified as held for sale:				
Property, Plant and Equipment	165	0	0	0
Revaluation gains	0	0	0	0
Assets sold	0	-1,135	0	0
<b>Balance outstanding at year-end</b>	<b>165</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 17. Creditors

	2023-2024 £'000	2022-2023 £'000
<b>Amounts falling due in one year -</b>		
Trade payables	8,238	8,646
Other payables	12,500	11,534
	<b>20,738</b>	<b>20,180</b>

## 18. Provisions

The Police and Crime Commissioner has made provision in the accounts for two purposes:

### a) Injury and Damage Compensation Claims Provision

The injury compensation claims relate to personal injuries sustained where the Police and Crime Commissioner is alleged to be at fault. Provision is made for those claims where it is deemed probable that the Police and Crime Commissioner will have to make a settlement, based on past experience of court decisions about liability and the amount of damages payable. The Police and Crime Commissioner may be reimbursed by its insurers, but until claims are actually settled, no income is recognised as the insurers will reimburse amounts only above the excess amounts, which are £100,000 for incidents prior to 1 April 2018, £150,000 for incidents between 1 April 2018 to 31 March 2019, £250,000 for incidents between 1 April 2019 to 31 March 2021. From 1<sup>st</sup> April 2021 onwards the excess is £400,000.

### b) Other Provisions

The Other Provisions are in respect of employment cases and other managed risks.

	Injury and Damage Compensation Claims £000	Other Provisions £000	Total £000
<b>Balance at 1 April 2023</b>	<b>1,214</b>	<b>59</b>	<b>1,273</b>
Additional Provisions made in 2023-2024	1,075	15	1,090
Amounts Used in 2023-2024	-330	0	-330
Unused Amounts Reversed in 2023-2024	-275	0	-275
<b>Balance at 31 March 2024</b>	<b>1,684</b>	<b>74</b>	<b>1,758</b>

Within the total of £1.758 million, £0.259 million relates to short term provisions and £1.499 million relates to long-term provisions.

## 19. Usable Reserves

Movements in the Police and Crime Commissioner's usable reserves are detailed in the Movement in Reserves Statement and Notes 7 and 8.

	2023-2024 £000	2022-2023 £000
General Reserve	6,120	6,120
Earmarked Reserves	45,872	41,492
Capital Receipts Reserve	3,787	3,577
<b>Total Usable Reserves</b>	<b>55,779</b>	<b>51,189</b>

## 20. Unusable Reserves

	2023-2024 £000	2022-2023 £000
Revaluation Reserve	42,590	43,061
Capital Adjustment Account	35,830	33,642
Pensions Reserve	-1,397,297	-1,354,866
Accumulated Absences Account	-9,208	-8,962
<b>Total Unusable Reserves</b>	<b>-1,328,085</b>	<b>-1,287,125</b>

### Revaluation Reserve

The Revaluation Reserve contains the unrealised gains recorded by the Police and Crime Commissioner arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2023-2024 £000	2022-2023 £000
<b>Balance at 1 April</b>	<b>43,061</b>	<b>20,513</b>
Upward revaluation of assets	4,776	43,380
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-4,416	-19,385
	43,421	44,508
Difference between fair value depreciation and historical cost depreciation	-722	-183
Accumulated gains on assets sold or scrapped	-109	-1,264
<b>Balance at 31 March</b>	<b>42,590</b>	<b>43,061</b>

### Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement; as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the

amounts set aside by the Police and Crime Commissioner as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Police and Crime Commissioner.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the Account, except for those involving the Revaluation Reserve.

	2023-2024 £000	2022-2023 £000
<b>Balance at 1 April</b>	<b>33,642</b>	<b>19,555</b>
<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</b>		
Charges for depreciation and impairment of non-current assets	-5,070	7,418
Revenue expenditure funded from capital under statute	0	-120
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-180	-1,512
	-5,250	5,786
Adjusting amount written out of the Revaluation Reserve	832	1,447
<b>Capital financing applied in the year:</b>		
Use of the Capital Receipts Reserve to finance new capital expenditure	0	417
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	532	0
Capital Expenditure charged in year to the General Fund	3,614	4,012
Statutory provision for the financing of capital investment charged against the General Fund balances	2,460	2,425
	7,438	8,301
<b>Balance at 31 March</b>	<b>35,830</b>	<b>33,642</b>

### Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Police and Crime Commissioner accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Police and Crime Commissioner makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore show a substantial shortfall in the benefits earned by past and current employees and the resources the Police and Crime Commissioner has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2023-2024 £000	2022-2023 £000
<b>Balance at 1 April</b>	<b>-1,354,866</b>	<b>-1,950,063</b>
Remeasurements of the net defined benefit liability(-)/asset (+)	12,998	704,867
Adjustment of pension surplus/asset ceiling	-31,477	-56,161
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	-82,646	-106,170
Employer's pension contributions and direct payments to pensioners payable in the year	58,694	52,661
<b>Balance at 31 March #</b>	<b>-1,397,297</b>	<b>-1,354,866</b>

# this Reserve includes the balance for both Pension Schemes (LGPS -£1,427k and Police Pension Scheme -£1,395,870k)

### Deferred Capital Receipts Reserve

The Police and Crime Commissioner has no deferred capital receipts.

### Accumulated Absences Account

The Accumulated Absences Account absorbs the difference that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March 2024. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2023-2024 £'000	2022-2023 £'000
<b>Balance at 1 April</b>	<b>-8,962</b>	<b>-8,360</b>
Settlement or cancellation of accrual made at the end of the preceding year		0
Amounts accrued at the end of the current year	-246	-602
	-9,208	-8,962
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0	0
<b>Balance at 31 March</b>	<b>-9,208</b>	<b>-8,962</b>

## 21. Cash Flow Statements - Adjustment on Provision of Services for Non-cash movement, investing and financing activities and total Cash Flow from Operating Activities

### Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

	2023-2024 £000	2022-2023 £000
Interest received	-2,271	-619
Interest paid	733	825
<b>Total</b>	<b>-1,538</b>	<b>206</b>

<b>Adjustments on the Provision of Services for Non-cash movements:</b>	2023-2024 £000	2022-2023 £000
Depreciation, impairments and downward valuations	-5,070	7,298
Net increase (-)/decrease (+) in revenue creditors	-559	-938
Net increase (+)/decrease(-) in revenue debtors	4,378	8,021
Net increase (+)/decrease(-) in inventories	604	-51
Pension liability	-23,952	-53,509
Contributions to(-)/from (+) provisions	-485	-619
Carrying amount of non-current assets sold (PPE, Inv. Prop, Intangibles)	-180	-1,511
<b>Total Non-Cash Movement</b>	<b>-25,264</b>	<b>-41,309</b>
	<b>2023-2024</b>	<b>2022-2023</b>

<b>Adjustments on the Provision of Services for items that are investing and financing activities:</b>	<b>£000</b>	<b>£000</b>
Capital Grants credited to surplus(-)/deficit (+) on provision of services	532	0
Proceeds on sale of PPE and investment and intangibles	210	1,644
<b>Total</b>	<b>742</b>	<b>1,644</b>

<b>Net Cash Flow from Operating Activities Total</b>	<b>-6,270</b>	<b>-6,547</b>
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## 22. Cash Flow Statement - Investing Activities

	<b>2023-2024 £000</b>	<b>2022-2023 £000</b>
Purchase of PPE and Intangible Assets	4,931	6,890
Proceeds from sale of PPE and Intangible Assets	-210	-1,644
Proceeds from short-term and long-term investments	0	0
Purchase of short-term investments	-1,872	4,710
Capital Grants	-532	0
<b>Net Cash Flows from Investing Activities</b>	<b>2,317</b>	<b>9,956</b>

## 23. Cash Flow Statement - Financing Activities

	<b>2023-2024 £000</b>	<b>2022-2023 £000</b>
Cash receipts of short-term and long-term borrowing	0	0
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	1,031	951
Repayment of short-term and long-term borrowing	502	502
<b>Net Cash Flows from Financing Activities</b>	<b>1,533</b>	<b>1,453</b>

## 24. Notes to the Expenditure and Funding Analysis

<b>Adjustments between Funding and Accounting Basis 2023-2024</b>				
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts</b>	<b>Adjustments for Capital Purposes (Note a) £'000</b>	<b>Net change for the Pensions Adjustments (Note b) £'000</b>	<b>Other Adjustments (Note c) £'000</b>	<b>Total Adjustments £'000</b>
Police & Crime Commissioner	-1,004	0	0	-1,004
Chief Constable	0	-38,175	246	-37,929
<b>Net Cost of Service</b>	<b>-1,004</b>	<b>-38,175</b>	<b>246</b>	<b>-38,933</b>
Other income and expenditure from the Expenditure Funding Analysis	-562	62,127	0	61,565
<b>Difference between the General Fund surplus/deficit and the Comprehensive Income and Expenditure Statement surplus/deficit on the provision of services</b>	<b>-1,566</b>	<b>23,952</b>	<b>246</b>	<b>22,632</b>

<b>Adjustments between Funding and Accounting Basis 2022-2023</b>				
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts</b>	<b>Adjustments for Capital Purposes (Note a) £'000</b>	<b>Net change for the Pensions Adjustments (Note b) £'000</b>	<b>Other Adjustments (Note c) £'000</b>	<b>Total Adjustments £'000</b>
Police & Crime Commissioner	-13,735	0	0	-13,735
Chief Constable	0	1,741	602	2,343
<b>Net Cost of Service</b>	<b>-13,735</b>	<b>1,741</b>	<b>602</b>	<b>-11,392</b>
Other income and expenditure from the Expenditure Funding Analysis	-133	51,768	0	51,635
<b>Difference between the General Fund surplus/deficit and the Comprehensive Income and Expenditure Statement surplus/deficit on the provision of services</b>	<b>-13,868</b>	<b>53,509</b>	<b>602</b>	<b>40,243</b>

**Note a: Adjustments for Capital Purposes**

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

**Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets;

**Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices;

**Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

**Note b: Net change for pension adjustments**

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

For **services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs;

For **Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

**Note c: Other adjustments**

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

For **Financing and investment income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts;

The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference, and any difference will be brought forward in future Surpluses or Deficits on the General Fund.

**25. Members' Allowances**

Audit Committee's costs have been shared equally between the Police and Crime Commissioner and the Chief Constable.

As one member resigned on the 30 March 2024, there were only four members at year end, a replacement has been appointed.

	2023-2024		2022-2023	
	£000	Number of Members	£000	Number of Members
Allowances	13	5	11	5
Expenses	0		1	
	<b>13</b>		<b>12</b>	

Further information on members' paid allowances can be found at [www.northwales-pcc.gov.uk](http://www.northwales-pcc.gov.uk).

## 26. Officers' Remuneration

The following table sets out the remuneration disclosures for Relevant Police Officers (defined as the Chief Constable and any Senior Police Officers and staff with a full-time salary of more than £150,000 per year or other relevant officers with a salary above £60,000). Within the tables below the Chief Constable, Deputy Chief Constable, Assistant Chief Constable and Director of Finance and Resources are charged to the Chief Constable's Accounts. The Police and Crime Commissioner, Deputy Police and Crime Commissioner, Chief Executive Officer and Chief Finance Officer costs are charged to the Police and Crime Commissioner's Accounts. Other Senior Police Officers (above the rank of Superintendent) and Senior Employees (designated office holder of a local government body) are included within the Remuneration Banding table. The amounts for the Officers and Staff below have been fully charged within the Comprehensive Income and Expenditure account.

2023-2024							
Post Holder:	Notes:	Salary (including fees & allowances)	Expense Allowance	Benefits in kind	Total remuneration excluding pension contributions	Pension contributions	Total remuneration including pension contributions
		£	£	£	£	£	£
Chief Constable - A. Blakeman		169,598	13,980	2,648	186,226	51,434	237,660
Deputy Chief Constable (A)	1	85,641	0	3,969	89,610	23,046	112,656
Deputy Chief Constable (B)	2	31,546	42	501	32,089	9,779	41,868
Deputy Chief Constable (C)	3	54,109	0	1,524	55,633	16,774	72,407
Assistant Chief Constable (B)	4	40,253	108	719	41,080	14,368	55,448
Assistant Chief Constable (B)	4	50,415	93	820	51,328	16,372	67,700
Assistant Chief Constable (C)	5	29,458	0	933	30,391	9,132	39,523
Assistant Chief Constable (D)	6	44,067	0	2,670	46,737	13,593	60,330
Director of Finance & Resources		115,741	329	7,261	123,331	21,644	144,975
Police & Crime Commissioner		73,300	0	0	73,300	13,707	87,007
Deputy Police and Crime Commissioner		52,990	265	0	53,255	9,909	63,164
Chief Executive Officer of the Police & Crime Commissioner		93,460	104	0	93,564	17,477	111,041
Chief Finance Officer of the Police & Crime Commissioner	7	48,252	84	0	48,336	9,023	57,359

*The above remuneration table is based on total remuneration costs, whereas the median pay calculations are based on taxable pay per individual.*

Note 1: The post holder (A) held this post from 01/04/2023 to 30/10/2023

Note 2: The post holder (B) held this post for an interim period from 08/08/2023 to 05/11/2023 (see also Note 4)

Note 3: The post holder (C) held this post from 06/11/2023 to 31/03/2024 (see also Note 5)

Note 4: The post holder (B) held this post from 01/04/2023 to 07/08/2023 and from 06/11/2023 to 31/03/2024

Note 5: The post holder (C) held this post for an interim period from 08/08/2023 to 05/11/2023

Note 6: The post holder (D) held this post from 15/05/2023 to 08/10/2023

Note 7: The Chief Finance Officer works part time (the full time equivalent salary is £82,809)

2022-2023							
Post Holder:	Notes:	Salary (including fees & allowances)	Expense Allowance	Benefits in kind	Total remuneration excluding pension contributions	Pension contributions	Total remuneration including pension contributions
		£	£	£	£	£	£
Chief Constable - C. Foulkes	1	96,482	0	4,335	100,817	26,309	127,126
Chief Constable - R. Debicki	2	24,051	0	1,142	25,193	7,456	32,649
Chief Constable - A. Blakeman	3	68,392	13,641	517	82,550	20,723	103,273
Deputy Chief Constable (A)	4	107,299	0	6,047	113,346	32,509	145,855
Deputy Chief Constable (B)	5	19,890	0	1,142	21,032	5,280	26,312
Assistant Chief Constable (B)	6	90,752	120	3,741	94,613	28,133	122,746
Assistant Chief Constable (D)	7	17,031	0	5,120	22,151	4,599	26,750
Director of Finance & Resources		105,126	333	8,304	113,763	19,974	133,737
Police & Crime Commissioner		73,142	0	0	73,142	13,897	87,039
Deputy Police and Crime Commissioner		49,407	315	0	49,722	9,387	59,109
Chief Executive Officer of the Police & Crime Commissioner		89,763	499	0	90,262	17,055	107,317
Chief Finance Officer of the Police & Crime Commissioner	8	46,117	76	0	46,193	8,787	54,980

Note 1: The post holder held this post from 01/04/2022 to 14/10/2022

Note 2: The post holder held this post for an interim period from 03/09/2022 to 30/10/2022 (see also Note 4)

Note 3: The post holder held this post from 31/10/2022 to 31/03/2023

Note 4: The post holder (A) held this post from 01/04/2022 to 02/09/2022 and from 31/10/2022 to 31/03/2023

Note 5: The post holder (B) held this post for an interim period from 03/09/2022 to 30/10/2022 (see also Note 6)

Note 6: The post holder (B) held this post from 01/04/2022 to 02/09/2022 and from 31/10/2022 to 31/03/2023

Note 7: The post holder (D) held this post for an interim period from 03/09/2022 to 30/10/2022

Note 8: The Chief Finance Officer works part time (the full time equivalent salary is £77,076)

### Remuneration Bands

The Police and Crime Commissioner's and Chief Constable's other employees receiving more than £60,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration Bands	Number of Employees 2023-2024 *	Number of Employees 2022-2023
£60,000 - £64,999	91	37
£65,000 - £69,999	28	18
£70,000 - £74,999	18	5
£75,000 - £79,999	8	7
£80,000 - £84,999	9	4
£85,000 - £89,999	5	5
£90,000 - £94,999	2	3
£95,000 - £99,999	3	1
£100,000 - £104,999	2	2
£105,000 - £109,999	2	0

\*The impact of the September 2023 pay award of 7% can be seen in the increased numbers above.

### Exit Packages

The number of exit packages with total cost per band and the total cost of the compulsory and other redundancies are set out in the table below:



Exit packages cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band *		Total cost of exit packages in each band	
	2022-2023 No.	2023-2024 No.	2022-2023 No.	2023-2024 No.	2022-2023 No.	2023-2024 No.	2022-2023 £000	2023-2024 £000
£ 0 - £20,000	0	0	5	4	5	4	55	30
£ 20,001 - £40,000	0	0	0	0	0	0	0	0
£ 40,001 - £60,000	0	0	0	0	0	0	0	0
£ 60,001 - £80,000	0	0	1	0	1	0	65	0
£ 80,001 and above	0	0	0	0	0	0	0	0

### Median Pay Ratio

The median pay ratio for the Police and Crime Commissioner compares the full-time equivalent remuneration of the Chief Executive to the full time equivalent median remuneration of the staff employed by the Police and Crime Commissioner. The median pay ratio for the Chief Constable compares the remuneration of the Chief Constable to the full time equivalent median remuneration of the staff employed by the Chief Constable.

	2023-2024	2022-2023
Chief Executive's pay	93,460	89,763
Median pay of the Police & Crime Commissioner's staff	41,508	37,860
Median pay ratio:	2.3	2.4
Chief Constable's pay	182,451	178,389
Median pay of the Chief Constable's staff	37,959	35,542
Median pay ratio:	4.8	5.0

*The above median pay calculations are based on taxable pay per individual, whereas the remuneration table is based on total remuneration costs.*

### 27. External Audit Costs

The Police and Crime Commissioner has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims:

	2023-2024			2022-2023		
	Group	PCC	CC	Group	PCC	CC
	£000	£000	£000	£000	£000	£000
Fees payable to the Wales Audit Office with regard to external audit services carried out by the appointed auditor	106	53	53	88	44	44
<b>Total</b>	<b>106</b>	<b>53</b>	<b>53</b>	<b>88</b>	<b>44</b>	<b>44</b>

The above represents payments made within the financial year 2023-2024. The agreed strategy fee for the audit year November 2023 to October 2024 was £106,424 for 2023-2024.

### 28. Grant Income

The Police and Crime Commissioner credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2023-2024.

<b>Credited to Taxation and Non-specific Grant Income</b>	<b>2023-2024 £0</b>	<b>2022-2023 £0</b>
Home Office Capital Grant	532	0
Home Office Police Grant and Floor Grant	72,380	71,894
Revenue Support Grant	16,107	16,260
Share of Non-domestic Rates Grant	227	253
<b>Total</b>	<b>89,246</b>	<b>88,407</b>

<b>Credited to Services</b>	<b>2023-2024 £0</b>	<b>2022-2023 £0</b>
CRB Criminal Records	948	855
Speed Reduction	1,934	1,486
Community Support Officers Welsh Government	3,752	4,360
School Liaison Programme	407	404
PFI Grant	1,087	1,140
Cyber Grant	163	158
DA Perpetrator Grant	0	104
Special Branch Grant	650	674
Proceeds of Crime Acts	368	492
Security Grants	2,159	2,289
LEDS Adoption Funding	135	148
HO Pay Award Grant	3,400	721
PCC Safer Streets Grant	824	1,001
Drug Intervention Programme (DIP)	540	478
Victims Commissioning/Services	2,673	3,081
Officer Uplift Grant	3,303	1,391
Pension Grant	1,582	1,582
Police Apprenticeship Grant	492	492
PCC Substance Misuse Grant	79	158
HO Grant Software Licenses	206	0
PCC Serious Violence Duty Grant	293	0
Other Grants	150	145
<b>Within cost of services in Comprehensive Income &amp; Expenditure Statement</b>	<b>25,145</b>	<b>21,159</b>

## 29. Related Parties

There are no material interests or relationships of the Chief Officers or their direct families, which could influence or control the decision making, policies or financial transactions of North Wales Police/Police and Crime Commissioner. A robust process is also in place to approve and register the business interests of both police staff and officers.

The son of the Chief Finance Officer was employed for part of the year as an Audit Apprentice by Audit Wales. Audit Wales made arrangements to ensure this did not present a conflict of interest for either the Office of the Police and Crime Commissioner or Audit Wales.

The Police and Crime Commissioner charges Denbighshire County Council, Abergele Town Council, North Wales Joint Branch Board, Tunnel and Network Services, North West Regional Organised Crime Unit (NWROCU) and Victim Support in respect of joint occupancy of buildings.

The Chief Constable is a trustee of both PACT (North Wales Police and Community Trust) and DangerPoint. The Force allocates funding from income received via the Police Property Fund Account in support of PACT projects whose objectives are to raise the profile of community safety, significantly minimise the fear of crime and thus enhance the quality of life throughout North Wales. For 2023-2024 this equated to £25,400 donated from the fund to PACT contributing towards meeting the costs of the Fund administration of £51,547.34.

The Police and Crime Commissioner and Chief Constable participate in a partnership with HMPPS and provide funding to support the 'Dechrau Newydd' project in North Wales. This dual partnership is to reduce drug related offending and deaths through community provision and support.

Members of the Joint Audit Committee declared all their financial interests relating to contracts and businesses on appointment and signed an agreement to abide by the Seven Nolan Principles of Life and declare any revised interests to the Chief Executive. Joint Audit Committee members' declarations of interests can be found on the Office of the Police and Crime Commissioner's website [www.northwales-pcc.gov.uk](http://www.northwales-pcc.gov.uk)

### 30. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and the PFI contract), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets held by the Police and Crime Commissioner, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Police and Crime Commissioner that has yet to be financed. The CFR is analysed in the second part of this note.

	2023-2024 £000	2022-2023 £000
<b>Opening Capital Financing Requirement</b>	<b>28,036</b>	<b>28,000</b>
<b>Capital Investment</b>		
Property, Plant and Equipment	4,931	6,770
Revenue Expenditure funded from Capital under Statute	0	120
<b>Sources of Finance</b>		
Capital Receipts	0	-417
Government Grants and other contributions	-532	0
Sums set aside from revenue	0	-510
Direct revenue contributions	-3,614	-3,502
MRP Principal	-2,460	-2,425
<b>Closing Capital Financing Requirement</b>	<b>26,361</b>	<b>28,036</b>

#### Explanation of Movements in year

	2023-2024 £000	2022-2023 £000
Increase (+)/decrease (-) in underlying need to borrow (unsupported by government financial assistance)	-644	987
Assets acquired under finance leases	0	0
Assets acquired under PFI/PPP contracts	-1,031	-951
<b>Increase (+)/decrease(-) in Capital Financing Requirement</b>	<b>-1,675</b>	<b>36</b>

### 31. Leases

#### Finance Lease including Private Finance Initiative (PFI)

The PFI contract was signed in September 2002. The contract provides a serviced facility comprising a

Divisional Headquarters, Police Station, Custody Block and a Scientific Support and Major Incident block in the St Asaph Business Park. The facility became operational in March 2004. The contract lasts for 25 years, and there are options available to take ownership of the building when the contract expires for no additional charge. The contract provides for a review of pricing in relation to the service charge element to be carried out at 5 yearly intervals. The Force was awarded notional credit approval of £19.623 million for the scheme, which results in £36.7 million of additional revenue funding over the life of the contract. The contracted commitment on the remaining life of the contract is £15.527 million (2022-2023 £18.560 million).

### Value of asset held for PFI

The PFI Asset has been assessed under current accounting requirements and is included as part of the Police and Crime Commissioner's Asset portfolio on the Balance Sheet (see Note 12). The asset was revalued as at 31 March 2024 as part of the Asset Portfolio. The table below summarises the movement in the PFI asset value.

PFI	£000
<b>Gross Value as at 31 of March 2023</b>	<b>30,444</b>
Cumulative Depreciation to 31.3.2023	-2,523
Depreciation 2023-2024	-682
Depreciation written out on revaluation 2023-2024	551
Total Depreciation to 31.3.2024	-2,654
<b>Net Revaluation increase/(decrease) 2023-2024</b>	<b>525</b>
<b>Net Book Value as at 31 of March 2024</b>	<b>28,315</b>

### Value of Liability

PFI	£000
Value as at 31 of March 2023	7,275
Capital Repayment	-1,031
<b>Net Value as at 31 of March 2024</b>	<b>6,244</b>

### Total payments to be made over the life of the contract

PFI	£000
Amount due within 1 year	3,220
Due within 2 to 5 years	12,307
Due within 6 to 10 years	0
<b>Total</b>	<b>15,527</b>

### Operating Leases

Rentals paid under agreements for rental properties totalled £0.230m in 2023-24. The future minimum lease payments due under non-cancellable leases in future years are:

Rental Agreements	£000
Amount due within 1 year	165
Due within 2 to 5 years	418
Due within 6 to 10 years	319
<b>Total</b>	<b>902</b>

### 32. Impairment Losses

The Code requires disclosure by class of assets of the amounts for impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and Other Comprehensive Income

and Expenditure. These disclosures are consolidated in Note 12 reconciling the movement over the year in the Property, Plant and Equipment and Intangible Asset balances.

### 33. Termination Benefits

The Police and Crime Commissioner utilised the following regulations in respect of termination benefits:

- the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) and
- the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)

and terminated the contracts of a number of employees in 2023-2024 incurring costs of £0.072 million (2022-2023 £0.120 million) as disclosed in note 26.

### 34. Defined Benefits Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Police and Crime Commissioner offers retirement benefits. Although these benefits will not actually be payable until employees retire the Police and Crime Commissioner has a commitment to make the payments (for those benefits) and to disclose them at the time employees receive their future entitlement.

The Police and Crime Commissioner participates in two pension schemes:

- **The Local Government Pension Scheme for Police Staff and the Office of the Police and Crime Commissioner** is administered by Gwynedd Council. This is a funded defined benefit final salary scheme, meaning that the Police and Crime Commissioner and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities to investment assets. The Police and Crime Commissioner and Chief Constable are one scheduled body within the LGPS and are not split in the accounts.

The Gwynedd Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Gwynedd Council. Policy is determined in accordance with the Pensions Fund regulations. The investment managers of the fund are appointed by the committee.

The principal risks to the Police and Crime Commissioner of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (e.g. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the General Fund the amounts required by statute as described in the accounting policies note.

Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which the liabilities are recognised when awards are made.

- **The Police Pension Scheme for Police Officers.** This is an unfunded defined benefit final salary scheme, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pension fund for the year is less than the amounts payable, the Police and Crime Commissioner must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Police and Crime Commissioner who then must repay the amount to central government.

### **Transactions Relating to Post-Employment Benefits:**

The Police and Crime Commissioner recognises the cost of retirement benefits in the reported cost of services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The Chief Constable of North Wales, along with other Chief Constables and the Home Office, currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015. Claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is brought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts.

### **McCloud/Sargeant judgement and remedy:**

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case (referred herein as “McCloud”) and the Court of Appeal handed down its judgment on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age.

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Eligible members were able to elect which scheme they wished to receive benefits from for this period. Once the remedy window was closed, all McCloud-related liabilities for eligible members for the period 2019 to 2022 were moved to the elected legacy schemes. Once this was completed scheme administrators carried out contribution adjustments to ensure affected members have paid the correct contributions for this portion of service. These adjustments can be positive or negative, depending on which schemes a member is moving between. In the accounting disclosures at 31 March 2024, any contribution adjustments made during 2023-24 have been included as a past service cost or gain.

With regard to the LGPS, when the benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an ‘underpin’ which ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

### **Section 37 legal case (Virgin Media case):**

In June 2023 the High Court found in the Virgin Media case that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pensions Schemes Act 1993, and that changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. The judgment was appealed in August 2024 and the ruling upheld.

The actuaries do not believe there are any absent actuarial confirmations relating to either pension schemes. Therefore, they do not expect any liability changes to arise following this judgement.

**Recognition of surplus (Net asset)** - the Accounting Standard restricts (by way of as ‘asset ceiling’) the amount of accounting surplus which can be recognised on the Employer’s balance sheet. As an asset ceiling adjustment was applied at 31 March 2023, the opening position for the 2023/24 disclosures have started from the adjusted position. The actuaries have subsequently proceeded to carry out a similar calculation to assess the net asset

restriction based on the remaining future working lifetime of active staff and the present value of accruing service cost less the value of cash contributions i.e. the asset ceiling, as at 31 March 2024. The result of this calculation means that the Employer is limited to recognising only the value of the asset ceiling of £NIL (2022-23 £934k) on its balance sheet as opposed to the total accounting surplus of £88,879k (2022-23 £57,095k).

The following transactions have been made in the Comprehensive Income and Expenditure Account (CIES) and the Movement in Reserves Statement during the year:

	Local Government Pension Scheme		Police Pension Scheme		Total
	2023-2024 £000	2022-2023 £000	2023-2024 £000	2022-2023 £000	2023-2024 £000
<b>Comprehensive Income and Expenditure Statement</b>					
<i>Cost of Services:</i>					
<i>Service cost comprising:</i>					
Current Service Cost	-8,552	-18,874	-11,970	-35,320	-20,522
Past Service Gains (-)/Losses (+)	-27	-208	30	0	3
<i>Financing and investment income and expenditure</i>					
Net interest expense	43	-1,858	-62,170	-49,910	-62,127
<b>Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>-8,536</b>	<b>-20,940</b>	<b>-74,110</b>	<b>-85,230</b>	<b>-82,646</b>
<b><i>Other Post Employment Benefit Charged to the Comprehensive Income &amp; Expenditure Statement</i></b>					
Unfunded Benefits Contributions	117	109	0	0	117
Transfers In	0	0	0	-290	0
Police Pension top-up grant receivable	0	0	25,876	23,306	25,876
<b><i>Actual amount charged against the General Fund balance for pensions in the year:</i></b>					
Employer's contributions payable to scheme	8,417	7,712	0	0	8,417
Retirement benefits payable to pensioners	0	0	24,284	21,824	24,284
<b><i>Employer's pension contributions and direct payments to pensioners payable in the year</i></b>	<b>8,534</b>	<b>7,821</b>	<b>50,160</b>	<b>44,840</b>	<b>58,694</b>
<b><i>Remeasurement of the net defined benefit liability comprising:</i></b>					
Return on plan assets (excluding the amount included in the net interest expense)	17,764	-10,688	0	0	17,764
Actuarial gains(+) and losses (-) arising on changes in demographic assumptions	17,173	9,686	0	28,940	17,173
Actuarial gains (+) and losses (-) arising on changes in financial assumptions	1,418	153,317	28,580	648,080	29,998
Other experience gains (+) and losses (-)	-7,237	-20,058	-44,700	-104,410	-51,937
<b>Total actuarial gains (+) / losses(-) on pension assets / liabilities</b>	<b>29,118</b>	<b>132,257</b>	<b>-16,120</b>	<b>572,610</b>	<b>12,998</b>
<b>Changes in asset ceiling</b>	<b>-31,477</b>	<b>-56,161</b>	<b>0</b>	<b>0</b>	<b>-31,477</b>
<b>Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Account</b>	<b>-2,361</b>	<b>62,977</b>	<b>-40,070</b>	<b>532,220</b>	<b>-42,431</b>
<b>Movement in Reserves Statement</b>					
Reversal of net charges made to the Surplus or Deficit for the Provision of post-employment benefits	-2	-13,119	-23,950	-40,390	-23,952

### Pensions Assets and Liabilities Recognised in the Balance Sheet.

The amount included in the balance sheet arising from the Police and Crime Commissioner's obligation in respect of its defined benefit plans is as follows:

	Local Government Pension Scheme		Police Pension Scheme		Total
	31 March	31 March	31 March	31 March	31 March
	2024	2023	2024	2023	2024
	£000	£000	£000	£000	£000
Present value of the defined benefit obligation	239,993	234,690	1,395,870	1,355,800	1,635,863
Fair value of plan assets	-328,872	-291,785	0	0	-328,872
<b>Sub-total</b>	-88,879	-57,095	1,395,870	1,355,800	1,306,991
Other movement in the liability (+)/asset (-) (if applicable)	90,306	56,161	0	0	90,306
<b>Net (Asset) / Liability arising from the defined benefit obligation</b>	<b>1,427</b>	<b>-934</b>	<b>1,395,870</b>	<b>1,355,800</b>	<b>1,397,297</b>

#### Reconciliation of the Movement in the Fair Value of the Scheme (Plan) Assets

	Local Government Pension Scheme	
	31 March	31 March
	2024	2023
	£000	£000
Opening fair value of the scheme assets	291,785	289,967
Interest income	13,985	8,048
Remeasurement gain (+)/loss (-):		
- the return on plan assets, excluding the amount included in the net interest expense	17,764	-10,688
- Other (if applicable)	0	-1,343
Contribution from employers	8,417	7,712
Contributions from employees	3,060	2,695
Benefits paid	-6,139	-4,606
<b>Closing fair value of the scheme assets</b>	<b>328,872</b>	<b>291,785</b>

#### Reconciliation of the Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
Opening balance at 1 April	290,851	352,010	1,355,800	1,888,020
Current service cost	8,552	18,874	11,970	35,320
Interest cost	11,274	9,906	62,170	49,910
Contributions from scheme participants	3,060	2,695	8,950	8,170
Remeasurement gains (-) and losses (+):				
- Actuarial gains/losses arising from changes in demographic assumptions	-17,173	-9,686	0	-28,940
- Actuarial gains/losses arising from changes in financial assumptions	-1,418	-153,317	-28,580	-648,080
- Other experience gains/losses	7,237	18,715	44,700	104,410
- Changes due to asset ceiling	34,145	56,161	0	0
Past service costs	27	208	-30	0
Transfers In (Police Pension Scheme only)	-	-	0	290
Benefits paid	-6,139	-4,606	-59,110	-53,300
Liabilities extinguished on settlements (where applicable)	-117	-109	0	0
<b>Closing balance at the 31 March</b>	<b>330,299</b>	<b>290,851</b>	<b>1,395,870</b>	<b>1,355,800</b>



## Local Government Pension Scheme assets comprised:

	Local Government Pension Scheme 2023-24			Local Government Pension Scheme 2022-23		
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total
Cash and cash equivalents	0	4,239	4,239	911	0	911
<b>Sub-total</b>	0	4,239	4,239	911	0	911
<b>Property:</b>						
<i>By type:</i>						
UK Property	0	22,905	22,905	0	24,048	24,048
Overseas Property	0	0	0	0	0	0
<b>Sub-total</b>	0	22,905	22,905	0	24,048	24,048
<b>Derivatives:</b>						
Inflation	0	8,112	8,112	0	0	0
<b>Sub-total</b>	0	8,112	8,112	0	0	0
<b>Private Equity:</b>						
UK and overseas	0	17,100	17,100	0	18,369	18,369
<b>Sub-total</b>	0	17,100	17,100	0	18,369	18,369
<b>Other Investment Funds and unit trusts:</b>						
Equities	0	183,016	183,016	0	181,645	181,645
Infrastructure	0	0	0	0	8,284	8,284
Other	0	93,500	93,500	0	58,528	58,528
<b>Sub-total</b>	0	276,516	276,516	0	248,457	248,457
<b>Totals</b>	<b>0</b>	<b>328,872</b>	<b>328,872</b>	<b>911</b>	<b>290,874</b>	<b>291,785</b>

### Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

The Local Government Pension Scheme liabilities have been estimated by Hymans Robertson and the Police Pension Scheme liabilities have been estimated by the Government Actuary's Department. These are both independent actuary organisations - estimates for the Local Government Pension Scheme being based on the latest full valuation of the scheme as at 31 March 2022 and estimates for the Police Pension Scheme being based on the latest full valuation as at March 2020.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions used. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period. This assumes if one assumption changes, all the other assumptions will remain constant. The estimation in the sensitivity analysis has followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

2023-2024	Local Govt Pension Scheme		Police Pension Scheme	
	Increase in assumption £000	Decrease in assumption £000	Increase in assumption £000	Decrease in assumption £000
Longevity (increase (+) or decrease (-) in 1 year)	9,600	-9,600	34,000	-34,000
Rate of inflation (increase (+) or decrease (-) by 0.5%)	26,765	-26,765	109,000	-109,000
Rate of increase in salaries (increase (+) or decrease (-) by 0.5%)	1,150	-1,150	13,000	-13,000
Rate of increase in pensions (increase (+) or decrease (-) by 0.5%)	26,765	-26,765	108,000	-108,000
Rate for discounting scheme liabilities (increase (-) or decrease (+) by 0.5%)	-27,415	27,415	-109,000	109,000

## **Asset and Liability Matching (ALM) Strategy**

The pensions committee of Gwynedd Council does not have an asset and liability matching strategy (ALM). Responsibility for the Fund's risk management strategy rests with the pensions committee. The Pension Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to pay pensions. The Administering Authority has produced a Funding Strategy Statement in conjunction with the Fund's Actuaries, which states how solvency and risk will be managed in relation to liabilities. The Strategy was reviewed and updated following the actuarial valuation in 2022 and has taken an overall view of the level of risk inherent in the investment policy set out in the Investment Strategy Statement published under Regulation 12 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, (the investment regulations) and the funding policy set out in the Statement. These documents continue to be reviewed to ensure that the overall risk profile remains appropriate.

## **Impact on the Police and Crime Commissioner's Cash Flows**

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Gwynedd Council has agreed a strategy with the scheme's actuary to achieve a funding level of at least 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation will be completed during 2025-2026 to be implemented from April 2026.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pensions Scheme in England and Wales and the other main existing public service schemes change the benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Police and Crime Commissioner anticipates paying £8.417 million contributions to the scheme in 2024-2025.

The weighted average duration of the defined benefit obligation for the Local Government Pension Scheme is 22.0 years 2023-2024, (22.0 years 2022-2023). The weighted average for the Police Pension Scheme is 17.0 years, 2023-2024, (17.0 years 2022-2023).

## **35. Contingent Liabilities**

The Police and Crime Commissioner has the sum of £3.319million reserved for insurance purposes (previously £2.834 million), which is made up of £1.561 million held in the Insurance Reserve (Note 8) and £1.758 million held in the Insurance Provision (Note 18). The Insurance Reserve (Note 8) includes £0.117 million related to the potential additional liabilities in relation to the Scheme of Arrangement for Municipal Mutual Assurance and £1.444 million for additional areas of insurance in relation to claims 'Incurred but not reported' (IBNR), 'Incurred but not enough reported reserves (provisions)' IBNER and recommended additional sums.

Note 34 details a number of Pension related legal cases that may lead to future liabilities, these are not repeated here.

There are no other known contingent liabilities as at 31 March 2024.

## 36. Financial Instruments including Nature and Extent of Risks Arising

### (a) Financial Instruments - Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

#### Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Police and Crime Commissioner represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Police and Crime Commissioner. All of the Police and Crime Commissioner's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board,
- overdraft with HSBC bank,
- lease payables including Private Finance Initiative contracts detailed in note 31, and
- trade payables for goods and services received.

#### Financial Assets

A financial asset is a right to future economic benefits controlled by the Police and Crime Commissioner that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Police and Crime Commissioner. The financial assets held by the Police and Crime Commissioner during the year are accounted for under the following classifications:

- Amortised cost (where cash flows are solely payments of principal and interest, and the Police and Crime Commissioner's business model is to collect those cash flows) comprising:
  - cash in hand,
  - bank current and deposit accounts with HSBC bank,
  - fixed term deposits with banks and building societies, and
  - trade receivables for goods and services provided.
- Fair value through profit and loss comprising:
  - money market funds managed by fund managers,
  - pooled bond, equity and property funds managed by fund managers,
  - equity investments,
  - structured deposits with banks and building societies.

Financial assets held at amortised cost are shown net of a loss allowance (where material) reflecting the statistical likelihood that the counterparty will be unable to meet their contractual commitments to the Police and Crime Commissioner.

### (b) Financial Instruments - Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

Financial Liabilities	Long Term		Short Term	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	£000	£000	£000	£000
Loans at amortised cost:				
- Principal sum borrowed	7,375	7,875	500	500
- Accrued interest	0	0	29	31
<b>Total Borrowing *</b>	<b>7,375</b>	<b>7,875</b>	<b>529</b>	<b>531</b>
Loans at amortised cost:				
- Bank overdraft	0	0	0	0
<b>Total Cash Overdrawn</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Liabilities at amortised cost:				
- PFI arrangements	5,126	6,244	1,118	1,031
<b>Total Other Long-term Liabilities</b>	<b>5,126</b>	<b>6,244</b>	<b>1,118</b>	<b>1,031</b>
Liabilities at amortised cost:				
- Trade payables	0	0	20,738	20,180
<b>Included in Creditors</b>	<b>0</b>	<b>0</b>	<b>20,738</b>	<b>20,180</b>
<b>Total Financial Liabilities</b>	<b>12,501</b>	<b>14,119</b>	<b>22,385</b>	<b>21,742</b>

\* The total short-term borrowing includes principal repayments due within 12 months on long-term borrowing.

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

Financial Assets	Long Term		Short Term	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	£000	£000	£000	£000
<i>At amortised cost:</i>				
- Principal	0	0	22,591	24,500
- Accrued interest	0	0	103	66
- Loss allowance	0	0	0	0
<b>Total Investments</b>	<b>0</b>	<b>0</b>	<b>22,694</b>	<b>24,566</b>
<i>At amortised cost:</i>				
- Principal	0	0	3,366	5,399
- Accrued interest	0	0	26	19
- Loss allowance	0	0	0	0
At fair value through profit and loss:				
- Fair value	0	0	4,446	0
<b>Total Cash and Cash Equivalents</b>	<b>0</b>	<b>0</b>	<b>7,838</b>	<b>5,418</b>
<i>At amortised cost:</i>				
- Trade receivables	0	0	25,394	21,015
- Loss allowance	0	0	-17	-16
<b>Included in Debtors</b>	<b>0</b>	<b>0</b>	<b>25,377</b>	<b>20,999</b>
<b>Total Financial Assets</b>	<b>0</b>	<b>0</b>	<b>55,909</b>	<b>50,983</b>

### Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset against each other where the Police and Crime Commissioner has a legally enforceable right to set off and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The table below shows those instruments that have been offset on the balance sheet.

	31.3.2024			31.3.2023		
	Gross assets (liabilities) £000	(Liabilities) assets set off £000	Net position on balance sheet £000	Gross assets (liabilities) £000	(Liabilities) assets set off £000	Net position on balance sheet £000
Trade receivables	25,377	0	25,377	20,999	0	20,999
Bank accounts in credit	7,851	-13	7,838	5,436	-18	5,418
<b>Total financial assets</b>	<b>33,228</b>	<b>-13</b>	<b>33,215</b>	<b>26,435</b>	<b>-18</b>	<b>26,417</b>
Trade payables	-20,738	0	-20,738	-20,180	0	-20,180
Bank accounts in debit	-13	13	0	-18	18	0
Borrowings	-7,904	0	-7,904	-8,406	0	-8,406
PFI arrangements	-6,244	0	-6,244	-7,275	0	-7,275
<b>Total financial liabilities</b>	<b>-34,899</b>	<b>13</b>	<b>-34,886</b>	<b>-35,879</b>	<b>18</b>	<b>-35,861</b>

### (c) Financial Instruments - Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	Financial Liabilities	Financial Assets		
	Amortised Cost £000	Amortised Cost £000	2023-2024 Total £000	2022-2023 Total £000
Interest expense	762	0	762	856
Impairment losses	1	0	1	1
Losses from changes in fair value	62,127	0	62,127	51,768
Fees paid	0	0	0	0
<b>Interest payable and similar charges</b>	<b>62,890</b>	<b>0</b>	<b>62,890</b>	<b>52,625</b>
Interest income	0	-2,401	-2,401	-704
<b>Interest and investment income</b>	<b>0</b>	<b>-2,401</b>	<b>-2,401</b>	<b>-704</b>
<b>Net impact on surplus/deficit on provision of services</b>	<b>62,890</b>	<b>-2,401</b>	<b>60,489</b>	<b>51,921</b>

### (d) Financial Instruments - Fair Values

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arms'-length transaction. Where liabilities are held as an asset by another party, such as the council's borrowing, the fair value is estimated from the holder's perspective.

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including bonds, treasury bills and shares in money market funds and other pooled funds, the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31<sup>st</sup> March 2024, using the following methods and assumptions:

- Loans borrowed by the Police and Crime Commissioner have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31<sup>st</sup> March.

- The fair values of any finance leases and PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding non-lease elements e.g. service and interest charge elements) at the appropriate AA-rated corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

	Fair Value Level	Balance Sheet 31.3.2024 £000	Fair Value 31.3.2024 £000	Balance Sheet 31.3.2023 £000	Fair Value 31.3.2023 £000
<b>Financial liabilities held at amortised cost:</b>					
Long-term loans from PWLB	2	7,875	6,230	8,375	6,429
Lease payables and PFI liabilities	2	6,244	5,470	7,275	6,124
<b>Total</b>		<b>14,119</b>	<b>11,700</b>	<b>15,650</b>	<b>12,553</b>
Liabilities for which fair value is not disclosed *		20,767		20,211	
<b>Total Financial Liabilities</b>		<b>34,886</b>		<b>35,861</b>	
<i>Recorded on balance sheet as:</i>					
Short-term creditors		20,738		20,180	
Short-term borrowing		529		531	
Other short-term liabilities		1,118		1,031	
Long-term borrowing		7,375		7,875	
Other long-term liabilities		5,126		6,244	
<b>Total Financial Liabilities</b>		<b>34,886</b>		<b>35,861</b>	

\* The fair value of short-term financial liabilities held at amortised cost, including trade payables, is assumed to approximate to the carrying amount.

The fair value of financial liabilities held at amortised cost is lower than their balance sheet carrying amount because the inherent interest rate within the PFI unitary charge is higher than the current market rates available as at the Balance Sheet date.

	Fair Value Level	Balance Sheet 31.3.2024 £000	Fair Value 31.3.2024 £000	Balance Sheet 31.3.2023 £000	Fair Value 31.3.2023 £000
<b>Financial assets held at fair value:</b>					
Money market funds	1	4,446		0	0
<b>Total</b>		<b>4,446</b>	<b>4,446</b>	<b>0</b>	<b>0</b>
Assets for which fair value is not disclosed *		51,463		50,983	
<b>Total Financial Assets</b>		<b>55,909</b>		<b>50,983</b>	
<i>Recorded on balance sheet as:</i>					
Short-term debtors		25,377		20,999	
Short-term investments		22,694		24,566	
Cash and cash equivalents		7,838		5,418	
<b>Total Financial Assets</b>		<b>55,909</b>		<b>50,983</b>	

\* The fair value of short-term financial assets held at amortised cost, including trade receivables, is assumed to approximate to the carrying amount.

## e) Financial Instruments - Risks

The Police and Crime Commissioner complies with CIPFA's Code of Practice on Treasury Management in the Public Services and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Police and Crime Commissioner approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Police and Crime Commissioner also approves Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Welsh Government's Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The main risks covered are:

- *Credit Risk*: The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Police and Crime Commissioner.
- *Liquidity Risk*: The possibility that the Police and Crime Commissioner might not have the cash available to make contracted payments on time.
- *Market Risk*: The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

### Credit Risk: Treasury Investments and Commitments

The Police and Crime Commissioner manages credit risk by ensuring that treasury investments are placed only with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Police and Crime Commissioner has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit of £10m can be invested with the HSBC as the Police and Crime Commissioner's contracted bankers, and £5m limit is placed on the amount of money that can be invested with other single counterparties (other than the UK government or secured investments which is £7.5m). No more than £5m in total can be invested for a period longer than one year.

The table below summarises the credit risk exposures of the Police and Crime Commissioner's treasury investment portfolio by credit rating and remaining time to maturity:

Credit Rating *	31.3.2024		31.3.2023	
	Long-term £000	Short-term £000	Long-term £000	Short-term £000
UK Government	0	22,590	0	24,500
AAA #	0	4,446	0	0
AA+	0	0	0	0
AA	0	0	0	0
AA-	0	0	0	2,362
A+	0	3,334	0	3,015
A	0	0	0	0
A-	0	0	0	0
<b>Total Investments</b>	<b>0</b>	<b>30,370</b>	<b>0</b>	<b>29,877</b>

\* as per Fitch published long-term rating @ 31.3.2024

# this relates to the Police and Crime Commissioner's total investment in the HSBC Sterling ESG Liquidity Fund, which has a AAA rating as per Moody and S&P published ratings @ 31.3.2024

The current account is held with HSBC who are rated AA-.

### Credit Risk: Trade Receivables

The following analysis summarises the Police and Crime Commissioner's trade receivables, by due date. Only those receivables meeting the definition of a financial asset are included.

	31.3.2024		31.3.2023	
	Trade receivables £000	Lease receivables £000	Trade receivables £000	Lease receivables £000
Neither past due nor impaired	9,842	0	7,063	0
Past due < 3 months	1,392	0	2,424	0
Past due > 3 months	734	0	1,266	0
Individually impaired	17	0	16	0
<b>Total Receivables</b>	<b>11,985</b>	<b>0</b>	<b>10,769</b>	<b>0</b>

Loss allowances on trade receivables have been calculated by reference to the Police and Crime Commissioner's historic experience of default. Receivables are determined to be credit-impaired when they are 90 or more days past due. Loss allowances are eventually written off on a case by case basis to the Surplus or Deficit on the Provision of Services.

### Liquidity Risk

The Police and Crime Commissioner has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Police and Crime Commissioner will be unable to raise finance to meet its commitments. There is however the risk of the need to refinance a significant proportion of borrowing at a time of unfavourably high interest rates.

The maturity analysis of financial instruments is as follows shown both as discounted (principal plus accrued interest to date) and undiscounted (principal plus future interest payments) figures:

31.03.2024 Discounted	< 1 yr £000	1-2 yrs £000	2-5 yrs £000	5-10 yrs £000	10-20 yrs £000	TOTAL £000
Borrowing	529	500	1,500	2,500	2,875	7,904
Trade payables	20,738	0	0	0	0	20,738
Lease payables	1,118	1,214	3,912	0	0	6,244
<b>Financial liabilities</b>	<b>22,385</b>	<b>1,714</b>	<b>5,412</b>	<b>2,500</b>	<b>2,875</b>	<b>34,886</b>
Liquidity risk	-55,909	0	0	0	0	-55,909
<b>Net liquidity risk</b>	<b>-33,524</b>	<b>1,714</b>	<b>5,412</b>	<b>2,500</b>	<b>2,875</b>	<b>-21,023</b>

31.03.2024 Undiscounted	< 1 yr £000	1-2 yrs £000	2-5 yrs £000	5-10 yrs £000	10-20 yrs £000	TOTAL £000
Borrowing	624	589	1,729	2,756	2,977	8,675
Trade payables	20,738	0	0	0	0	20,738
Lease payables	1,685	1,680	4,582	0	0	7,947
<b>Financial liabilities</b>	<b>23,047</b>	<b>2,269</b>	<b>6,311</b>	<b>2,756</b>	<b>2,977</b>	<b>37,360</b>
Liquidity risk	-55,909	0	0	0	0	-55,909
<b>Net liquidity risk</b>	<b>-32,862</b>	<b>2,269</b>	<b>6,311</b>	<b>2,756</b>	<b>2,977</b>	<b>-18,549</b>



<b>31.03.2023 Discounted</b>	<b>&lt; 1 yr £000</b>	<b>1-2 yrs £000</b>	<b>2-5 yrs £000</b>	<b>5-10 yrs £000</b>	<b>10-20 yrs £000</b>	<b>TOTAL £000</b>
Borrowing	500	500	1,500	2,500	3,375	<b>8,375</b>
Trade payables	20,211	0	0	0	0	<b>20,211</b>
Lease payables	1,031	1,118	3,961	1,165	0	<b>7,275</b>
<b>Financial liabilities</b>	<b>21,742</b>	<b>1,618</b>	<b>5,461</b>	<b>3,665</b>	<b>3,375</b>	<b>35,861</b>
Liquidity risk	-50,983	0	0	0	0	<b>-50,983</b>
<b>Net liquidity risk</b>	<b>-29,241</b>	<b>1,618</b>	<b>5,461</b>	<b>3,665</b>	<b>3,375</b>	<b>-15,122</b>

<b>31.03.2023 Undiscounted</b>	<b>&lt; 1 yr £000</b>	<b>1-2 yrs £000</b>	<b>2-5 yrs £000</b>	<b>5-10 yrs £000</b>	<b>10-20 yrs £000</b>	<b>TOTAL £000</b>
Borrowing	601	595	1,748	2,788	3,515	<b>9,247</b>
Trade payables	20,211	0	0	0	0	<b>20,211</b>
Lease payables	1,692	1,685	5,018	1,244	0	<b>9,639</b>
<b>Financial liabilities</b>	<b>22,504</b>	<b>2,280</b>	<b>6,766</b>	<b>4,032</b>	<b>3,515</b>	<b>39,097</b>
Liquidity risk	-50,983	0	0	0	0	<b>-50,983</b>
<b>Net liquidity risk</b>	<b>-28,479</b>	<b>2,280</b>	<b>6,766</b>	<b>4,032</b>	<b>3,515</b>	<b>-11,886</b>

### Market Risks: Interest Rate Risk

The Police and Crime Commissioner is exposed to risk in terms of its exposure to interest rate movements on borrowings and investments. Movements in interest rates have a complex impact on the Police and Crime Commissioner. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities will fall
- investments at variable rates – the interest income will rise
- investments at fixed rates – the fair value of the assets will fall.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits on its net exposures to fixed and variable interest rates (normal practice is to borrow and/or invest at fixed rates which removes any interest rate exposure risk. At 31 March 2024, 100% (2023: 100%) of principal borrowed was exposed to fixed rates and 74% (2023: 82%) of principal investments was exposed to fixed rates.

### Market Risks: Price Risk

The Police and Crime Commissioner does not invest in equity shares and therefore is not subject to any price risk (i.e. the risk that the Police and Crime Commissioner will suffer a loss as a result of adverse movements in the price of the financial instrument).

### Market Risks: Foreign Exchange Risk

The Police and Crime Commissioner has no financial assets or liabilities denominated in foreign currency therefore has no exposure to loss arising as a result of adverse movements in exchange rates.

### 37. Partnership Schemes

The Police and Crime Commissioner is involved in partnership work with DangerPoint Ltd and Police and Community Trust (PACT). Details of PACT and DangerPoint accounts are available upon request.

### 38. Funds

The Police and Crime Commissioner administers the following funds for the purposes stated –

	31.3.2024 £000	31.3.2023 £000
Police Property Act Fund (Proceeds from confiscated property for distribution to charities)	0	4
Misuse of Drugs Fund (Seized monies from Drugs enquiries used to finance expenditure in combating drugs)	148	143
	<b>148</b>	<b>147</b>

### 39. Jointly Controlled Operations/Collaboration

The Police and Crime Commissioner was party to a number of collaborations (both regional and national) during 2023-24. CIPFA guidance on accounting for collaboration has been considered in determining the nature of the relationships and, as most arrangements have joint control through a strategic management board, it is considered that most are correctly classified as joint operations. Some arrangements are of a collaborative nature but are classified as third-party payments. Others involve officers from individual forces carrying out duties on a regional basis but funded by a lead force from grants made by the Home Office, other agencies or are self-funded from fees and charges.

The following groups the arrangements into:

Collaboration – Joint Operations

Collaboration – Third Party payments

Collaboration – Grant/self-funded

#### a) Collaboration – Joint Operations

##### Minerva

The Minerva Programme was created in 2013 as a collaboration of 10 UK police forces based upon their common use of the Niche Records Management System (NicheRMS365). It had been identified that the RMS was highly configurable locally and as such, there were no common data standards for its use. In addition, UK forces were often making opposing requests for change to the system, activity that created silos of data with massively reduced opportunities for data sharing both between forces and with national systems (PND etc.). The initial aims of the Minerva Programme were to promote best practice between member forces and to create an agreed approach to the use of the RMS.

In 2017, the then 23 Minerva members forces approved an increase in the resource level and committed to a new strategy to develop/manage new NicheRMS365 functionality and to further drive convergence to enable data sharing. The new Minerva Delivery Team (MDT – 10 staff seconded from member forces) commenced this work in 2018.

There are now 28 Minerva member forces as every force in England, Wales and Northern Ireland using NicheRMS365 has chosen to become a Minerva member. At the Minerva Annual General Meeting in September 2021, the Minerva Strategic Plan 2021-26 was approved by member forces. That strategy fully supports agreed national drivers (e.g. the National Policing Digital Strategy 2020-2030) and aims to ensure the ability to effectively share data as Minerva forces consider migration to cloud services.

Responsibility for Minerva was passed from PCC for Sussex to PCC for North Wales on 1 April 2021. As part of the handover a reserve of £331k was transferred across.

In 2021-22 an amount of £37k was drawn from reserves, and in 2022-23 £70k was drawn from reserves reducing the reserve balance to £224k.

The budgeted expenditure agreed for 2023-24 by the Minerva Management Board was £761k with the funding met by a combination of forces contribution of £583k for those forces party to the Section 22a Collaboration Agreement, Grant funding of £20k, with an amount of £158k to be drawn from reserves. The budget was inclusive of costs such as staff, consultants, travel, IT, other non-staff etc.

Actual expenditure has come in slightly below at £705k versus the overall budget, mainly due to lower staff costs than anticipated, which necessitates a movement of £101k from reserves. As a result, the reserve balance has reduced to £123k. The program is committed to running down the reserve further next financial year. Force contributions are to remain constant while increased costs are forecast for the next financial year due to additional staff and an anticipated increase in staff costs.

Responsibility for Minerva will be transferring over to PCC for Avon and Somerset from 1 April 2024.

All the expenditure and income relating to Minerva activities are coded separately on our ledger which have been derecognised reflecting our share of income and expenditure, with the North Wales Police funding contribution for 2023-24 being £20k (2022-23 being £20k).

2022-2023 Net Expenditure £'000	Functions	2023-2024		
		Expenditure £'000	Income £'000	Net Expenditure £'000
20	Minerva	20	0	20
<b>20</b>	<b>Total</b>	<b>20</b>	<b>0</b>	<b>20</b>

### Police National Database (PND)

The Police National Database (PND) is a national information management system that improves the ability of the Police Service to manage and share intelligence and other operational information, to prevent and detect crime and make communities safer. The PND team, who transitioned across to the PCC for North Wales on 1<sup>st</sup> April 2023 (as the Chief Constable is the National Police Chiefs' Council (NPCC) Lead for PND) supports the National Lead for PND across UK Law Enforcement. The team lead and support operational delivery and business development, within the national PND agenda, both strategically and collaboratively with Law Enforcement partners and the Home Office.

The team had a budget of £559k in 2023-24, which was funded by a combination of:

- Home Office funding of £378k to cover the salary, expenses and IT costs for four members of the team,
- The National Crime Agency of £181k to cover the salary and expenses costs for the remaining two members of the team.

The total expenditure incurred in 2023-24 was £535k, resulting in £24k being moved to reserves, which sits as part of Other National Collaboration Reserves as per Note 8 Transfers to/from Earmarked Reserves.

All the expenditure and income relating to the PND activities are separately identified on the ledger, and in line with other joint operations, have been derecognised from the prime statements of account, with no contribution required from forces.

## Opal

Opal is the national intelligence unit focused on serious organised acquisitive crime (SOAC) where there is a series of offences impacting two or more police force areas, including Scotland and Northern Ireland. The Opal team is the intelligence and coordination function responsible to the National Police Chiefs' Council (NPCC) portfolio for SOAC, which sits under the wider Crime Operations Coordination Committee. The team drive identifying and developing intelligence involving SOAC across the UK and linked matters overseas.

Opal was established on 1 April 2019 and is now hosted by North Wales Police. It falls under the leadership of the Chief Constable of North Wales Police, who is the National Policing Lead for Acquisitive Crime. The unit has a number of intelligence staff including intelligence analysts, intelligence development officers and researchers, and police officers, under the leadership of a Detective Chief Superintendent.

The Opal unit transferred over from West Mercia Police during 2023-24 together with £333k of reserves. Leicestershire Police also transferred £10k of reserves relating to monies they held when the East Midlands ROCU managed this arrangement (previously called Op Liberal prior to it becoming Opal and transferring to West Mercia). Leicestershire Police held this reserve to cover any expenditure post transfer, but no costs incurred and thus monies have been transferred over to North Wales Police.

The Force Contributions for 2023-24 (as set by the NPCC Finance Committee) totalled £334k with additional funding of £48k received from the Construction Equipment Association (CEA) to cover the costs of an additional analyst post. Total funding of £382k was received, with any further costs in excess of this funding to be drawn down from reserves.

During 2023-24 overall expenditure of £421k was incurred, leaving an excess of £39k to be funded from reserves. The balance to be transferred to reserves at the year-end was £304k, which sits as part of Other National Collaboration Reserves as per Note 8 Transfers to/from Earmarked Reserves.

All the expenditure and income relating to the Opal activities are separately identified on the ledger, and in line with other joint operations, have been derecognised from the prime statements of account, leaving the North Wales Police funding contribution for 2023-24 of £3k (2022-23 £8k) to reflect our share of income and expenditure.

2022-2023 Net Expenditure £'000	Functions	2023-2024		
		Expenditure £'000	Income £'000	Net Expenditure £'000
8	Opal	3	0	3
<b>8</b>	<b>Total</b>	<b>3</b>	<b>0</b>	<b>3</b>

## Pegasus (Opal)

During the course of 2023-24, with the support and endorsement of the Policing Minister and Home Office, the APCC's Lead for Business and Retail Crime convened a business and police partnership called Pegasus. This initiative is a business and policing partnership that will radically improve the way retailers are able to share intelligence with policing, to better understand the tactics used by organised retail crime gangs and identify more offenders. It will include the development of a new information sharing platform and training

for retailers. A number of the country's top retailers have pledged to fund a new police team of specialist officers & analysts to work within the Opal policing structure (see previous section). The team will build a comprehensive intelligence picture of the organised crime gangs that fuel many shoplifting incidents across the country, to help target and dismantle them.

The funding from retailers is being managed via Mitie, with an initial amount of £270k secured to support this initiative and to finance the initial set-up costs of the team. During 2023-24, only £52k of expenditure was incurred, with the balance of £218k being moved to reserves. This sits as part of Other National Collaboration Reserves as per Note 8 Transfers to/from Earmarked Reserves.

All the expenditure and income relating to the Pegasus activities are separately identified on the ledger, and in line with other joint operations, have been derecognised from the prime statements of account, with no contribution required from forces.

### Forensic Collision Investigation Network (FCIN)

Forensic Collision Investigation is a highly specialist area of policing, involving a small number of scientific and technical staff who provide a significant public service through the investigation of death and serious, often life changing, injuries on our roads.

In 2020-21 the responsibility for the Forensic Collision Investigation Network (FCIN) was transferred from West Mercia Police to North Wales Police. The FCIN moved out of the Specialist Capabilities Programme to the 'Host Force' model with the primary objective being that all collision investigation activities comply with national forensic standards. The police service decided that this should be delivered through a networked approach underpinned by a Section 22a Collaboration Agreement.

As at the end of 2022-23 the Force held a total of £2,045k in earmarked reserve on behalf of FCIN.

The budgeted expenditure agreed for 2023-24 by the FCIN Management Board was £3,435k with the funding met by a combination of forces contribution of £2,764k for those forces party to the Section 22a Collaboration Agreement with an amount of £671k to be drawn from reserves. The budget was set to meet the cost of scientific development and roll out of the FCIN network to meet the accreditation deadline as set by the Forensic Science Regulator. The budget was inclusive of costs such as staff, consultants, scientific validation, competency testing, other non-staff etc.

A combination of slippage in elements of the projects, delay in requests for assets and equipment, unavailability of training courses has led to an underspend of £660k versus the overall budget which necessitated a movement of £11k from reserves.

The £11k drawn from earmarked reserves takes the overall level of reserve to £2,045k as per Note 8 Transfers to/from Earmarked Reserves. The budget set for 2024-25 is £3,682k with a total of £2,124k made up of Force Contributions with £1,558k to be drawn down from reserves.

All the expenditure and income relating to the FCIN activities are coded separately on our ledger which have been derecognised reflecting our share of income and expenditure, with the North Wales Police funding contribution for 2023-24 being £35k (2022-23 being £34k).

2022-2023	Functions	2023-2024		
		Expenditure	Income	Net Expenditure
		£'000	£'000	£'000
34	Forensic Collision Investigation Network	35	0	35
<b>34</b>	<b>Total</b>	<b>35</b>	<b>0</b>	<b>35</b>

## North West Collaborative Arrangements

The North West Regional Organised Crime Unit (NWROCU) was established in April 2009 bringing together the six regional police forces in collaboration to tackle serious and organised crime across the North West with Merseyside as lead force. It encompasses the work of a number of teams with Uplift 1,2 and 3 being its portion of the additional 20,000 police officers in England and Wales. The amount reflected in North Wales Police accounts in 2023-24 is £1,538k (£1,232k in 2022-23) with the breakdown by function as follows:

2022-2023 Net Expenditure £'000	Functions	2023-2024		
		Expenditure £'000	Income £'000	Net Expenditure £'000
241	Regional Crime Unit	264	0	264
55	Prisoner Intelligence	96	-36	60
18	Regional Intelligence Unit	31	-16	15
191	Technical Surveillance Unit	201	-13	188
180	Confidential Unit	176	-6	170
5	Operational Security Officer	10	-7	3
121	UCA	235	-105	130
216	Uplift Yr 1	220	-3	217
121	Uplift Yr 2	271	0	271
0	Uplift Yr 3	108	0	108
84	Business Support	145	-33	112
<b>1,232</b>	<b>Total</b>	<b>1,757</b>	<b>-219</b>	<b>1,538</b>

### The following joint operations have Cheshire as lead force:

The North West Joint Underwater Search Unit serves the areas of Cheshire, Greater Manchester, Merseyside, Lancashire, Cumbria and North Wales with the overall expenditure being met by those forces.

The NW Armed Policing Collaboration was formed in 2012 with six member forces. Since this time, the region has been operating under a single interim College of Policing (CoP) Firearms Training Licence having previously operated under six full training licences. Lancashire left the Collaboration on 31 March 2018.

The Armed Policing Alliance provides armed officers to both Cheshire and North Wales in a fully integrated joint force team since its inception in 2014. It is an armed policing alliance that serves the areas of Cheshire and North Wales and is staffed by police officers and support staff from the two constituent police forces with the overall expenditure being met by those forces.

The Dog Alliance provides dog handlers to both Cheshire and North Wales and provides a range of police dogs skills to both Cheshire and North Wales and is staffed by police officers and support staff from the two constituent police forces with the overall expenditure being met by those forces.

2022-2023 Net Expenditure £'000	Functions	2023-2024		
		Expenditure £'000	Income £'000	Net Expenditure £'000
76	Joint Underwater Search Unit	77	0	77
61	North West Armed Policing	102	-39	63
3,149	Armed Policing Alliance	3,376	-76	3,300
913	Dogs Alliance	966	-3	963
<b>4,199</b>	<b>Total</b>	<b>4,521</b>	<b>-118</b>	<b>4,403</b>

## Telecommunication Single Point of Contact (Telecoms SPOC) Collaboration

Telecomm SPOC collaboration agreement between North Wales Police and Cheshire Constabulary for a 24/7 telecommunications single point of contact service for the acquisition of communications data under the Investigatory Powers Act 2016. North Wales Police is the Lead Force.

On the 1<sup>st</sup> of October 2021, the Telecommunications SPOC Collaboration progressed to phase three with the setting up of a single unit across the respective forces with parity on the grades prior to moving to a 24/7 provision during the course of 2022-23.

2022-2023 Net Expenditure £'000	Function	2023-2024		
		Expenditure £'000	Income £'000	Net Expenditure £'000
359	Telecomm SPOC	600	0	600
<b>359</b>	<b>Total</b>	<b>600</b>	<b>0</b>	<b>600</b>

North Wales Police as lead force are holding a total of £94k in reserves on behalf of the collaboration.

## All Wales Collaborative Arrangements

The following operations are collaborations with other forces in Wales. The notional share of the expenditure and income has been reflected in the Comprehensive Income and Expenditure Statement allocated by population percentage across Wales.

SHARE OF SERVICE COLLABORATION 2023-2024		Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors
Gross Expenditure	Population %	£'000	£'000
South Wales	42.57%	4,586	285
Dyfed-Powys	16.57%	1,785	111
Gwent	18.88%	2,035	126
North Wales	21.98%	2,368	147
<b>Total:</b>	<b>100.00%</b>	<b>10,774</b>	<b>669</b>
Total Income & Grants	Population %	£'000	£'000
South Wales	42.57%	-4,586	-285
Dyfed-Powys	16.57%	-1,785	-111
Gwent	18.88%	-2,035	-126
North Wales	21.98%	-2,368	-147
<b>Total:</b>	<b>100.00%</b>	<b>-10,774</b>	<b>-669</b>

The above excludes capital expenditure; the calculated benefit to North Wales Police is £0.177m for 2023-2024.

SHARE OF SERVICE COLLABORATION 2022-2023		Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors
Gross Expenditure	Population %	£'000	£'000
South Wales	42.31%	4,528	251
Dyfed-Powys	16.62%	1,778	99
Gwent	18.94%	2,027	113
North Wales	22.13%	2,368	131
<b>Total:</b>	<b>100.00%</b>	<b>10,701</b>	<b>594</b>

SHARE OF SERVICE COLLABORATION 2022-2023 (cont'd)		Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors
Total Income & Grants	Population %	£'000	£'000
South Wales	42.31%	-4,528	-251
Dyfed-Powys	16.62%	-1,778	-99
Gwent	18.94%	-2,027	-113
North Wales	22.13%	-2,368	-131
<b>Total:</b>	<b>100.00%</b>	<b>-10,701</b>	<b>-594</b>

In 2017-18 an All-Wales Collaboration Team was established to coordinate existing activities and identify new opportunities for collaboration across the four Forces in Wales. The total costs of the team in 2023-24 were £422k (2022-23 – £198k) and Police and Crime Commissioner for North Wales contribution to these costs was £95k in 2023-24 (2022-23 – £49k).

Debtors and creditors in respect of the above arrangements have remained in the balance sheets of the lead forces by mutual agreement on the basis of materiality.

#### **Collaboration – Third Party Payments**

The only significant arrangement of this kind is the payment made towards the National Police Air Service (NPAS) which was £440k in 2023-24 (£418k in 2022-23).

#### **Collaboration – Grant/Self-funding**

In a small number of collaboration arrangements North Wales provided seconded officers to support the arrangements and was reimbursed by other forces or agencies who received grant funding from the Home Office or Welsh Government to cover expenditure costs.



### Police Pension Fund Account

As from 2006-2007 Police Officer Pensions are paid separately from the main revenue account. Employer and Employee contributions and other pension income are paid into the Police Pension Fund account and all the Police Pension expenditure is paid out of the account. The Police Pension Scheme is an unfunded scheme and as such has no investment assets. Each individual Police and Crime Commissioner is required by legislation to operate a Pension Fund and the amounts to be paid into and out of the Pension Fund are specified by regulation. The Police Pension Fund Regulations 2007 provide that any deficit on the account is transferred to the Police and Crime Commissioner accounts to balance the fund to nil. This deficit is reimbursed by the Home Office and is accounted for within the Police and Crime Commissioner accounts. Similarly, any surplus arising from the expenditure being less than the income is required to be repaid to the Home Office by the Police and Crime Commissioner. Employees' and employers' contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. Long term pension obligations are detailed within note 34 Retirement Benefits.

The Pension account is designed to discharge liabilities to pay pensions as they fall due and takes no account of pensions and other liabilities after the period end. All fund transactions are treated in accordance with the Police and Crime Commissioner's Accounting Policies as set out on pages 73 to 88. Administration of the Pension Fund is carried out through a third-party contract agreement.

2022-2023 £'000	Fund Account	2023-2024 £'000
	<b>Contributions receivable</b>	
	From Employer:-	
-18,884	- Normal	-20,654
0	- Early retirements	0
-166	- Capital Charge for Ill Health Retirement	-548
-8,169	Members Contributions	-8,988
-294	Transfer Values received	0
<b>-27,513</b>	<b>Total Income</b>	<b>-30,190</b>
	<b>Benefits Payable</b>	
41,705	Pensions	46,114
9,023	Commuted and lump sum retirement benefits	9,710
0	Lump Sum Death Benefits	0
	<b>Payments to and on account of leavers</b>	
25	Transfer out to other schemes	152
66	Refund of Contributions	90
<b>50,819</b>	<b>Total amounts Payable</b>	<b>56,066</b>
23,306	Net Amount Payable for the year before transfer from the Police Fund	25,876
-23,306	Additional Contribution from the Police Fund (by grant)	-25,876
<b>0</b>	<b>Net amount payable/receivable for the year</b>	<b>0</b>
	<b>Net Asset Statement:</b>	
60	Contributions due from employer	60
3	Unpaid pension benefits	3
-63	Other current assets and liabilities (other than liabilities to pay pensions and other benefits in the future)	-63
<b>0</b>	<b>Total Liabilities</b>	<b>0</b>

## Group Statement of Accounting Policies

### 1. **General**

The Group Statement of Accounts summarises the Police and Crime Commissioner's transactions for the 2023-2024 financial year and the position at the year-end of 31 March 2024. The Police and Crime Commissioner is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014. The Regulations require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023-2024, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Local Government Act 2003. The code specifies the principles and practices of accounting required to prepare a Group Statement of Accounts which presents a 'true and fair' view of the financial position, financial performance and cash flows of the Police and Crime Commissioner, including group financial statements.

The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

### 2. **Accruals of Income and Expenditure**

Activity is accounted for in the year it occurs, not simply when cash payments are made and received. In particular:

- Revenue from sale of goods is recognised when the Police and Crime Commissioner transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Police and Crime Commissioner.
- Revenue from the provision of services to the Police and Crime Commissioner is recognised when the Police and Crime Commissioner can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Police and Crime Commissioner.
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date that supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services rendered (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid a debtor or creditor for the relevant amount is recorded in the Balance Sheet. A de minimis level of £5k is set for these transactions. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### 3. **Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that can mature immediately from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Police and Crime Commissioner's cash management.

#### **4. 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 understanding the Police and Crime Commissioner's financial performance.

#### **5. Prior Period Adjustments, Changes in Accounting Policies, 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 the 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 made only 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 Police and Crime Commissioner's financial position or financial performance. Where a change is made, unless stated otherwise it is applied retrospectively by adjusting opening balances and the 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.

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

The Police and Crime Commissioner does not charge depreciation, revaluation and impairment or amortisation separately to services, support services or trading accounts.

The Police and Crime Commissioner is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, he is required to make an annual contribution from revenue towards the reduction in his overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Police and Crime Commissioner in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (Revenue Provision), and by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

#### **7. Employee 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 wages and salaries, paid annual leave and paid sick leave, 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 Police and Crime Commissioner. An accrual is made for the cost of leave arising from holiday entitlements or 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 made at the wage and salary rates applicable in the following accounting year, being in the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then

reversed through the Movement in Reserves Statement 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 Police and Crime Commissioner 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 Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of: when the Police and Crime Commissioner can no longer withdraw the offer of those benefits; or when the Police and Crime Commissioner recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Police and Crime Commissioner to the pension fund or pensioner in the year, not the amount calculated in accordance to the relevant accounting standards. In the Movement of 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 the debits for the cash paid to the pension fund and pensioners together with any such amounts payable but unpaid at the year-end.

### **Post-Employment Benefits**

The Police and Crime Commissioner participates in two different pension schemes. Both schemes provide members with defined benefits related to pay and services.

#### *Staff employed in the Office of the Police and Crime Commissioner and Police Staff*

These employees are eligible to join the Local Government Pension Scheme, which is administered by Gwynedd Council. The actuarial assessment carried out in 2022 stated that the employer's contribution needed to be set at a primary rate of 20.7% and a secondary rate of -2.0% per annum, giving an adjusted contribution rate of 18.7%. This rate applies for the 2023-24, 2024-25 and 2025-26 financial years.

#### *Police Officers*

Until 2005-2006 the cost of the police pensions scheme, which was an unfunded, defined benefits scheme, was met from the preceding Police Authority's Income and Expenditure Account. In 2006-2007 there was a change in the way that police pensions were accounted for, and a central fund was created by the Home Office to meet the cost of pensions and commutation payments. Police and Crime Commissioners pay a percentage of officers' salaries into the fund (31.0% for 2023-2024 increasing to 35.3% from 1 April 2024). Injury pensions continue to be the responsibility of the Police and Crime Commissioner and are met from the Police and Crime Commissioner's Income and Expenditure Account.

### **The Local Government Pension Scheme**

The Local Government Pension Scheme is a defined benefits scheme:

- the liabilities of the Gwynedd Pension Fund attributable to the Police and Crime Commissioner are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. 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 estimates of projected earnings for current employees.
- the liabilities are discounted to their value at current prices, using a discount rate based on an indicative rate of return on Government bonds adjusted for additional yield from high quality corporate bonds (iBoxx Sterling Corporates AA).

- the assets of the Gwynedd Pension Fund attributable to the Police and Crime Commissioner are included in the Balance Sheet at their fair value:  
Quoted securities at current bid price  
Unquoted securities at professional estimate  
Unitised securities at current bid price  
Property at market value.
- the change in the net pensions' liability is analysed into the following components:

Service cost comprising:

- (i) Current Service Cost – the increase in the present value of the defined benefit obligation resulting from employee service in the current period which is allocated to the Comprehensive Income and Expenditure Statement.
- (ii) Past Service Cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years and which are debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- (iii) Net interest on the net defined benefit liability (asset) – the net interest expense for the Police and Crime Commissioner from the change during the period in the net defined liability (asset) that arises from the passage of time and is charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit liability obligation at the beginning of the period to the net defined benefit liability (asset) at the end of the period by taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- (i) The return on plan assets – excluding amounts included in the net interest on the net defined benefit liability (asset) and is charged the Pensions Reserve as Other Comprehensive Income and Expenditure.
- (ii) Actuarial gains or 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 which are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the Gwynedd Pension Fund – cash paid as employers' contributions to the pension fund in settlement of liabilities; this is not accounted for as an expense.

In relation to retirement benefits, statutory provisions require that the General Fund balance be charged with the amounts payable by the Police and Crime Commissioner to the pension fund or directly to pensioners in the year, not the amount calculated in accordance with the relevant accounting standards. In the Movement in Reserves Statement, this means there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with the debits for cash paid to the pension fund and pensioners and together with any other amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

## **Discretionary Benefits**

The Police and Crime Commissioner 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 and accounted for using the same policies as are applied to the Local Government Pensions Scheme and in accordance with the Police and Crime Commissioner's early retirement process.

## **8. Events after the Reporting Period**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period, which require the Statement of Accounts to be adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period, which do not require the Statement of Accounts to be adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

## **9. Financial Instruments**

### Financial Liabilities

Financial Liabilities are recognised on the Balance Sheet when the Police and Crime Commissioner becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are subsequently 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. The effective interest rate is the rate that exactly discounts the estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

The amount presented in the balance sheet with respect to long- and short-term borrowing is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable in the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums or discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Police and Crime Commissioner's policy is to spread the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure

Statement to the net charge required against the General Fund Balance is managed by the transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

### Financial Assets

Financial assets are classified into two types:

- loans and receivables which are assets that have a fixed or determinable repayments but are not quoted in an active market
- available-for-sale assets which are assets that have a quoted market price and/or do not have fixed or determinable payments

### Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Police and Crime Commissioner becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured 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 Police and Crime Commissioner 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.

Where assets are identified as impaired because the likelihood arising from a past event that payments due under a contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains or losses that arise in the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

### Available-for-sale Assets

Available-for-sale assets are recognised on the Balance Sheet when the Police and Crime Commissioner becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, 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 amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Police and Crime Commissioner.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation). Financial assets held at amortised cost are shown net of a loss allowance (where material) reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Police and Crime Commissioner.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve. Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

## 10. **Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grant and third-party contributions and donations are recognised as due by the Police and Crime Commissioner when there is reasonable assurance that:

- the Police and Crime Commissioner will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Police and Crime Commissioner are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that future economic benefits 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 relevant service (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non ring-fenced revenue 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 Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is transferred to the Capital Grants Unapplied Reserve. Where it has been 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.

#### 11. **Interest in other entities**

The Police and Crime Commissioner has material interests in other entities that have the nature of a subsidiary, associate and jointly controlled entities and is required to prepare group accounts. In the Police and Crime Commissioner's single entity accounts interests in other entities are recorded in accordance with proper accounting practice. In respect of the North Wales Police and the Police and Crime Commissioner's group accounts, the Chief Constable of North Wales is deemed to be a 100% wholly owned subsidiary of the Police and Crime Commissioner.

#### 12. **Inventories and Long-term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the first in first out (FIFO) costing formula. Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works or services received under the contract during the financial year.

#### 13. **Jointly Controlled Operations and Jointly Controlled Assets**

Jointly controlled operations are activities undertaken by the Police and Crime Commissioner 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 Police and Crime Commissioner recognises on the Balance Sheet the assets that the Commissioner controls including his share of any assets held jointly and the liabilities that the Commissioner incurs including his share of any liabilities incurred jointly and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure and any share of expenditure incurred jointly and the share of income that is earned from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Police and Crime Commissioner and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Police and Crime Commissioner accounts for only his share of the jointly controlled assets, the liabilities and expenses that he incurs on his own behalf or jointly with others in respect of his interest in the joint venture and income that is earned from the venture. Details of any jointly controlled operations can be seen in Note 39 to the Accounts.

#### 14. **Leases**

Finance leases transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey the right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

## **The Police and Crime Commissioner as a Lessee**

### Finance Leases

Property, plant and equipment held under finance leases are recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by the liability for the obligation to pay the lessor. Initial direct costs to the Police and Crime Commissioner are added to the carrying amount of the asset. Premiums paid on entry into the lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment which is applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Police and Crime Commissioner at the end of the lease period).

The Police and Crime Commissioner is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense for the use of leased property, plant and equipment. Charges are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

## **The Police and Crime Commissioner as a Lessor**

A lessor lets property, plant or equipment under a lease arrangement to others.

### Finance Leases

Where the Police and Crime Commissioner grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the balance sheet as a disposal. At the commencement of the lease the carrying amount of the asset in the balance sheet, (whether property, plant or equipment or assets held for sale) 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. A gain representing the Police and Crime Commissioner's net investment in the lease, is credited to the same line in the comprehensive income and expenditure statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long term debtor) asset on the balance sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement).

The gain credited to the comprehensive income and expenditure statement on disposal is not permitted by statute to increase the general fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the general fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the general fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement.

When the future rentals are received the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point the deferred capital receipts are transferred to the capital receipts reserve. The written off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements under capital financing. Amounts are therefore appropriated to the capital adjustment account from the general fund balance through the Movement in Reserves Statement.

### Operating Leases

Where the Police and Crime Commissioner grants an operating lease over a property or an item of plant or equipment, the asset is retained in the balance sheet. Rental income is credited to the other operating expenditure line in the comprehensive income and expenditure statement. Credits are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating or arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## 15. **Overheads and Support Services**

The costs of overheads and support services are charged to service segments in accordance with the Police and Crime Commissioner's arrangements for accountability and financial performance

## 16. **Property Plant and Equipment**

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

### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Police and Crime Commissioner and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

## Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- 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
- if applicable, the initial estimate of costs of dismantling and removing the item and then restoring the site on which it is located.

The Police and Crime Commissioner does not capitalise borrowing costs incurred whilst the assets are under construction.

The cost of an asset other than by purchase is deemed to be its fair value unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows to the Police and Crime Commissioner). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Police and Crime Commissioner.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, (unless the donation has been made conditionally); until conditions are satisfied the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement basis:

- Infrastructure, community assets and assets under construction - depreciated historical cost
- Dwellings and all other assets – fair value determined as the amount that would be paid for the asset in its existing use (i.e. existing use value or EUV).

Where there is no market-based evidence of current value because of the specialist nature of the asset, depreciated replacement cost is used as a substitute for fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a substitute for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure their carrying amount is not materially different from their fair value at the year-end, as a minimum every five years. Increases in the valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains may be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged.

Where decreases in value are identified, they are accounted for as follows:

- 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 the 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 this date have been consolidated into the Capital Adjustment Account.

## Impairment

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 as follows:

- 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 gain)
- 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 in 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 Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (assets under construction).

Where an asset has major components with significant value, the components are depreciated separately. The Police and Crime Commissioner has applied the following de-minimus limits and components will be recognised separately only where:

- (i) Remaining life of component is between 0 and 10 years and value of component is over £500k
- (ii) Remaining life of component is between 10 and 15 years and value of component is over £750k
- (iii) Remaining life of component is between 15 and 20 years and value of component is over £1000k
- (iv) Remaining life of component is between 20 and 30 years and value of component is over £1250k
- (v) Remaining life of component is between 30 and 40 years and value of component is over £1500k
- (vi) Remaining life of component is between 40 and 50 years and value of component is over £2000k
- (vii) Remaining life of component is between 50 and 60 years and value of component is over £4000k

Asset Type:	Depreciation Policy:
Buildings	Depreciated over the life expectancy as stated by the valuer on a straight-line method and revalued at least every 5 years
Computer Equipment	Straight line over 3 to 5 years commencing in the year following purchase.
General Equipment, Furniture and Fittings and Radio Equipment	Straight line over 7-10 years commencing in the year following purchase.
Vehicles	Straight line over 3-8 years commencing in the year following purchase.
Land	Undeveloped sites are not depreciated.

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 Non-Current Assets held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. 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 the 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 recognised in the Surplus or Deficit on Provision of Services. 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.

Details of any properties classified as Assets Held for Sale are disclosed in the Balance Sheet and relevant notes.

Assets that are to be abandoned or scrapped are not classified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) 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 also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of 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 then can be used only for new capital investment (or set aside to reduce the Police and Crime Commissioner's underlying need to borrow - the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The value of disposals written out 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 Fund Balance in the Movement in Reserves Statement.

#### **17. Private Finance Initiative**

The Police and Crime Commissioner has entered into one long term contractual agreement under PFI where the contractor is responsible for design, construction, finance and maintenance of the Custody Suite, Major Incident facility, Scientific Support facility and office space at St. Asaph. As the Police and Crime Commissioner is deemed to control the services that are provided under its PFI scheme and as ownership of the fixed assets will pass to the Police and Crime Commissioner at the end of the contract for no additional charge, the Police and Crime Commissioner carries the fixed assets used under the contracts on the Balance Sheet.

The original recognition of these fixed assets has been balanced by a corresponding liability for the amounts due to the scheme operator.

## 18. Provisions, Contingent Liabilities and Contingent Assets

Provisions are made where an event has taken place that gives the Police and Crime Commissioner a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense in the Comprehensive Income and Expenditure Statement in the year that the Police and Crime Commissioner 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 and 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 relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is recognised as income for the relevant service only when it is virtually certain that reimbursement will be received if the Police and Crime Commissioner settles the obligation.

The insurance provision covers insurance liability for those risks not covered externally and also covers any excess on external insurance policies. The provision covers public and employer's risk. There are contingent liabilities to be met from this provision.

The provision for doubtful debts, now called loss allowances, is included within Debtors in Current Assets.

Carbon Reduction Commitment (CRC) Energy Efficiency Scheme – this is a mandatory scheme for large public and private sector organisations and is designed to improve energy efficiency and cut emissions. Organisations that qualify are required to purchase and surrender carbon allowances on the basis of their emissions and reflect any liabilities within their accounts. The Police and Crime Commissioner is currently not required to participate in the scheme due to current emissions being below the qualification threshold.

### Contingent Liabilities

A contingent liability arises when an event has taken place that gives the Police and Crime Commissioner 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 Police and Crime Commissioner. They can 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 Assets

A contingent asset arises when an event has taken place that gives the Police and Crime Commissioner 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 Police and Crime Commissioner.

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.

#### 19. Reserves

The Police and Crime Commissioner sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts from the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged in that year to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The amount is then appropriated back into the Usable Revenue Reserves in the Movement in Reserves Statement so there is no net charge to council tax for the expenditure during the accounting period.

Unusable Reserves - certain reserves are maintained to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Police and Crime Commissioner. Reserves are explained in the relevant policies within the Medium-Term Financial Plan.

#### 20. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure in the Comprehensive Income and Expenditure Statement in the year. Where the Police and Crime Commissioner 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 Fund Balance to the Capital Adjustment Account reverses the amounts charged so that there is no impact on the level of revenue expenditure.

#### 21. Recognition of Revenue from Non-Exchange Transactions

Assets and revenue arising from non-exchange transactions are recognised in accordance with the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, except where interpreted or adapted to fit the public sector are detailed in the Code and/or IPSAS 23, "Revenue from Non- Exchange Transactions (Taxes and Transfers)."

**Taxation transactions** - Assets and revenue arising from taxation transactions are recognised in the period in which the taxable event occurs, provided that the assets satisfy the definition of an asset and meet the criteria for recognition as an asset.

**Non-taxation transactions** - Assets and revenue arising from transfer transactions are recognised in the period in which the transfer arrangement becomes binding. Services in-kind are not recognised. Where a transfer is subject to conditions that, if unfulfilled, require the return of the transferred resources, the Police and Crime Commissioner recognises a liability until the condition is fulfilled.

**Basis of Measurement of Major Classes of Revenue from Non-Exchange Transactions** - Taxation revenue is measured at the nominal value of cash, and cash equivalents. Assets and revenue recognised as a consequence of a transfer are measured at the fair value of the assets recognised as at the date of recognition:

- Monetary assets are measured at their nominal value unless the time value of money is material, in which case present value is used, calculated using a discount rate that reflects the risk inherent in holding the asset; and
- Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession. Receivables are



recognised when a binding transfer arrangement is in place, but cash or other assets have not been received.

## 22. **VAT**

Generally, the Comprehensive Income and Expenditure Statement excludes VAT as any collected is paid to HM Revenues and Customs and any VAT paid is recoverable from them. Value added tax is included in the Comprehensive Income and Expenditure Statement only if it is irrecoverable.

## 23. **Fair Value**

The Police and Crime Commissioner measures some of his financial instruments 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 Police and Crime Commissioner measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## Glossary of Terms

### **Accounting Policies**

These are the set of rules and codes of practice we use when preparing the accounts.

### **Accrual and Pre payment**

A sum included in the final accounts to cover income and expenditure attributable to the accounting period, but for which payment has been or will be made/ received in a different accounting period.

### **Budget**

A statement of the Police and Crime Commissioner's plans in financial terms. A budget is prepared and approved by the Police and Crime Commissioner before the start of each financial year and is used to monitor actual expenditure throughout the year.

### **Capital Expenditure**

Expenditure on new assets or on the enhancement of existing assets so as to prolong their useful life or enhance market value.

### **Capital Receipts**

Proceeds of not less than £10,000 from the sale of fixed assets. They may be used to finance new capital expenditure or repay debt. They cannot be used to finance normal day to day revenue spending.

### **Contingent Liabilities/Assets**

These arise from a past event which is dependent upon future uncertain events and timing prior to being recognised in the accounts.

### **Creditors**

Amounts owed by the Police and Crime Commissioner at 31 March for goods received or services rendered but not yet paid for.

### **Debtors**

Amounts owed to the Police and Crime Commissioner which are collectable or outstanding at 31 March.

### **Depreciation**

The loss in value of an asset due to age, wear and tear, deterioration and obsolescence.

### **Direct Revenue Funding of Capital**

Contributions from revenue to finance capital expenditure and thus reduce the requirement to borrow.

### **Earmarked Reserves**

Amounts set aside for a specific purpose to meet future commitments or liabilities.

### **Fair Value**

The amount for which asset could be exchanged, or a liability settled, between market participants at a specified date.

### **Financial Instruments**

Any contract that gives rise to a financial asset of one entity and a financial liability, or equity instrument of another entity.

### **International Accounting Standard (IAS)**

Standards for the preparation and presentation of financial statements created by the International Accounting Standards Committee.

**International Financial Reporting Standards (IFRS)**

International Financial Reporting Standards, as agreed by the UK accountancy profession and the Accounting Standards Board. These include Statements of Standards Accounting Practice (SSAPs).

**Impairment**

A reduction in the carrying value of a fixed asset below what it is currently recognised within the balance sheet (see accounting policies).

**Liquid Resources**

Current asset investments that are readily disposable by the Police and Crime Commissioner without disrupting business and are either readily convertible to known amounts of cash at or close to the carrying amount, or traded in an active market.

**Minimum Revenue Provision**

The prudent amount provided to offset against borrowing under the prudential framework.

**Net Debt**

The Police and Crime Commissioner's borrowings less cash and liquid resources.

**Non-Current Assets**

Assets that yield benefits to the Police and Crime Commissioner and the services it provides for a period of more than one year.

**Non-Domestic Rates (NDR)**

This is the charge levied on occupiers of business premises to finance a proportion of local Police and Crime Commissioner and police revenue expenditure. The amount of NDR is set by central government by virtue of a multiplier applied to the rateable values. The multiplier is consistent throughout Wales with the total collected being distributed by the central government.

**Non-operational Assets**

Fixed assets held by the Police and Crime Commissioner but not directly occupied, used or consumed in the delivery of services.

**Operational Assets**

Fixed assets held and occupied, used or consumed by the Police and Crime Commissioner in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

**Outturn**

The actual income and expenditure during the financial period (as opposed to that budgeted).

**Private Finance Initiative (PFI)**

A contract involving the private sector and public sector jointly to deliver public services.

**Precept**

A levy which the Police and Crime Commissioner makes through the council tax to pay for services.

**Provision**

A liability for which monies are set aside when it is recognised that there is an obligation to pay but the timing or amount may be uncertain.

**Public Works Loan Board (PWLB) (part of the UK Debt Management Office)**

A government agency which provides longer term loans to local authorities at interest rates only slightly higher than those at which the government itself can borrow.

**Remuneration**

All amounts paid to or receivable by a person and includes sums by way of expenses allowances (so far as these are subject to UK income tax) and the estimated money value of any other benefits received by an employee otherwise than in cash.

**Reserves**

Amounts set aside to cover general expenditure needs in the future. These can be usable or unusable (which are reserves held in conjunction with accounting treatments).

**Revaluation**

Carried out to ensure assets are accurately reflected in the accounts at fair value.

**Revenue Expenditure**

Spending on day-to-day items, including salaries, premises costs, transport and supplies and services.

**Revenue Support Grant**

A grant paid by central government in support of a Police and Crime Commissioner's revenue expenditure.

**Slippage**

Delayed capital expenditure not incurred within the original time frame.

**Supported Borrowing**

An approval issued by the Government that enables a Police and Crime Commissioner to borrow up to a specific amount in order to finance capital expenditure.

**Unsupported Borrowing**

Borrowing arranged under the prudential code regime which is funded from the Police and Crime Commissioner's general resources.

**Usable Capital Receipts**

Income from the sale of assets that is available for use to finance only capital expenditure.

# Annual Governance Statement 2023-2024

## Section – 1 - Background

- 1.1 This Annual Governance Statement (AGS) covers the financial year 2023/24 but extends to reflect significant events extending to the period to the signing of the Statements of Accounts on 31 October 2024.
- 1.2 Governance is about how the Police and Crime Commissioner and the Chief Constable ensure they are doing the right things, in the right way for the right people, in a timely, inclusive, open and accountable manner. It comprises the systems, processes, culture, behaviour and values, by which the organisation is directed and controlled and also the activities by which it is held to account and engages with the community it serves. This Annual Governance Statement (AGS) for the Police and Crime Commissioner and the Chief Constable describes how the organisation can show it has discharged its two overarching statutory duties during 2023-2024:
- To secure an effective and efficient police service and
  - To be accountable for the exercise of their functions and those of people under their direction and control.
- 1.3 The Police and Crime Commissioner and the Chief Constable have joint governance arrangements. Therefore, many of the controls are common to both corporations sole. The current view of the Chief Constable and the Police and Crime Commissioner is that this joint oversight of organisational governance remains the most efficient and effective model.
- 1.4 As part of these arrangements there is a Joint Governance Board to ensure that they fulfil their corporate governance responsibilities. The Board is chaired by the Police and Crime Commissioner's Chief Finance Officer and attended by senior officers of both the Police and Crime Commissioner and Chief Constable. The purpose of the Joint Governance Board, therefore, is to enable the Police & Crime Commissioner and Chief Constable to fulfil these responsibilities by ensuring the corporate governance structures, processes and procedures of the OPCC and Force are robust, efficient and effective; comply with all relevant legislation, regulations and guidance; and reflect best practice. The Board also supports the process of collation of information and documentation of evidence to support the production of this Annual Governance Statement.
- 1.5 The force reviews the effectiveness of its Governance each year. Most recently a substantive review was instigated in 2022-23 with the initial findings reported to the Joint Governance Board in June 2023 with several updates on recommendations then being reported into the board subsequently. The changes have been implemented and embedded over the course of 2023-24 with the Governance principles and associated framework outlined in Appendix F. Perhaps the key principle driving the changes have been to ensure that all work undertaken by the Force is contributing and supporting the Forces' vision and that Executive and Strategic Pillar Lead meetings should provide leadership, vision, and direction.
- 1.6 Given the framework has been implemented over the course of 2023-24, there will only be a light touch review of its efficiency and effectiveness with a view to refining and continually improving the model. The groundwork for the review took place in August and September 2024 with a view to reporting to the Joint Audit Committee in December 2024.
- 1.7 The Police and Crime Commissioner and the Chief Constable have a Manual of Governance which includes a Scheme of Consent, which has been in place since 1 April 2014 and has been reviewed and updated periodically, most recently being revised in April 2022 and re-ratified in May 2023 at the Strategic Executive Board. The aim of the Scheme is to provide for proper arrangements for the management of activities on behalf of the Commissioner and the Chief Constable. The Commissioner has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the Chief Constable to account on behalf of the public. The Commissioner is responsible for the totality of policing. The Chief Constable is charged with the impartial direction and control of all police officers and staff within the police force that they lead and is responsible for maintaining the King's Peace. The Chief Constable holds office under the Crown but

is appointed by the Commissioner.

- 1.8 Both the Police and Crime Commissioner and the Chief Constable are required to have a Chief Financial Officer to undertake the statutory section 151 responsibilities. There is an established Joint Audit Committee (JAC); the purpose of the Committee is to provide independent advice and recommendation to the Police and Crime Commissioner and the Chief Constable regarding the adequacy of the governance and risk management framework, the internal control environment and financial reporting. An updated Terms of Reference for the audit committee reflecting CIPFA guidance was agreed at the May 2023 Strategic Executive Board. Minor clarifications to the Terms of Reference were incorporated in November 2023.
- 1.9 Each force area has a Police and Crime Panel to support the effective exercise of the functions of the Police and Crime Commissioner, and to review or scrutinise decisions made, or other actions taken, by the Police and Crime Commissioner in connection with the discharge of the commissioner's functions. The Commissioner is also required to consult with the Panel on his plans and budget for policing, as well as the level of council tax and the appointment of a Chief Constable, Chief Executive Officer, Chief Finance Officer and Deputy Police and Crime Commissioner. The panel is made up of ten local councillors and three co-opted independent members. Conwy County Borough Council is the 'Host Authority' for the NorthWales Police and Crime Panel and provides the required support services for the effective operation and discharge of duties of the Police and Crime Panel.
- 1.10 An HMICFRS PEEL (police effectiveness, efficiency and legitimacy) independent assessment took place in June 2022 and reported in February 2023. Other HMICFRS Inspections also took place during 2023-24 providing independent scrutiny to the Force across several areas. Progression of Areas for Improvement from the PEEL inspection and subsequent inspections are regularly reported through the Governance structure. The Force is also undergoing its 2024-25 Assessment as part of the continuous cycle of inspection. The findings from this assessment are yet to be published.
- 1.11 Since 2020-21 the force has undertaken an annual self-assessment against the CIPFA Financial Management (FM) Code of practice. The findings have been reported annually into the Joint Governance Board for consideration and this process was repeated again in 2023-24.
- 1.12 Internal Control activity primarily in the form of TIAA's Internal Audit programme progressed over the course of the year with an Annual Audit Programme being delivered through a hybrid model of in force and remote fieldwork and reporting. The continued arrangements for the Internal Audit services required by the Force were also reviewed during the year, with a competitive tendering process including all key stakeholders (including the NWP JAC Chair) being concluded after the 2023-24 year end. These new arrangements will be implemented in 2024-25.
- 1.13 Work has been undertaken around Business Continuity Planning and Resilience over the course of 2023-24 with a view to ensuring that the Force has suitable arrangements in place.

## **Section 2 - Purpose of the Governance Framework**

- 2.1 The Police and Crime Commissioner and the Chief Constable are responsible for ensuring their business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used effectively, efficiently and economically. They also have a duty to make arrangements to secure continuous improvement in the way in which their functions are exercised.
- 2.2 In discharging their overall responsibility, the Police and Crime Commissioner and the Chief Constable are also responsible for putting in place proper arrangements for the governance of their affairs and facilitating the exercise of their functions, which includes ensuring a sound system of internal control is maintained throughout the year and that arrangements are in place for the management of risk. The financial management arrangements conform principally with the governance requirements of the CIPFA publication [the Role of Chief Financial Officers in Policing](#) and the [Home Office Financial Management Code of Practice](#) for

the Police Forces of England and Wales, and Fire and Rescue Authorities created under Section 4A of the Fire and Rescue Services Act 2004 (revised 2018).

- 2.3 The governance framework comprises the systems and processes, culture and values by which the Police and Crime Commissioner and the Chief Constable direct and control the activities through which they account to and engage with the community. The framework enables the Police and Crime Commissioner and the Chief Constable to monitor the achievement of their strategic objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services and the achievement of value for money.
- 2.4 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot prevent all risk of failure to achieve policies, aims and objectives; it can provide only reasonable rather than absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the organisation's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them efficiently, effectively and economically.

### Section 3 - The Governance Framework

- 3.0.1 The governance framework has been in place throughout the year ended 31 March 2024 and up to the approval of the Statement of Accounts. The meetings taking place over the course of the Financial year reflect the transition to the new Governance structure. The high-level Governance structure of the force is that is now embedded is outlined schematically in Appendix A.
- 3.0.2 The Police and Crime Commissioner and the Chief Constable Code of Corporate Governance, is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government updated in 2016 and also meets the requirements of the Accounts and Audit(Wales) Regulations 2014 as amended, in relation to the statement of internal control and the publication of the Annual Governance Statement. The CIPFA/SOLACE Framework: Delivering Good Governance in Local Government sets out seven principles of good governance which underpin effective governance arrangements to ensure that the intended outcomes for stakeholders are defined and achieved.
- 3.0.3 The arrangements specific to the Police and Crime Commissioner and Chief Constable are detailed within the seven principles below:

The sections that follow, review the arrangements in place across the force and their adequacy, cross referencing the sections outlined on the diagram above.



## Section 3.1 - Ethics and Integrity

- 3.1.1 2023-24 was another year of significant public scrutiny regarding Ethics and Integrity for all Police forces in England & Wales. The revision to the Governance structure introduced a specific strategic pillar aligned to the Trust, Confidence and Legitimacy of North Wales Police. During the year the force maintained the levels of investment in its Professional Standards Department acknowledging the levels of demand faced by the function.
- 3.1.2 There are corporate processes in place to support the core principle of ethics and integrity such as the Policing Protocol 2011 which requires everyone in the organisation to abide by the seven principles of public life (the Nolan principles). Additionally, the Home Office Financial Management Code of Practice requires the Police and Crime Commissioner and Chief Constable to ensure that good governance is embedded within the organisations and the College of Policing Code of Ethics sets out the standards of behaviour expected for all people working in policing.
- 3.1.3 This Police Code of Ethics produced by the College of Policing describes the principles that every member of the Policing profession in England & Wales is expected to uphold and the standards of behaviour that they are expected to meet. On 24 January 2024, a new national Code of Ethics was published by the College of Policing to reflect the challenges of modern-day policing whilst outlining the professional behaviours that the public can expect to see from officers, staff, and volunteers. Designed to underpin the policing sector, the Code of Ethics outlines the professional behaviours from a service that is fair, ethical and can be trusted to make decisions in the interest of keeping the public safe. Following its launch the new Code of Ethics was promoted within North Wales Police.
- 3.1.4 Where there are breaches to the Code of Ethics or Standards of Professional Behaviour there is a positive duty to report these matters and the Force has a Professional Standards department that receives such reports and ensures that they are investigated appropriately and in accordance with Police Regulations.
- 3.1.5 The Police and Crime Commissioner's Code of Conduct and Chief Constable's Code of Ethics underpin the standards of expected conduct and behaviour. The Police and Crime Commissioner and Chief Constable have policies and procedures and regulations in place that comply with law and conform to appropriate ethical standards and standards of professional behaviour. Ethical considerations are part of any business decisions taken and are set out within policies in operation within both organisations.
- 3.1.6 The Police and Crime Commissioner and Chief Constable have an Anti-Fraud and Corruption Policy and whistleblowing arrangements in place which manage effectively the risk of fraud and corruption. Processes for declaring interest and registers for gifts and hospitalities are maintained and updated as required.
- 3.1.7 Both the Joint Audit Committee and the Police and Crime Panel discharged fully all the functions as identified in the relevant CIPFA publication for Audit Committees. The Joint Audit Committee's Terms of Reference may be found on the Police and Crime Commissioner's website.
- 3.1.8 The Police and Crime Commissioner has in place procedures for receiving feedback about policing in North Wales, and decisions made by or on behalf of the Police and Crime Commissioner and his officers. He also has procedures in place for the handling of complaints about the Chief Constable. Additionally, the Police and Crime Panel fulfils its responsibilities in relation to complaints made about the Police and Crime Commissioner as set out within the Police Reform and Social Responsibility Act.
- 3.1.9 To ensure ethical issues and dilemmas occurring at all levels are appropriately considered and discussed, the Force Governance Structure includes an Ethics Committee with an open invitation for staff of the Office of the Police and Crime Commissioner to attend. Ethical dilemmas can be submitted anonymously via the Force Intranet site or by email and a summary of findings from the Committee are published on the Force



Intranet site alongside being reported to Senior Management via the Governance structures for further consideration and reflection as required. During 2023-24 the work of the Ethics committee was co-ordinated by an independent chair. Due to the previous chair relinquishing the role, a new independent chair was appointed in October 2023. The JAC annual report includes a focus on the work of the ethics committee and developing the work of the Committee to support this area, remains an area of focus in its forwards plan.

- 3.1.10 The Force undertook a Cultural audit instigated by the Chief Constable. The findings of the audit generated a number of insights that have been communicated through several forums to the workforce including through a number of chief officer roadshows. The work will be overseen through a Culture board chaired by the Chief constable that commenced in early 2024-25.

## **Section 3.2 - Openness and Stakeholder Engagement**

- 3.2.1 The Police and Crime Commissioner and the Chief Constable promote an open and transparent culture throughout the organisations to ensure that services meet people's needs. All public meeting papers and minutes are published on the website along with any decisions taken by the Police and Crime Commissioner. Decisions are also reported to the Police & Crime Panel. The Police and Crime Commissioner's website complies with The Elected Policing Bodies (Specified Information) Order 2011 and the OPCC continues to have arrangements in place to assess publication transparency.
- 3.2.2 The Police and Crime Commissioner and the Chief Constable regularly publish information on the Commissioner's and Chief Constable's work and achievements and satisfaction of users, including the publication of a Police and Crime Plan and an Annual Report. The force regularly publishes direct updates via its social and digital channels which included X, Facebook, Instagram and LinkedIn during the year and also offer engagement via its North Wales Community Alert, a free messaging service for people who live, work and visit North Wales.
- 3.2.3 During 2023/24 the Police and Crime Commissioner held a budget consultation exercise across the region taking a range of steps to increase engagement in relation to any proposed precept rise for 2024/25. The consultation exercise was advertised across a range of media and included the ability to engage on the PCCs priorities. This exercise attracted 1,564 responses, which is the highest number since the introduction of Police and Crime Commissioners in 2012. The Office of the Police and Crime Commissioner is optimistic that the number of responses will continue to increase, in line with increasing engagement activities.
- 3.2.4 The Force engages with an Independent Advisory Group (IAG) who are a group of independent community members who act as a critical friend to North Wales Police on Equality and Diversity issues.
- 3.2.5 The Force measures the satisfaction of service users through the use of victim surveys. It also reviews public confidence through monitoring its results through the National Crime Survey of England & Wales. In addition, North Wales Police undertakes its own public perceptions survey as well to aid understanding on issues of public confidence and satisfaction.
- 3.2.6 There is a consultation and engagement strategy in place to ensure that our services are responsive to issues raised. We regularly conduct surveys to inform our service delivery and assist in developing our priorities and objectives. Both the Police and Crime Commissioner and Chief Constable have internal and external consultation mechanisms in place which are used to inform and improve services.
- 3.2.7 The Police and Crime Commissioner and Chief Constable work in partnership and collaboration with other organisations to achieve shared objectives and to ensure effective delivery of services which meet the needs of the organisations. Partnership and collaboration arrangements that are in place are monitored and kept under review to ensure that performance is achieved, and objectives are met, and stakeholder engagement

is also a feature of our recruitment process for senior roles. The Police and Crime Commissioner attends local authority scrutiny committees.

- 3.2.8 We have a scrutiny function, supported by evidence and data analysis, to challenge decision makers constructively, including those who work in partnership with the Commissioner and Chief Constable. All key decisions taken include a financial impact, legal impact, equality impact and risk assessment with the Governance structures in place providing visibility around them and this continued to be the case during 2023-24.
- 3.2.9 The Police and Crime Commissioner frequently attends local authority scrutiny committees.
- 3.2.10 Further scrutiny is provided by the Joint Audit Committee. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards with committee papers being published on the Commissioner's website. During 2023-24 it has continued to provide independent scrutiny and challenge in a number of areas including continued focus on developing the understandability of our financial statements; transparency regarding our financial position and the delivery of the Force's capital programme; management action of key corporate risks and in relation to the Force's ongoing Digital and Technology work streams.
- 3.2.11 Further areas of focus are identified in the Audit Committee's annual report which is published annually on the PCC's website.
- 3.2.12 The post of Chief Executive to the Police and Crime Commissioner is the designated Monitoring Officer and there are arrangements to record any professional advice that is required for specialist areas. Furthermore, the Chief Financial Officers for the Police and Crime Commissioner and the Chief Constable complied with the CIPFA statement 'the Role of Chief Financial Officers in Policing'.

### **Section 3.3 - Defining Outcomes**

- 3.3.1 The Police and Crime Commissioner and Chief Constable will, as part of the strategic planning process, develop informed strategies and plans which are outcome focused, sustainable and take into account the level of resources required to adequately deliver them.
- 3.3.2 An election for the position of Police and Crime Commissioner was held on 2 May 2024, and the incumbent was re-elected.
- 3.3.3 The Police and Crime Commissioner sets the police and crime objectives, and these are contained in the Police and Crime Plan. The Police and Crime Plan has been communicated to the public through the website and by various engagement activities and a brief summary of performance is included on the council tax leaflet sent to every household, either electronically or by post. An extract is given below:

### MY VISION

North Wales communities are safe, victims and vulnerable people feel supported, crime and reoffending are low, and people have confidence in policing and the criminal justice system

### MY PRIORITIES

#### DELIVERING SAFER NEIGHBOURHOODS

- Tackle and prevent rural and wildlife crime
- Improve the efficiency and effectiveness of police officers and police staff
- Improve Road safety

#### SUPPORTING VICTIMS AND COMMUNITIES

- Tackle and prevent domestic abuse and sexual violence
- Safeguard vulnerable people including children
- Tackle and prevent cybercrime
- Establish a victims panel
- Tackle and prevent Hate Crime

#### FAIR AND EFFECTIVE CRIMINAL JUSTICE SYSTEM

- Introduce a North Wales Female Offender Strategy
- Increase the use of Restorative Justice
- Support and protect children and young people and divert them away from the Criminal Justice System
- Address the root causes of offending and support the rehabilitation of people who have offended

3

3.3.4 The police and crime objectives, priorities and financial options were developed from the Police and Crime Commissioner’s vision and a joint analysis of: Assessment of crime and the required level of service; Consultation with local people; Consultation with partners; Consultation between the Police and Crime Commissioner and the Chief Constable; The findings of external audit and reviews by Wales Audit Office and HMICFRS and Risk assessments.

3.3.5 The Chief Constable also issued the Force Strategy early in 2023-24. This clearly set out the Vision, Priorities, Standards and Outcomes being pursued by the Force. The Force strategy included a simplified version of this strategy ‘A Plan on a Page’ that is shown below:



3.3.6 The Police and Crime Commissioner’s police and crime objectives are directed and delivered by the Chief Constable and, in turn, by the Strategic Management Board (SMB) during the year. Resources are allocated

against the plan as part of the Force's annual strategic planning process which considers demand and resource requirements against each area taking account of detailed demand assessments (via the Force Management Statement). This co-ordinated process for strategic and medium term planning resulted in a budget for 2023/24 being set with a council tax increase of £16.56 per annum for a Band D equivalent property with the increase being used to invest in and improve the services for the communities of North Wales. The PCC's proposal was unanimously supported by the Police & Crime Panel and was based on identifying savings to balance the budget whilst also increasing Officer numbers due to the Government funding provided for Operation Uplift. The resulting Medium Term Financial Plan is published on the OPCC website.

- 3.3.7 The Force monitors performance against its delivery via its Strategic Performance Board, monitoring and managing performance across the three strategic pillars with regular reporting being made to senior managers, the Chief Officers and the PCC. The Commissioner's performance in turn, is monitored and reported within the Annual Report, Statement of Accounts and the Medium-Term Financial Plan.
- 3.3.8 The Strategic Executive Board (SEB) is the public forum for scrutiny of the Chief Constable by the Police and Crime Commissioner and action logs of each meeting are published. The additional functions of the Board include:
- To take such decisions as are required by the Scheme of Governance to be taken jointly by the Commissioner and the Chief Constable; and
  - To develop proposals for the delivery of the Commissioner's police and crime objectives as set out in the Plan.
- 3.3.9 The Strategic Executive Board (SEB) and Strategic Management Board (SMB) scrutinise operational and financial performance, service delivery and the achievement of the police and crime objectives. A programmed approach to delivery of plans is in place via the Strategic Management Board (SMB). These boards have continued to meet at the usual frequency for 2023-24 with hybrid meetings being conducted using appropriate technology to ensure all required officers and staff are able to attend. The Police & Crime Panel then scrutinise the PCC's work of delivering the Police & Crime plan.

### **Section 3.4 - Determining Interventions**

- 3.4.1 In order to optimise the achievement of our intended outcomes the Police and Crime Commissioner and Chief Constable will ensure that there are adequate arrangements in place to deliver services which demonstrate efficiency and value for money.
- 3.4.2 Detailed resource planning is carried out annually and published within the Medium-Term Financial Plan. This risk assesses resource requirements based on appropriate assumptions to enable the Police and Crime Commissioner and Chief Constable to prioritise competing demands for services.
- 3.4.3 The annual strategic and operational planning cycle takes into account the expected level of resources required and identifies where savings, reductions or growth are required. The Force Management Statement (FMS) which considers the demand the force faces now and in the future and risk assessments utilising Management of Risk In Law Enforcement (MORILE) are also taken into consideration. The resulting financial plans are monitored through the Strategic Management Board which is chaired by the Chief Constable.
- 3.4.4 As well as establishing the revenue budgets the annual planning process also involves a review of the Capital programme providing the basis for the Capital Strategy for subsequent review by the Joint Audit Committee. Programme and project boards are in place which monitor the implementation and achievement of the agreed initiatives and plans. These are established to support robust decision making in order to achieve the required outcomes with programmes such as Digital Transformation and Workforce Transformation

being critical to the overall delivery of organisational strategies. Decision making is devolved where appropriate to enable flexible and responsive action and better outcomes. Accountability is achieved through the governance structure and processes in place with actions and decisions clearly recorded in meetings and progressed over the course of 2023-24.

- 3.4.5 In addition to the core Strategic Planning process the Chief Constable also commissioned an Optimisation Programme for the Force which reviewed a number of areas where productivity or effectiveness could be enhanced. This programme has involved reviewing the Force's operating model and processes with a view to driving the operational performance, productivity & efficiency of the force. It produced a number of outputs during 2023-24.
- 3.4.6 The Strategic Planning Unit is a department that undertakes analysis, research and improvement and evaluation activity across the organisation. Its outputs support strategic, operational, corporate and performance reporting. This allows for more robust analysis to be undertaken on any part of the organisation through the application of a variety of techniques to aid tactical and strategic decision making and support problem solving techniques.

### **Section 3.5 - Developing Leadership**

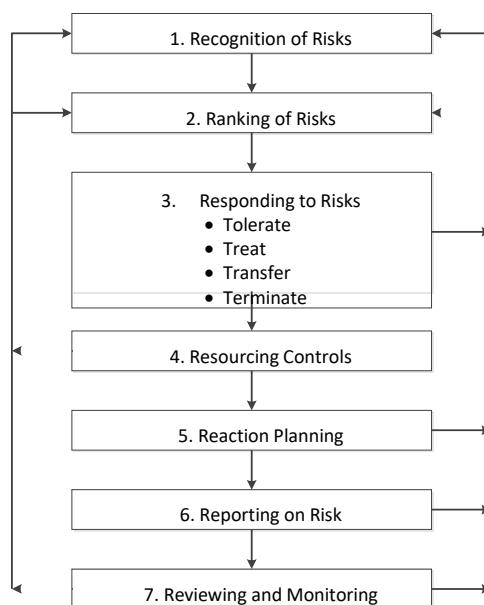
- 3.5.1 The Police and Crime Commissioner and Chief Constable have defined structures and roles within the organisations to enable effective leadership. This is supported by the Manual of Governance which sets out the roles and responsibilities and is critical to enable delivery of the strategies and plans in place.
- 3.5.2 There is an approved scheme of consent in place which formalises the functions and delegation between the Commissioner and Chief Constable. In turn there is a Scheme of Delegation from the Chief Constable to Chief Officers and in turn letters of delegation outlining the financial responsibilities that are devolved to specific roles empowering them to make decisions appropriately.
- 3.5.3 Our people are our key investment, and we ensure that there are member and officer training and development programmes in place so that knowledge is kept up to date, including any professional development requirements. Our recruitment and succession planning processes are designed in order that we appoint the right people with the right skills into roles within the organisation. Focussing on our wellbeing, learning and development offer to our people remained a key area of focus during 2023-24.
- 3.5.4 During the year the Force continued to roll out its Supportive Leadership course – a leadership course delivered with input from Durham University – aimed at developing inclusive and supportive cultures that help drive an inclusive culture within the Force and enhance productivity. The course is mandatory and will continue to run into future Financial years. The force continued its activities in relation to Coaching and Reverse Mentoring.
- 3.5.5 The Force also progressed work resulting from a Cultural audit instigated by the Chief Constable. The audit created a shared awareness amongst the senior team of the Force that enables positive aspects of the force culture to be enhanced and aspects of the culture that need change to also be addressed. Three working groups were established with a Chief officer chairing these.
- 3.5.6 Nationally set terms and conditions exist for officers and staff with agreed pay scales and a job evaluation system and we have a performance management framework which the Commissioner and Chief Constable use to assess performance and address any improvements required.
- 3.5.7 The Force has an electronic PDR process and during 2023-24 the levels of completion were monitored and reported through the governance structures. PDR completion continues to be linked to Pay Progression

Standards for officers which is one of several work streams that feature as part of national pay reform activity.

### Section 3.6 - Managing Risks and Monitoring Performance

3.6.1 Risk management and internal control is an integral part of the performance management system within both organisations. The risk management process underpins the financial management arrangements and governance processes and is fundamental to achieving our intended outcomes and supports our vision for a safer North Wales.

3.6.2 The below represents the 7R's and 4T's of risk management as noted in the ISO31000 and NWP risk arrangements continued to follow this model in 2023-24



3.6.3 Embedding a risk management culture across the organisation at all levels continued to be developed and built upon during 2023-24. There are corporate and individual area risk registers which are regularly reviewed and updated and reported to committees and boards across the organisation. Risk management features as a standing agenda item on keyboards across the Force.

3.6.4 Our plans, processes and policies are drawn up having due regard to the risks identified, with our Force Management Statement being informed through a MORILE assessment for all areas of the force. The area is overseen primarily by the Assurance Board. A partnership framework is in place to ensure that any partnerships are managed appropriately including risk management.

3.6.5 Strategic risks and the risk management process are overseen and monitored by the Joint Audit Committee. Members of the Joint Audit Committee are able to review all risks to ensure transparency. The Joint Audit Committee continued to provide challenge and support to improve our risk management processes during 2023-24. The Risk Appetite document was reviewed and amended where appropriate for 2023-24 and agreed at the Chief Constable's Strategic Management Board meeting prior to be shared with the Joint Audit Committee.

3.6.6 The work programme for reviewing these risks is developed in conjunction with the audit committee to ensure that it provides the appropriate assurance required. During 2023-24 several risk deep dives were undertaken exerting scrutiny around key decisions and management actions taken in relation the Force's

corporate risks. Furthermore, detailed briefings were also provided to the audit committee. These were in the following areas: Sexual Assault Referral Unit, ICT Service Delivery Contract, Agile Working Rollout, Collaboration Governance Arrangements, Safer Streets Fund, Safety of Women at Night, Violence against women and girls, Applications Management Framework, Cyber Security threats, IT and Technology Risks and Sustainability.

- 3.6.7 The Force has established processes and governance in place to ensure Crime Data Integrity is the subject of rigorous ongoing review to ensure that crime and incidents are recorded accurately. This is subject to HMICFRS scrutiny as appropriate. Updates on HMICFRS Areas for improvement are also shared with the Joint Audit Committee.
- 3.6.8 Internal Audit assesses the adequacy of our internal controls and reports fully to the independent Joint Audit Committee. Internal and external audit have examined and reported on compliance with applicable regulations and internal controls.
- 3.6.9 The Strategic Executive Board (SEB) chaired by the Police and Crime Commissioner and Strategic Management Board chaired by the Chief Constable scrutinise operational and financial performance, service delivery and the achievement of the police and crime objectives. The meetings during 2023-24 included wider performance updates accompanied by 'deep dives' in specific areas where the Police and Crime Commissioner wished to exert greater scrutiny.
- 3.6.10 The Commissioner and Chief Constable have data protection and information security policies in place which are regularly tested and supported with a training programme for all staff. Our Internal Audit function and HMICFRS provide further periodic scrutiny in this area.
- 3.6.11 There are information sharing protocols between the Commissioner and Chief Constable and also with our partners.

### **Section 3.7 - Demonstrating Effective Accountability**

- 3.7.1 The Police & Crime Commissioner has a Statutory Duty to produce and publish an annual report which details performance for the previous year. This is published on the PCC's website. Standardised reporting templates are used to ensure that information is presented in an efficient but sufficient manner and this informs the annual report.
- 3.7.2 The Police and Crime Commissioner and Chief Constable ensure that decision-makers involved in service delivery are accountable to them through the processes in place in both organisations. The Governance framework and the associated internal control framework provide a robust mechanism for retaining oversight of the key decisions being made. Financial delegation documentation provides a clear basis for accountability for both Revenue and Capital budgets.
- 3.7.3 The Police and Crime Commissioner's and Chief Constable's websites publish information which is pertinent to the public and stakeholders, ensuring the transparency needed for external accountability to be effective, is in place. The internal audit service reports to the Joint Audit Committee and has direct access to the Police and Crime Commissioner, Chief Constable and members. Recommendations for service improvements are acted upon and reported to the committee.
- 3.7.4 Independent and external reviews and inspections are routinely carried out by regulatory bodies and the reports are published and any recommendations made are acted upon. During 2023-24, this included HMIC Inspections for NWP.

## **Section 4 - Review of Effectiveness**

- 4.0.1 The Police and Crime Commissioner and the Chief Constable have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal control.
- 4.0.2 The review of effectiveness is informed by the work of the executive managers who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report and also by comments made by the external auditors, the Police and Crime Panel, Joint Audit Committee, HMICFRS and other review agencies and inspectorates.
- 4.0.3 A summary of key points stemming from the review is provided below:

### **Section 4.1 - Joint Governance Board**

- 4.1.1 A Joint Governance Board exists as part of our governance framework to ensure that we review our governance arrangements for effectiveness and compliance and to make recommendations for their development as may be required. The TOR for the board are included at Appendix B. This board continued to meet quarterly during 2023-24 with agendas structured around its work programme.
- 4.1.2 The areas of both Corporate Governance and Risk Management were subject to continued scrutiny and challenge via the Joint Governance Board (and the Joint Audit Committee) over the course of 2023-2024. The approach in both areas has continued to develop over the course of the year.
- 4.1.3 The Force continues to have a Manual of Governance in place that remains up to date and approved by both Chief Constable and Police and Crime Commissioner and a Scheme of Consent was in effect throughout the financial year and has been agreed by all the named Senior Officers within the Scheme and the Chief Constable and Police and Crime Commissioner for North Wales.

### **Review of Governance Efficiency & Effectiveness**

- 4.1.4 During 2022-23 the Force commissioned a review of its Governance framework. The review reported to the Chief Officer team in July 2023 and the recommendations associated with introducing a new structure have been embedded over the course of 2023-24.
- 4.1.5 The review was primarily aimed at ensuring the Force continued to have effective and efficient governance arrangements in place. This meant aiming to strike an optimal balance between assurance provided by formal governance, balanced against effective delivery and decision making; that the Force had a clear meeting structure which aligned with the Force priority areas and finally; that the Force made best use of technology and information available to facilitate decision making and reduce demand and duplication.
- 4.1.6 The review considered national good practice from those Forces who had received an outstanding grade in the Strategic Planning, Organisational Management and Value for Money section of PEEL and feedback from internal stakeholders and recommendations were developed on the back of this work.
- 4.1.7 The review was undertaken by the Force Governance and Policy Lead reporting to the Head of Business Intelligence, Corporate Services Service Lead and Director of Finance and Resources. 11 recommendations were made aimed at the Force to strengthen and improve its governance arrangements and optimise its decision-making process by building on existing positive practice. The recommendations and their status are listed below:
  - 1. The Force should produce a set of clear Governance Principles to outline how governance should be executed in practice – Implemented / Complete.
  - 2. The Force should extend the current scheme of delegation to include clear parameters for decision making for all levels of authority – Implemented / Complete.



3. The Force should align the governance structure to the Force Strategic Plan using the three pillars as the fundamental delivery structure – Implemented / Complete
4. The Force should introduce regular Portfolio Meetings for Chief Officers to receive appropriate briefings on matters of concern/areas of interest to them – Implemented / Complete.
5. The Force should ensure performance reporting is clear on the Force Governance Structure and in line with the performance framework – Implemented / Complete.
6. Performance meetings at a Service Area level should be brought in and aligned to the Force Vision and Force Strategic Plan – Implemented / Complete.
7. Performance Development Reviews should be used to ensure all members of staff are aligned to the Force Vision and Force Strategic Plan – Implemented / Complete.
8. The Force should merge Strategic Management Board and Senior Leadership Board to become a monthly executive board – Implemented / Complete.
9. The concept of Core Governance meetings should be brought in, with meetings falling outside of this managed at the discretion of Service Areas – Implemented / Complete.
10. The Force Policy and Governance lead should take on a gatekeeper function to oversee the preparation of agenda's and supporting papers for Executive, Pillar Leads and Pillar Delivery Meetings – Implemented / Complete.
11. The Force should prepare a meeting toolkit which includes the governance principles, scheme of delegation, corporate templates, risk appetite statement to be used as a reference guide for existing leaders and those who are newly promoted – Implemented / Complete.

4.1.8 Having implemented the new structure a light touch review of the Governance structures effectiveness was undertaken in August and September 2024, with initial findings reported into the Joint Governance Board for consideration in September 2024.

#### **AGS Action Plan 2022-23**

4.1.9 During 2023-24, the action plan identified as part of the last AGS has progressed and been completed. The action plan focussed on embedding the recommendations associated with the new Governance structure. An update against these actions is included in Appendix D below but the actions are marked as complete.

#### **CIPFA FM Code Self Assessment**

4.1.10 During 2023-24, the annual self-assessment of the Force's financial management practice took place against the CIPFA FM Code. The assessment concluded that both the Police and Crime Commissioner and the Chief Constable were compliant with the Code. Findings from this assessment were reported initially to the Joint Governance Board and subsequently to the Joint Audit Committee.

### **Section 4.2 - Internal Audit**

4.2.1 The Audit plan for 2023-24 was prepared on a risk basis with oversight from the Audit Committee.

4.2.2 During the year the Audit Committee received reports from the internal auditors ('TIAA') on their agreed programme of inspection and reviewed progress on actions identified in their reports. During 2023-24, whilst there was plenty of attention and discussion, there were no significant issues raised by the Committee to the OPCC or NWP Chief Constable ('NWPC') stemming from this work area.

4.2.3 It is worth noting that during the year changes to the plan can occur and in 2023-24 this was the case with all of the changes being reported to the Joint Audit Committee. The Community Engagement, ICT Fixed Assets and ICT Change Management audits deferred from 2022-23 were all completed during 2023-24.

4.2.4 The summary position on assurance levels against the audit plan for 2023/24 were as follows:

Assurance Level		
Substantial	Reasonable	Limited
16	5	0

4.2.5 The recommendations associated with the Limited assurance audits from 2022-23 - Governance - Health & Safety Management; Property Subject to Charge; and HR Absence Management linked to Agility - were given particular emphasis for scrutiny via the Joint Audit Committee during 2023-24. Recommendations have progressed but a number of recommendations remain ongoing for the HR Advance Management audit in particular. These are progressing as a priority but are taking longer than originally envisaged to complete. The 2024-25 Internal Audit plan has also been agreed and is progressing.

4.2.6 The recommendations in relation to these audits (and more generally) have been reviewed by management and will continue to be tracked and monitored through to completion.

4.2.7 The annual report concluded:

**HEAD OF INTERNAL AUDIT’S ANNUAL OPINION**

*I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of the Police and Crime Commissioner’s and the Chief Constable’s risk management, control and governance processes. In my opinion, the Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives.*

*This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Office of the Police and Crime Commissioner for North Wales and the Chief Constable North Wales Police from its various sources of assurance.*

4.2.8 A review has been conducted to determine the most appropriate model for internal audit services moving forwards for the Force which has progressed over the course of 2023-24. In line with the JAC terms of reference of determining the appropriateness of the Internal Audit services, audit committee members have been included in this process as a stakeholder. Given the collaborative model of Internal Audit implemented across Welsh Policing, where appropriate the conversations have involved the NWP JAC members in an all Wales dialogue.

4.2.9 The review concluded that the current outsourced model was still the most appropriate when compared against other options of in house provision, collaborative in house provision with other Welsh Forces or a hybrid of in house and outsourced provision. Tendering arrangements, with South Wales Police leading on the process, are complete. The current Internal Audit Contract with TIAA was extended to ensure an audit provision ran through to October 2024 by which time the new contract was in place. Hence, arrangements were made to ensure that there was no gap in an appropriate internal audit provision being established.

4.2.10 In accordance with regulations, the Police and Crime Commissioner and Chief Constable have reviewed the effectiveness of its internal audit service utilising the audit committee to provide independent oversight and scrutiny of their arrangements. In conclusion, the service has complied fully with all public sector internal auditing standards (PSIAS). Oversight and ensuring that an effective Internal audit system is in place

continues to feature as a part of the Audit Committee remit.

### **Section 4.3 - External Audit**

- 4.3.1 The external auditors provided periodic updates to the Joint Audit Committee on their approach to the 2023-24 Statement of accounts enabling the Audit Committee to ask questions and seek advice as necessary.
- 4.3.2 The JAC has reviewed the work of External Audit and is satisfied that the external audit service is of a sufficiently high standard and that fees are appropriate and reasonable.
- 4.3.3 The Wales Audit Office annual audit letter for 2022-2023 gave an unqualified opinion on the accounts for the Police and Crime Commissioner and the Chief Constable and recorded that they had not identified any significant weaknesses in the overall framework. It also concluded that the Police and Crime Commissioner and Chief Constable had appropriate arrangements in place to secure economy, efficiency and effectiveness in the use of their resources.

### **Section 4.4 - HMICFRS / PEEL**

- 4.4.1 The HMICFRS PEEL inspection report for NWP was published in January 2023 following the inspection in June 2022. This was accompanied by a number of Areas for Improvement (AFIs) that have been progressed and reported against through the Governance over the course of 2023-24.
- 4.4.2 During the year the Force was part of an inspection of the north-west regional response to serious and organised crime. The North Wales Police force arrangements were assessed as being inadequate at tackling serious and organised crime in the report issued in November 2023. Four recommendations were issued related to this assessment with a target completion date of 1<sup>st</sup> November 2024. The recommendations have been progressed and are reported against via the Force governance.
- 4.4.3 The Force was scheduled for its 2023-25 PEEL inspection in the summer of 2024. The Force has engaged with HMIC over the course of 2023-24 and 2024-25 as part of its continuous assessment.
- 4.4.4 The Force has arrangements in place to ensure that AFIs and any other associated recommendations are being progressed.

### **Section 4.5 - Joint Audit Committee**

- 4.5.1 The JAC continues to meet regularly to discharge its term of reference, meeting 4 times on a hybrid basis over the course of 2023-24 and has published all open session papers and its Chair is scheduled to issue the draft annual report outlining the work undertaken over the previous year and as necessary any areas of concern at the July 2024 meeting.
- 4.5.2 Over the course of 2023-24 in discharging its remit its activity has included:
  - A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the narrative report and Annual Governance Statement, which have once again seen more clarity.
  - Receiving assurance on capital strategy and treasury management strategy, with the former in particular continuing to be challenging in the current external environment.
  - Reviewing the risk management strategy, its implementation and delivery of improvements to risk management and assurance mapping. Done through regular reports and scrutiny of prioritised deep dives.
  - Receiving assurance on the IT control environment including cyber security controls and the overall risk management of the infrastructure and application estate to maintain currency.

- Reviewing the effective, efficient and robust governance arrangements and structures.
- Reviewing and receiving assurance on value for money.
- Receiving assurance on the self-assessment undertaken by the Force in relation to the CIPFA Financial Management Code.
- Receiving organisational updates at each quarterly meeting from the Force and OPCC to remain apprised of key events taking place within the Force.
- Briefings or Deep dives on: Sexual Assault Referral Unit, ICT Service Delivery Contract, Agile Working Rollout, Collaboration Governance Arrangements, Safer Streets Fund, Safety of Women at Night, Violence against women and girls, Applications Management Framework, Cyber Security threats, IT and Technology Risks and Sustainability.
- The work of the ethics committee.
- Receiving assurance on the work in relation to HMICFRS inspections.
- Involvement in the development of the internal audit programme, including collaborative audits.
- A review of effectiveness of both the internal and external auditors.
- Meeting with All Wales JAC.

4.5.3 Following the Annual report being issued by the JAC Chair in 2023, a JAC action plan was developed to further enhance the effectiveness of the JAC where possible in the spirit of Continuous Improvement. The action plan involved considering several areas where there was scope to further enhance the JAC's ability to discharge their responsibilities. These included Internal Audit oversight; Feedback on committee performance; considering training needs and the levels of transparency being achieved. All of these areas have been considered and progressed during 2023-24.

4.5.4 Meetings were arranged for the Chief Constable and PCC to meet with the JAC chair to discuss areas of concern or areas where further assurance was required.

4.5.5 No formal areas of concern or significant issues have been highlighted by the Chair.

#### **Section 4.6 - Police & Crime Panel**

4.6.1 The Police and Crime Panels occurred regularly over the course of 2023-24 providing effective scrutiny with the meetings being held publicly in person, with live-streaming available for members of the public to observe.

4.6.2 The panel fulfilled their remit to scrutinise decisions made, or other actions taken, by the Police and Crime Commissioner in connection with the discharge of the commissioner's functions. The Commissioner also consulted with the Panel on his plans and budget for policing for FY2024-25, as well as the re-ratification of the appointment of the Deputy Police and Crime Commissioner.

#### **Section 4.7 - Information Assurance**

4.7.1 Effective arrangements are in place to ensure that data is safeguarded and appropriately collected, used, stored and shared. All data is subject to agreed retention policies and the security classification scheme in operation throughout the force.

4.7.2 The Force had an Information Security Board in place to monitor arrangements and their effectiveness. In addition to this as part of the Governance review an Information Data Management Board was created which provides oversight to Strategy, Policy and Process in this area. The relevant boards met during 2023-24.

4.7.3 Any significant issues of compliance are escalated upwards, and brought to the attention of the Force’s Senior Information Risk Owner. During the year there has been 1 referral to the Information Commissioners Office compared to 1 in the previous year. None of these referrals have resulted in formal action by the ICO.

## Section 5 - Significant Issues of Governance.

5.1 There are no formal Significant issues of Governance to report in this AGS. However, issues of governance to highlight in this section include:

- There were no ‘Limited’ Assurance audits during 2023-24, but the recommendations associated with the HR Absence Management linked to Agility Limited assurance audit from 2022-23 remain outstanding. However, assurance can be given that progress is being made and that this is being treated as a priority.
- The North Wales Police force arrangements were assessed as being inadequate at tackling serious and organised crime in the HMICFRS report issued in November 2023. The associated recommendations are all being progressed and monitored.
- The incumbent PCC was re-elected as a result of the May 2024 PCC elections for a further 4 year term.
- Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires that the Responsible Financial Officer sign and date the statement of accounts and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body’s income and expenditure for that year. The Regulations require that this is completed by 31 May 2024. The 2023-2024 statutory deadlines are shown in the table below along with the extended deadlines provided by Welsh Government. The Police and Crime Commissioner and the Force met the extended deadlines.

	<b>Statutory Deadline</b>	<b>Extended Deadline</b>
Draft Statement of Accounts	31 May 2024	30 June 2024
Audited Statement of Accounts	31 July 2024	30 November 2024

## Section 6 - Governance Action Plan stemming from 2023-24

6.1 In assessing the governance arrangements that are in place, the Governance Board will also develop and monitor any action plans to address any governance issues identified or where improvement to current arrangements is required.

6.2 The proposed action plan is:

Issue	Actions
<p><b>Governance: Efficiency &amp; Effectiveness</b></p> <p>With the new governance structure embedded and the recommendations implemented, there would be value in ensuring it is functioning as intended.</p>	<p>Conclude the high level review of the 'new' Governance structure to draw conclusions in relation to its Efficiency &amp; Effectiveness and to identify any potential areas for improvement.</p> <p>Consider the governance findings stemming from the HMICFRS PEEL inspection as part of this overall review of Governance.</p>

## Section 7 – Conclusion & Assurance Summary

- 7.1 No statement of internal control can provide absolute assurance against material loss; this statement is intended to provide reasonable assurance.
- 7.2 However, based on the review of the sources of assurance set out in this statement, we are satisfied that the North Wales Police and Crime Commissioner had in place satisfactory governance arrangements, including appropriate systems of internal control and risk management which facilitate the effective exercise of their functions.

Signed:

**Andy Dunbobbin**

Police and Crime Commissioner  
Commissioner

**Stephen Hughes**

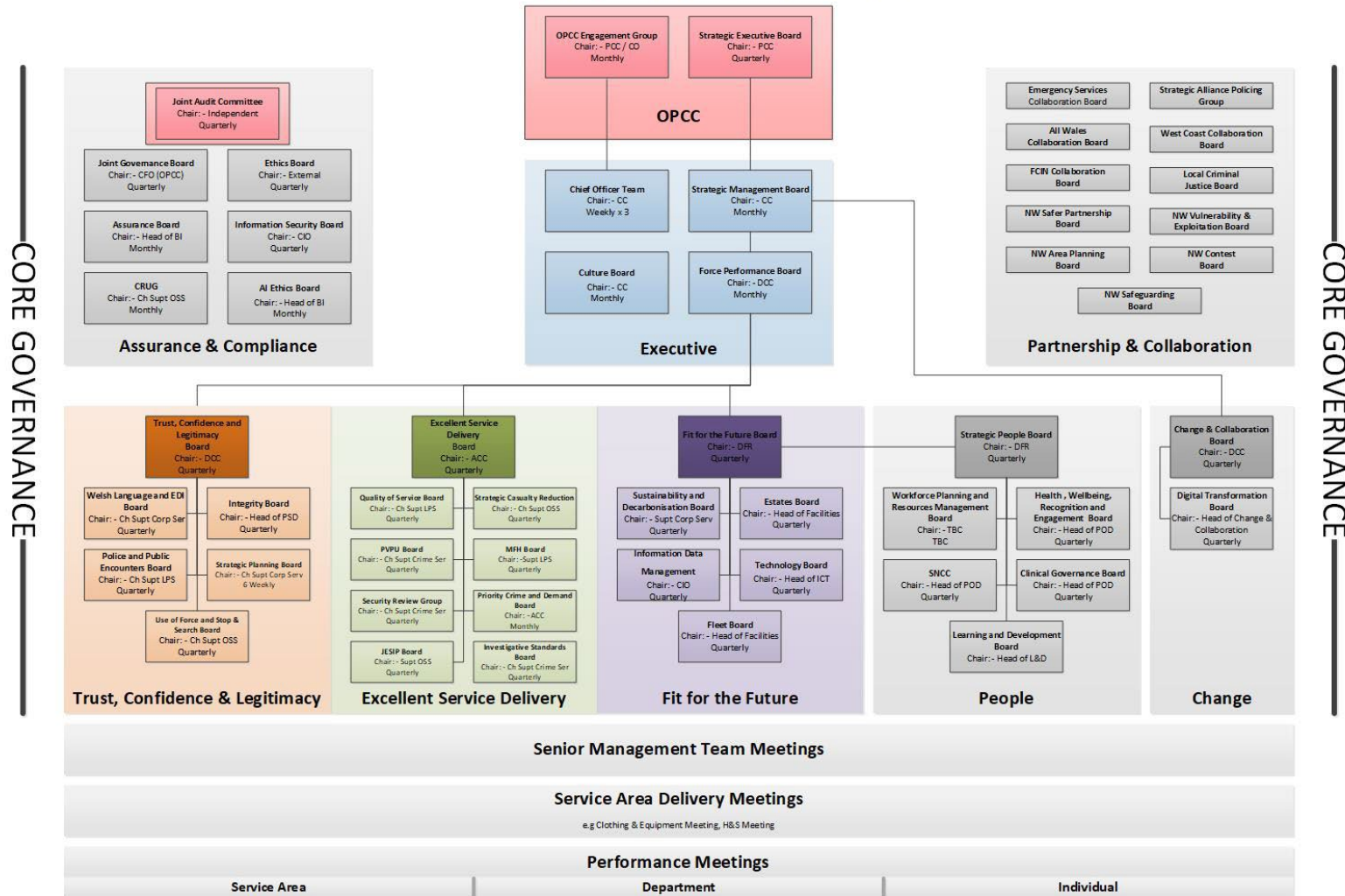
Chief Executive Officer to the Police and Crime  
Commissioner

**Kate Jackson**

Chief Finance Officer to the Police and Crime Commissioner

Governance Structure Implemented 2023-2024

North Wales Police Governance Arrangements



CORE GOVERNANCE

CORE GOVERNANCE

2023 v1.7

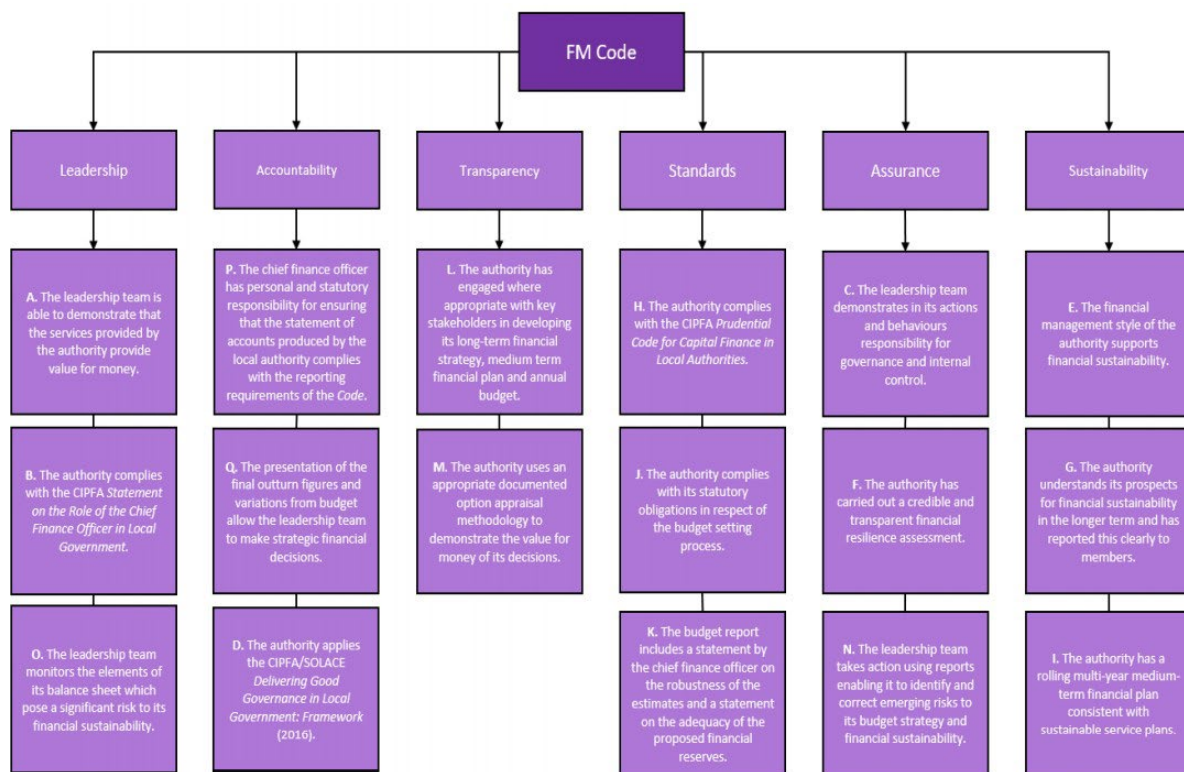
**Joint Governance Board Terms Of Reference (TOR)**

The remit of reviewing the efficiency & effectiveness of the Governance framework is ongoing but the full objectives of the Joint Governance Board are listed below with the terms of reference being reviewed and endorsed at the March 22 meeting:

- To ensure a continual review of the adequacy and appropriateness of the governance arrangements ensuring that they operate Efficiently and Effectively.
- To oversee the production, management and review (as necessary) of the high-level corporate governance documents of the Office of the Police and Crime Commissioner and Force, specifically the Manual of Governance and its constituent parts.
- To co-ordinate, oversee and review (as necessary) the corporate governance structures of the Office of the Police and Crime Commissioner and Force and their associated processes and procedures.
- To review all recommendations relating to corporate governance arising from internal and external audits and inspections and consider their implications for the corporate governance arrangements of the Office of the Police and Crime Commissioner and Force.
- To review any Client Briefing Notes issued by the Internal Auditor and consider their implications for the corporate governance arrangements of the Office of the Police and Crime Commissioner and Force.
- To oversee and co-ordinate the preparation of the Annual Governance Statements of the Police & Commissioner and Chief Constable.  
To make any recommendations to the Police & Crime Commissioner and Chief Constable on any matter relating to the corporate governance arrangements of the Office of the Police and Crime Commissioner and Force, where action or improvement is required.



CIPFA FM Code Framework



## 2022-23 AGS Action Plan Status

Issue	Actions
<p><b>Governance: Efficiency &amp; Effectiveness</b></p> <p>Consider the findings of the wider Governance review, commissioned following the HMICFRS PEEL report issued in February 23.</p>	<p>Monitor the progress of the implementation of any recommendations associated with the February 2023 Governance review</p> <p><b>Completed</b> - Action Complete with narrative showing Recommendation status included in section 4 of the 2023-24 AGS.</p>

## 2023-24 Internal Audit Assurance

Title	Assurance Level
Collaborative Fleet Telematics	Reasonable
Collaborative Property Subject to Charge	Reasonable
ICT - Fixed Assets	Reasonable
Eastern Area - Command Unit	Reasonable
Collaborative Data Protection	Substantial
Governance - Collaboration & Partnerships	Substantial
Governance - Yr Community Engagement	Substantial
Collaborative Risk Management - Mitigating Controls	Substantial
Budgetary Control	Substantial
Purchasing/Creditors	Substantial
Collaborative - Debtors	Substantial
General Ledger	Substantial
Collaborative Payroll	Substantial
Collaborative Treasury Management	Substantial
Collaborative Anti-Fraud/Counter Fraud	Substantial
Capital programme - PROJECT MANAGEMENT	Substantial
Occupational Health Unit	Substantial
Estate Management – Strategy	Substantial
Fleet Management - Fuel	Substantial
Procurement - VALUE FOR MONEY	Substantial
ICT Change Management	Substantial

Assurance Levels of Reports	2023/24
Substantial Assurance	17
Reasonable Assurance	4
Limited Assurance	0
No Assurance	0
Advisory	0
	21



# GOVERNANCE PRINCIPLES

## EXECUTIVE, STRATEGIC PILLAR LEAD AND PILLAR DELIVERY MEETINGS

1. Meetings are primarily for
  - Decisions
  - Problem solving
  - Actions
  - Horizon Scanning
  - Assurance / Awareness
2. Executive and Strategic Pillar Lead meetings will have strategic oversight and responsibility and will ensure that all work undertaken by the Force is contributing and supporting the Forces' vision.
3. Executive and Strategic Pillar Lead meetings should provide leadership, vision, and direction.
4. Executive and Strategic Pillar Lead meetings should ensure appropriate challenge and scrutiny.
5. Executive and Strategic Pillar Lead meetings should ensure work is prioritised in line with the Force Strategic Plan.
6. Those attending meetings should be at the correct level for taking part in decision making.
7. A meeting with no meaningful actions or decisions will be decommissioned.
8. Executive and Strategic Pillar Lead meetings will be chaired by Chief Officers.
9. Pillar Delivery Boards will be chaired by Service Leads or Subject Matter Experts.
10. Chief Officers can attend Pillar meetings they don't chair as attendees.
11. Exceptions to chairing rules will be limited and must be agreed by the Chief Constable.
12. Meetings should not be solely used to brief Chief Officers and Senior Leaders; dedicated briefings should take place through other means i.e., portfolio meetings, Chief Officer Briefing Report Template
13. Meeting attendees are obliged to cascade key messages and decisions through their reporting structure.
14. Short term task and finish or working groups may be set up below Executive or Strategic Pillar Level meetings, but they must be time bound with clear deliverables.
15. Pillar Delivery meetings will have responsibility for ensuring any strategies and performance objectives associated with the meetings theme are implemented appropriately.
16. Meetings will make appropriate use of the Force Risk Appetite to inform decision making and make appropriate use of the Risk Management processes.

## SERVICE AREA DELIVERY MEETINGS

1. Service Area Delivery meetings and below are at the discretion of the relevant Service Lead

2. There will be no tactical versions of Pillar Level meetings.
3. Any duplication of meetings, attendance or papers at the Service Area Delivery meeting level and below are at the behest of the Service Lead to influence and remove.
4. Commissioning and decommissioning of meetings at the Service Area Delivery meeting and below will still follow the formal process of seeking approval from Strategic Management Board.
5. Service Area Delivery meetings and below will still need to conform to Force meeting templates but will not be considered a part of the Core Governance Structure
6. Service Area Delivery meetings and below will be subject to the Annual Governance Review for independent scrutiny.
7. Performance meetings are the exception, and the agreed levels of Force performance meetings will need to be in place and fit for purpose.

### **WHAT GOES WHERE?**

1. Matters of strategic importance or high financial value will be taken to an Executive Level meeting before business cases or options are developed.
2. The decision-making scheme of delegation should be used as a guide to what level of meeting is appropriate for what item.
3. Pillar Delivery meetings and Service Area Delivery meetings will make operational decisions within their business area and only escalate to a higher board where the impact or financial value is beyond their remit.
4. The Governance Lead will have an oversight of all meeting agendas to identify duplication at source and have the responsibility to advise meeting Chair's and Secretariat in the interests of good governance.

### **BEHAVIOURS**

1. Chairs and meeting members will follow the Police Code of Ethics and have due regards for the Welsh Language Standards in all their dealings.

### **MEETING MANAGEMENT**

1. All meetings that fall within the Force Governance Structure must have Terms of Reference using the agreed corporate template and a copy should be forwarded to the Force Governance Lead.
2. Any amendments to the Terms of Reference during the year should be in consultation with the Force Governance Lead.
3. All Executive and Strategic Pillar Lead and Pillar Delivery meetings should be scheduled 12 months in advance and where possible sequenced.
4. All meetings should use the agreed Force templates i.e., agendas, minutes / action log, reports.
5. All Executive and Strategic Pillar Lead meetings should have a forward work plan (FWP) which will assist the meeting to plan for the forthcoming year and assist with the preparation of the meeting agendas.
6. All meeting agenda's and supporting papers should be submitted to the secretariat at least 10 days prior to the meeting.
7. All meeting agenda's and supporting papers should be circulated at least 7 days prior to a meeting.
8. All minutes and actions / decisions log should be circulated no later than 14 days after a meeting.
9. All Executive, Strategic Pillar Lead and Pillar Delivery meeting agenda's, minutes and actions / decisions logs should be uploaded to the central repository on the NWP Force Governance Teams site.
10. The Chairperson has overall responsibility for ensuring the meeting fulfils its purpose and achieves its objectives as set out in the Terms of Reference.

11. The Chairperson has an important role to play in providing clear leadership and direction.
12. Members have overall responsibility for working with each other to fulfil the purpose and achieve the objectives of the meeting as set out in the Terms of Reference.
13. Members must be familiar with the meeting's Terms of Reference in order to undertake the role effectively.
14. Members must ensure colleagues within their business area are briefed on any decisions and / or actions that directly affect the business area.
15. The Secretariat has overall responsibility for managing the business of the meeting and providing professional support to the Chairperson, Vice-Chairperson (where relevant) and members.
16. Before a meeting, the Secretariat will be responsible for:
  - Setting the date and time of the meeting in consultation with the Chairperson.
  - Preparing the draft agenda based on the agreed Forward Work Plan and items submitted by Members in consultation with the Chair and Force Governance Lead.
  - Finalising the draft agenda following discussions with the Chairperson and Force Governance Lead.
  - Ensuring all the relevant papers are submitted in the appropriate format at least 10 days prior to the date of the meeting. Alternative timescale will only be agreed in exceptional circumstances.
  - Ensuring the agenda and papers are circulated no later than 7 days before the date of the meeting.
  - Noting all the apologies received for the meeting.
17. During the meeting, the Secretariat is responsible for:
  - Ensuring the Chairperson or Vice-Chairperson has all the necessary information / papers for all the items on the agenda.
  - Making a note of the names and positions of those in attendance.
  - Making a note of the apologies received for the meeting.
  - Making a note of the decisions and actions agreed by the meeting, as well as making a brief note of how the decisions and actions were reached in order to provide sufficient context and ensure an audit trail.
  - Seeking clarification on any decisions, actions or discussions which may be unclear.
  - Supporting the Chairperson or the Vice-Chairperson to ensure the meeting stays focussed and on-track by reminding them if an agenda item has been overlooked and highlighting any issues with the timing of agenda items to ensure the meeting doesn't overrun.
18. After the meeting, the Secretariat is responsible for:
  - Preparing draft Minutes or Decision and Action List for review by the Chairperson or Vice-Chairperson within 7 working days after the meeting.
  - Circulating the Minutes or Decision and Action List to Members and Attendees within 14 working days after the meeting (corrections to the Minutes or Decision and Actions List should be noted at the following meeting.)
  - Collating any updates received in relation to agreed actions in preparation for the next meeting.

## **USE OF TECHNOLOGY**

1. All meetings will be held in the most efficient way possible, whether that be online, hybrid or face to face.
2. If meetings are held face to face, making best use of technology should still be a consideration i.e. sharing of documents via teams.
3. All Executive and Strategic Pillar Lead and Pillar Delivery meetings will be recorded, and the recordings and transcripts will be available to all attendees and interested parties for consideration by the Chair.
4. All Executive and Strategic Pillar Lead and Pillar Delivery meeting papers should be stored electronically on the Force Governance Teams Site and accessible to all attendees and interested parties for consideration by the Chair.
5. All meeting papers should be circulated electronically via MS Teams.

# **The report of the Auditor General for Wales to the Police and Crime Commissioner for North Wales**

## **Opinion on financial statements**

I have audited the financial statements of:

- Police and Crime Commissioner for North Wales;
- Police and Crime Commissioner for North Wales Group which comprise the Police and Crime Commissioner for North Wales and the Chief Constable of North Wales Police; and
- North Wales Police Pension Fund

for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

The Police and Crime Commissioner for North Wales financial statements comprise the Expenditure and Funding Analysis, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including the material accounting policies.

The Police and Crime Commissioner for North Wales Group financial statements comprise the Group Expenditure and Funding Analysis, the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Movement in Reserves Statement, the Group Cash Flow Statement and the related notes, including the material accounting policies.

The North Wales Police Pension Fund financial statements comprise the Fund Account and Net Assets Statement.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund as at 31 March 2024 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

## **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Police and Crime Commissioner for North Wales Police and the Police and Crime Commissioner for North Wales Group and the North Wales Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales' Group and the North Wales Police Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

## **Other Information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Opinion on other matters**

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

## **Matters on which I report by exception**

In the light of the knowledge and understanding of the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group and the North Wales Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; and
- the financial statements are not in agreement with the accounting records and returns.

## **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including the Police and Crime Commissioner of North Wales' Group financial statements and the North Wales Police Pension Fund, which give a true and fair view and comply with proper practices;
- maintain proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, the North Wales Police Pension Fund will not continue to be provided in the future.



## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud by posting of unusual journals;
- Obtaining an understanding of the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group and the North Wales Police Pension Fund; and
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Joint Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group and the North Wales Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton  
Auditor General for Wales  
Date

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

**The maintenance and integrity of the Police and Crime Commissioner for North Wales' website is his responsibility; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.**

## Summary Capital Expenditure and Funding 2023-2024

2022-2023		2023-2024	2023-2024
Actual	Description	Revised Budget	Actual
£'000		£'000	£'000
	<b><u>Building Works</u></b>		
73	Caernarfon Police Station refurbishment	941	352
1,717	Vehicle Commissioning and Workshop	100	82
125	Sustainability Works	100	167
2	Retentions	23	0
65	Smaller Stations upgardes	50	32
41	Firearms Base works	0	0
0	SARC building upgrade	620	532
74	Holyhead Police Station	300	133
0	Abergele Police Station	25	0
90	Llanrwst Police Station	50	0
161	Force Control Room Upgrading	0	0
2,348	<b>Total Building Works</b>	2,209	1,298
	<b><u>Vehicles and Other Equipment</u></b>		
1,528	Vehicle Purchase	2,267	2,307
0	Fleet System	60	0
0	Intoxilators x 3	30	0
56	ANPR replacement	94	77
25	Collision Surveying Equipment	16	0
1,609	<b>Total Vehicles and Other Equipment</b>	2,467	2,384
	<b><u>Information Technology and Communication Equipment</u></b>		
822	Lap Tops and Desk Top Replacement	445	384
192	NEP Device Re-build	0	0
0	Server Replacemnt	100	62
51	Airwave Replacement units	0	0
482	Mobile Data Devices	0	0
0	DFU Server Replacemnt	390	328
0	Telephony equipment	135	0
0	Digital Workplace Audio Visual	86	61
275	Nexus Upgrade	93	62
961	Command and Control Upgrade	710	352
53	Body Worn Video	0	0
26	NEP Infrastructure	0	0
71	ESN (5 yrs)	0	0
2,933	<b>Total Information Technology and Communication</b>	1,959	1,249
6,890	<b>Total Capital Expenditure</b>	6,635	4,931

<b>2022-2023</b>		<b>2023-2024</b>	<b>2023-2024</b>
<b>Actual</b>	<b>Description</b>	<b>Revised Budget</b>	<b>Actual</b>
<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
	<b><u>Funding of Capital Programme</u></b>		
0	Welsh Governemmt Grant	620	532
3,502	Revenue Contribution	3,358	3,614
510	Earmarked Reserves	966	0
417	Capital Receipts	200	0
1,790	Borrowing for Estates	1,366	485
671	Borrowing for replacement programme	125	300
<b>6,890</b>	<b>Total Funding</b>	<b>6,635</b>	<b>4,931</b>

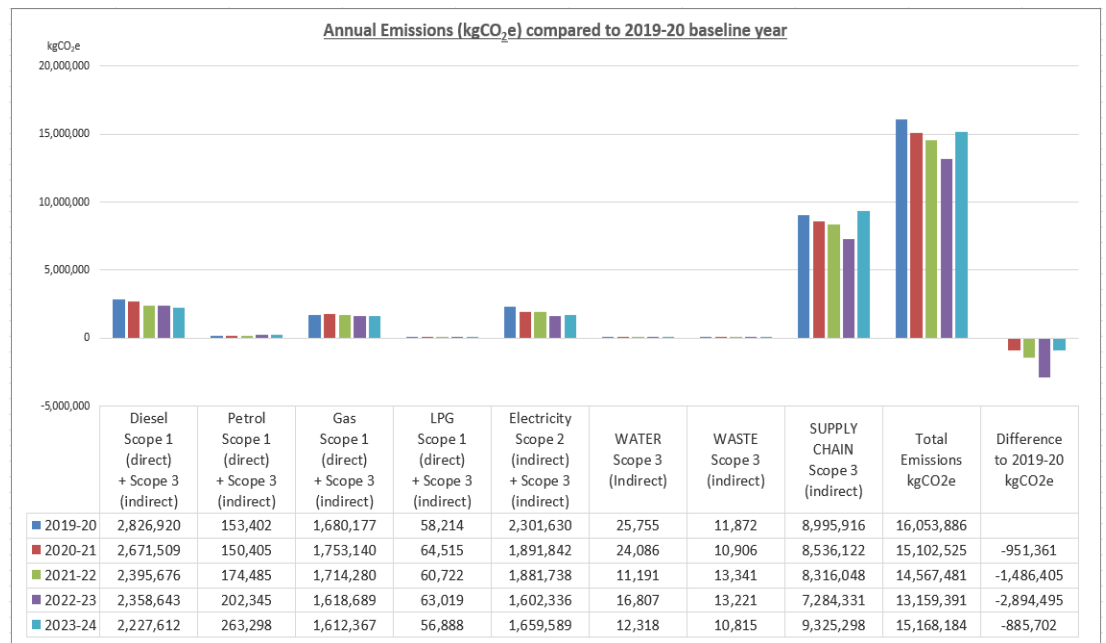
# Heddlu Gogledd Cymru

## Cynaliadwyedd a Datgarboneiddio – Diweddariad

<b>Maes</b>	Stad, Cyfleusterau, Fflyd a Chaffael
<b>Awdur</b>	Anna Pretious Rheolwr Amgylcheddol ac Arbed Ynni
<b>Dyddiad</b>	Hydref 2024
<b>Diben y papur</b>	<b>Gwybodaeth</b>

**Crynodeb Gweithredol**  
 Mae'r adroddiad hwn yn rhoi trosolwg a diweddariad ar gyflawniad Cynaliadwyedd a Datgarboneiddio Heddlu Gogledd Cymru yn 2023-24 a bydd yn canolbwyntio'n benodol ar Allyriadau a'r data y maent yn deillio ohono.  
 Mae'r adroddiad hwn yn disodli unrhyw ddata a ryddhawyd yn flaenorol, oherwydd bod gwybodaeth mwy manwl ar gael.

### D1 HGC. Crynodeb Cyflawniad Datgarboneiddio HGC:



	Cyfanswm Allyriadau (kgCO <sub>2</sub> e)	Gwahaniaeth nifer (kgCO <sub>2</sub> e) blynyddol vs sylfaen 2019-20	% gwahaniaeth blynyddol vs sylfaen 2019-20
<b>2019-20</b>	<b>16,053,886</b>	-	-
<b>2020-21</b>	<b>15,102,525</b>	<b>-951,361</b>	<b>-5.9</b>
<b>2021-22</b>	<b>14,567,481</b>	<b>-1,486,405</b>	<b>-9.3</b>
<b>2022-23</b>	<b>13,159,391</b>	<b>-2,894,495</b>	<b>-18.0</b>
<b>2023-24</b>	<b>15,168,184</b>	<b>-885,702</b>	<b>-5.5</b>

Yr ymdriniaeth sylfaenol o gyfrifyddu allyriadau nwy tŷ gwyrdr o weithgarwch ydy lluosu unedau o'r 'data gweithgarwch' (h.y. kWh nwy) hefo 'ffactor allyriadau' (y ffactor penodol i nwy am y flwyddyn sy'n cael ei hasesu mewn kgCO<sub>2</sub>e/kWh). Cofnodir allyriadau fel kgCO<sub>2</sub>e.

Mae ffiniau gweithredol yn penderfynu'r allyriadau uniongyrchol ac anuniongyrchol craidd sy'n gysylltiedig hefo gweithrediadau sy'n eiddo neu sy'n cael eu rheoli gan y cwmni adrodd.

Mae'r asesiad hwn yn caniatáu cwmni sefydlu pa weithrediadau a ffynonellau sy'n achosi allyriadau uniongyrchol ac anuniongyrchol.

Mae allyriadau uniongyrchol yn deillio o ffynonellau sy'n eiddo neu a reolir gan y sefydliad adrodd, er enghraifft nwy naturiol ac LPG a ddefnyddir mewn boeleri yn yr adeiladau neu ddiesel a phetrol a ddefnyddir yng nghanerbydau'r Fflyd ac a gyfeirir atynt fel allyriadau uniongyrchol Cwmpas 1.

Allyriadau anuniongyrchol ydy allyriadau sy'n ganlyniad gweithrediadau'r cwmni adrodd ond sy'n digwydd o ffynonellau sy'n eiddo neu sy'n cael eu rheoli gan gwmni arall. Bydd y rhain yn un ai allyriadau cwmpas 2 neu allyriadau cwmpas 3.

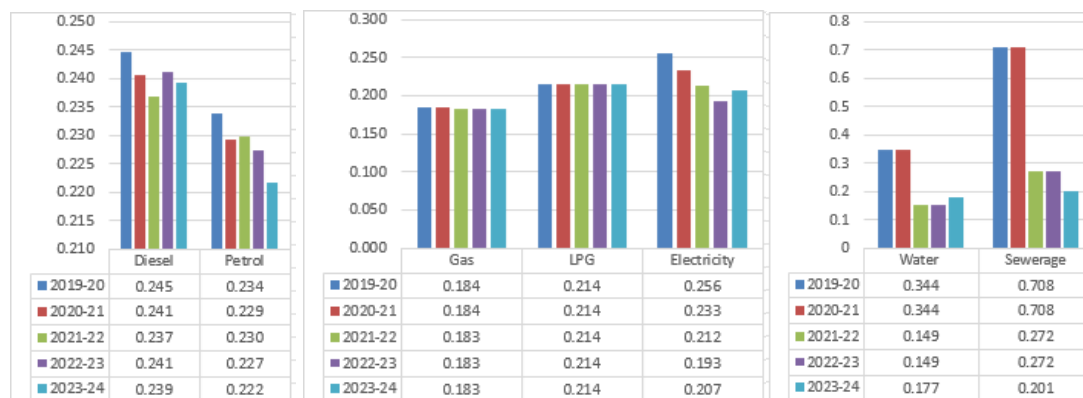
Mae allyriadau anuniongyrchol Cwmpas 2 yn deillio o drydan wedi'i brynu (trydan grid) a ddefnyddir gan y sefydliad sy'n adrodd.

Mae allyriadau anuniongyrchol cwmpas 3 yn deillio o ffynonellau eraill, fel defnydd dwr; gwaredu gwastraff; nwyddau a gwasanaethau a brynwyd (cadwyn gyflenwi), tanwydd a gweithgarwch yn groes i'r llif perthnasol, cludo a dosbarthu. Mae allyriadau teithio busnes, gweithwyr yn cymudo a gweithio o'r cartref eto i'w sefydlu.

Mae hefyd allyriadau cwmpas 3 sy'n gysylltiedig hefo allyriadau cwmpas 1 a 2 (gweithgarwch i fyny'r afon tanwydd ac ynni), cludo a dosbarthu). Er enghraifft, byddai cludo a danfon nwy i adeilad drwy'r rhwydwaith yn gwmpas 3, tra byddai defnyddio'r nwy mewn boeler mewn adeilad yn gwmpas 1.

Sylwer fod 'ffactorau allyriadau' yn amrywio o flwyddyn i flwyddyn wrth i systemau (y tu allan i reolaeth HGC) newid. Dangosir y newidiadau mewn ffactorau allyriadau isod. mae'r rhain yn ymwneud â defnydd o danwydd fflyd, defnydd ynni a chyfrifiadau defnydd dŵr.

Ffactorau Allyriadau Blyneddol a sut maent yn amrywio:



Mae ffactorau allyriadau ar gyfer pob math gwastraff (# 34) a chategori gwariant cadwyn gyflenwi (# 30).

Wrth asesu a ydy allyriadau wedi cynyddu neu ostwng, mae angen penderfynu a ydy'r newidiadau o ganlyniad i newidiadau mewn 'ffactorau allyriadau', newidiadau yn y defnydd neu gyfuniad o'r ddau, er enghraifft:

Roedd trydan grid wedi bod yn datgarboneiddio dros amser. Fodd bynnag, yn 2023-24 roedd y cynnwys carbon yn uwch na 2022-23. Er bod y defnydd trydan yn 2023-24 yn llai na 2022-23, cynyddodd yr allyriadau o ganlyniad, oherwydd y cynnydd yn y 'ffactor allyriadau'.

Mae ffactorau allyriadau nwy ac LPG wedi tueddu aros yn debyg o flwyddyn i flwyddyn.

Mae diesel a phetrol wedi lleihau cynnwys carbon dros amser. Gallai hyn fod oherwydd tanwydd blaen-gwrt sy'n cynnwys mwy a mwy o gynnwys biodanwydd.

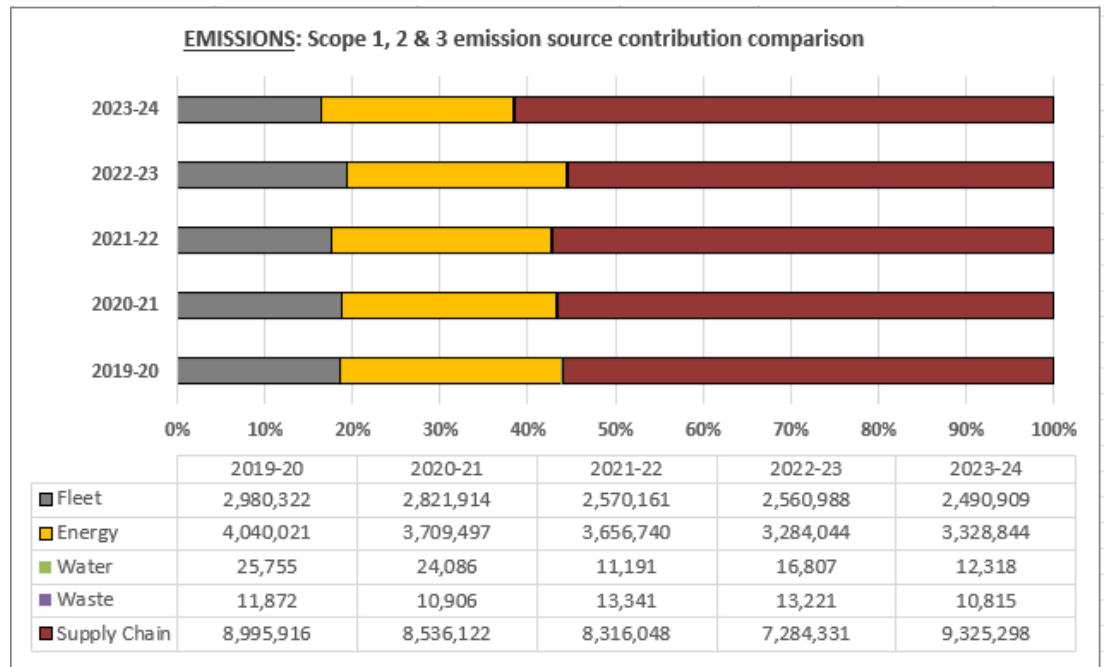
Mae systemau cyflenwi dŵr a charthffosiaeth wedi gweld gostyngiad yn y cynnwys carbon. Gallai hyn fod oherwydd datgarboneiddio'r diwydiannau hyn neu oherwydd newidiadau yn y ffordd y cyfrifir cynnwys carbon.

Ar ôl sefydlu'r ffactorau allyriadau a chyfrifo'r allyriadau canlyniadol, y cam nesaf ydy asesu sut mae ffynonellau allyriadau Fflyd, Ynni, Dŵr, Gwastraff a'r Gadwyn Gyflenwi yn cyfrannu o fewn cyfanswm yr allyriadau.

Allyriadau cysylltiedig â'r gadwyn gyflenwi ydy'r cyfrannwr uchaf (tua 60%) (Cwmpas 3) Ynni (nwy, LPG a thrydan) ydy'r cyfrannwr mwyaf nesaf (tua 25%) (Cwmpas 1 a 2) \*\* Mae fflyd (diesel a phetrol) yn cyfrannu tua 20% (cwmpas 1) \*\*

\*\*Mae data Ynni a Fflyd hefyd yn cynnwys eu hallyriadau cwmpas 3 cysylltiedig.

<b>Emissions source as % of total emissions</b>					
	Fleet %	Energy %	Water %	Waste %	Supply chain %
2019-20	19	25	0.2	0.1	56
2020-21	19	25	0.2	0.1	57
2021-22	18	25	0.1	0.1	57
2022-23	19	25	0.1	0.1	55
2023-24	16	22	0.1	0.1	61

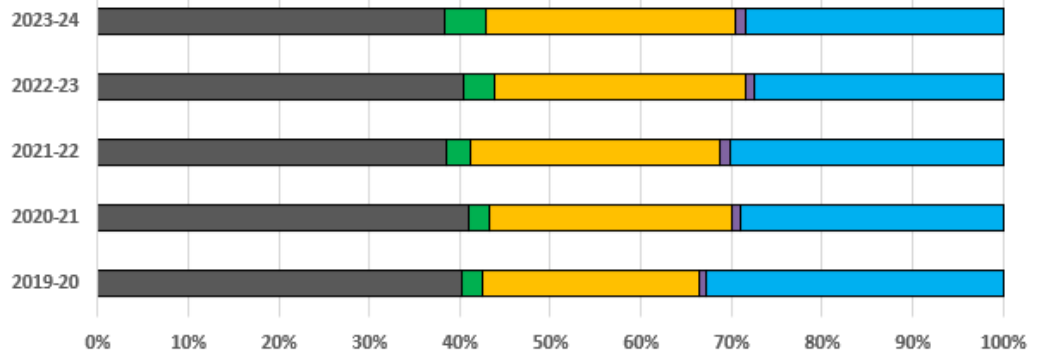


Mae'r allyriadau (cwmpas 1 a 2) sy'n ymwneud â Fflyd ac Ynni yn cyfrif tua 45% o gyfanswm yr allyriadau. Gan asesu'r Fflyd (lilinell lwyd) ac Ynni (lilinell oren) o'r graff uchod, mae'r ffynonellau allyriadau sy'n cyfrannu unigol o ran y rhain fel a ganlyn:

**Fleet & Energy Emissions - % sources of emissions**

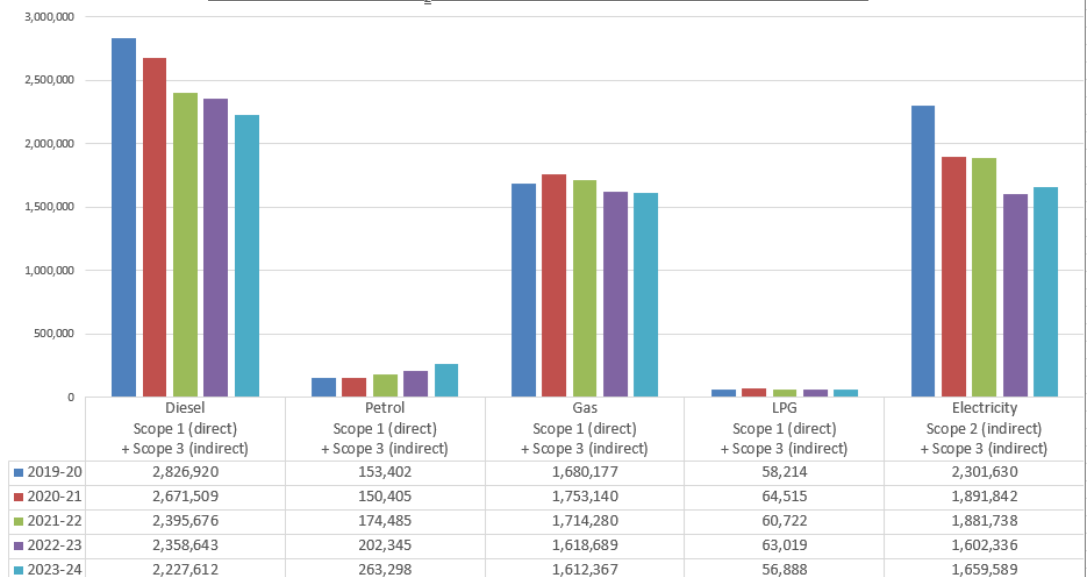
	Diesel %	Petrol %	Gas %	LPG %	Electricity %
2019-20	41	2	27	1	29
2020-21	38	3	28	1	30
2021-22	40	3	28	1	27
2022-23	38	5	28	1	29
2023-24	38	5	28	1	29

**EMISSIONS: Fleet & Energy (scope 1 & 2) emission source contribution comparison**



	2019-20	2020-21	2021-22	2022-23	2023-24
■ Diesel	2,826,920	2,671,509	2,395,676	2,358,643	2,227,612
■ Petrol	153,402	150,405	174,485	202,345	263,298
■ Gas	1,680,177	1,753,140	1,714,280	1,618,689	1,612,367
■ LPG	58,214	64,515	60,722	63,019	56,888
■ Electricity	2,301,630	1,891,842	1,881,738	1,602,336	1,659,589

**Annual Emissions (kgCO<sub>2</sub>e) - Scope 1 & Scope 2 (and their associated scope 3)**



**Defnydd tanwydd fflyd:** (Allyriadau uniongyrchol Cwmpas 1 ac allyriadau cysylltiedig anuniongyrchol Cwmpas 3)

Bydd angen i weithgynhyrchwyr cerbydau fodloni rheoliadau allyriadau tynnach o 2025 ymlaen, ac mae newidiadau eisoes wedi'u gweld o fewn y farchnad, hefo llai o opsiynau disel ar gael, sydd wedi ein gorfodi ni gyflwyno mwy o gerbydau petrol i'r Fflyd. Er y bydd allyriadau



cerbydau cyffredinol yn parhau lleihau, rydym yn rhagweld cynnydd yn y defnydd o betrol wrth i ni drosglwyddo i gerbydau trydan a cherbydau diesel ddod yn llai ar gael. Noder, er y gallai allyriadau fod yn is ar gyfer petrol, mae effeithlonrwydd tanwydd mewn cerbydau petrol yn waeth na disel mewn rôl plismona weithredol.

Mae gan ddiesel gynnwys carbon uwch na phetrol. Ar gyfer pob litr o danwydd a ddefnyddir (yn 2023-24), byddai cerbyd diesel wedi cynhyrchu allyriadau 17% yn uwch nag un litr o betrol a ddefnyddir. Ond bydd y milltiroedd a gwmpesir gan y cerbyd diesel wedi bod yn fwy na hynny gan y petrol, am yr un faint o danwydd a ddefnyddir.

Yn 2019-20, roedd petrol yn cyfrif am 6% o gyfanswm y defnydd o danwydd Fflyd. erbyn 2023-24, cynyddodd hyn i 12%.

#### Diesel - Consumption Litres

	Diesel	Emissions kgCO2e - Diesel		DIESEL
		Direct	Indirect (well to tank)	Total Emissions kgCO2e
	litres	Scope 1	Scope 3	(Scope 1 + 3)
2019-20	880,051	2,283,454	543,466	2,826,920
2020-21	844,554	2,155,070	516,439	2,671,510
2021-22	767,285	1,927,707	467,969	2,395,676
2022-23	744,573	1,904,526	454,117	2,358,643
2023-24	713,347	1,791,736	435,876	2,227,612

Annual Performance (% difference) against baseline 2019-20:

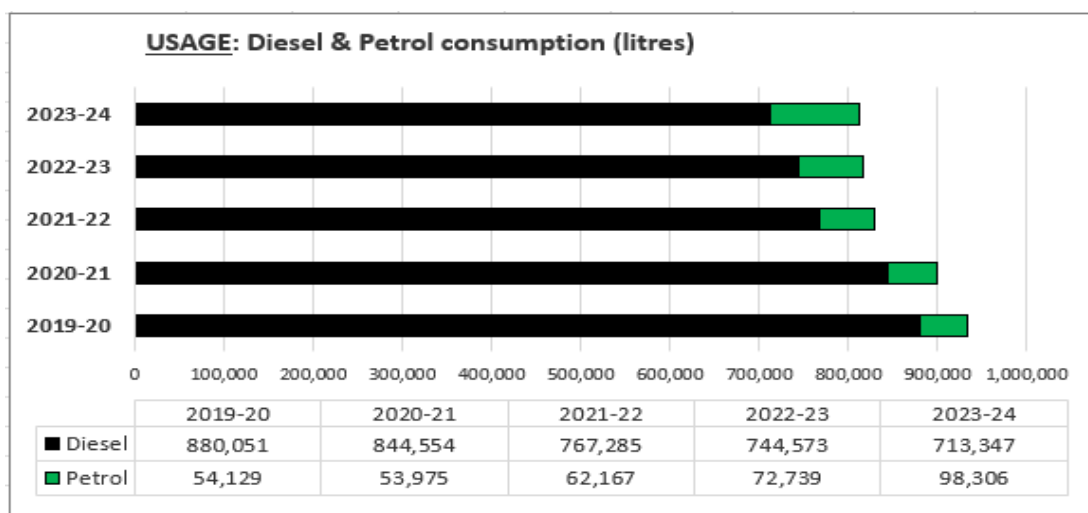
20-21 vs 19-20	-4	-6	-5	-5
21-22 vs 19-20	-13	-16	-14	-15
22-23 vs 19-20	-15	-17	-16	-17
23-24 vs 19-20	-19	-22	-20	-21

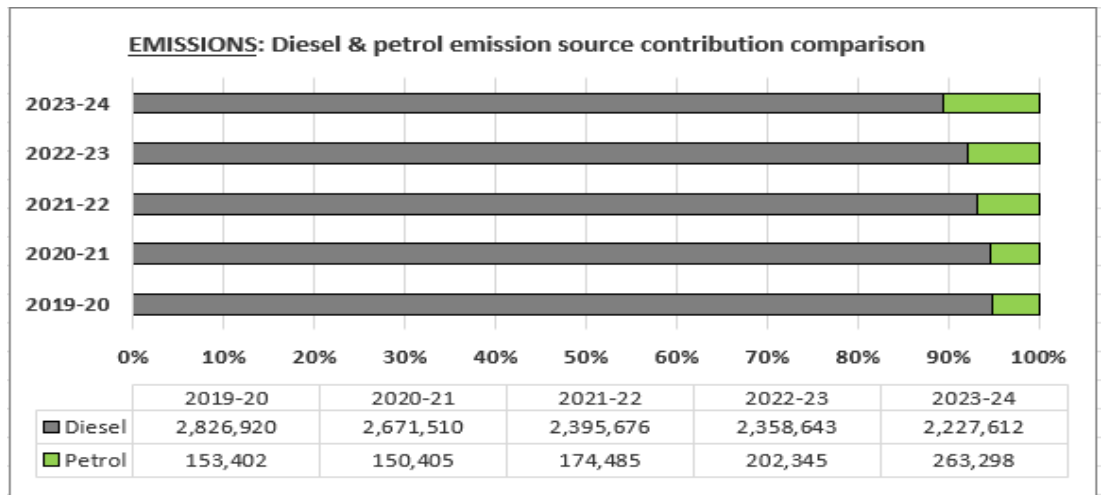
#### Petrol - Consumption Litres

	Petrol	Emissions kgCO2e - Petrol		PETROL
		Direct	Indirect (well to tank)	Total Emissions kgCO2e
	litres	Scope 1	Scope 3	(Scope 1 + 3)
2019-20	54,129	120,759	32,643	153,402
2020-21	53,975	118,082	32,323	150,405
2021-22	62,167	136,360	38,125	174,485
2022-23	72,739	157,737	44,608	202,345
2023-24	98,306	206,185	57,113	263,298

Annual Performance (% difference) against baseline 2019-20:

20-21 vs 19-20	-0.3	-2	-1	-2
21-22 vs 19-20	15	13	17	14
22-23 vs 19-20	34	31	37	32
23-24 vs 19-20	82	71	75	72





Mae allyriadau'n ymwneud â defnyddio disel wedi gostwng oherwydd gostyngiad yn nifer y tanwydd a ddefnyddir a'r 'ffactor allyriadau' wedi lleihau ers blwyddyn sylfaenol 2019-20.

Mae allyriadau sy'n ymwneud â Phetrol wedi cynyddu, oherwydd cynnydd mewn cerbydau petrol a chyfaint y tanwydd a ddefnyddir. Ond mae'r 'ffactor allyriadau' wedi gostwng. Er enghraifft, byddai 1000 litr o betrol yn 2019-20 wedi cynhyrchu 2,834 kgCO<sub>2</sub>e, tra byddai 1000 litr yn 2023-24 wedi cynhyrchu 2,678 kgCO<sub>2</sub>e.

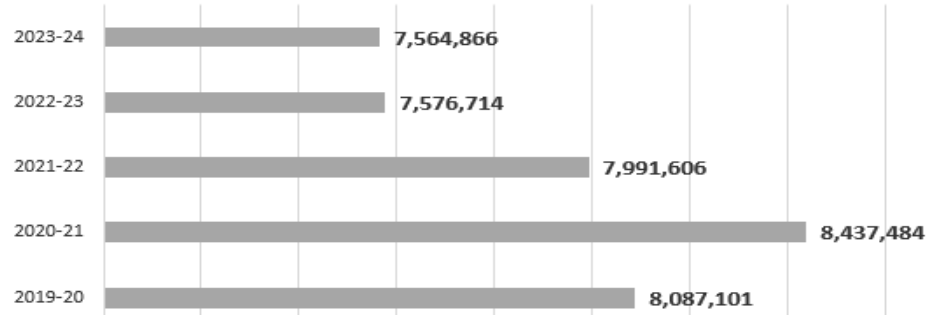
**Defnydd Nwy ac LPG:** (Allyriadau uniongyrchol Cwmpas 1 ac allyriadau cysylltiedig anuniongyrchol Cwmpas 3)

Mae data defnydd ac allyriadau nwy ac LPG ar gael ar gyfer pob adeilad yn yr Ystâd. Prin fod 'ffactorau allyriadau' Nwy ac LPG wedi newid ers 2019-20, felly mae unrhyw gynnydd neu ostyngiad mewn allyriadau oherwydd patrymau defnydd.

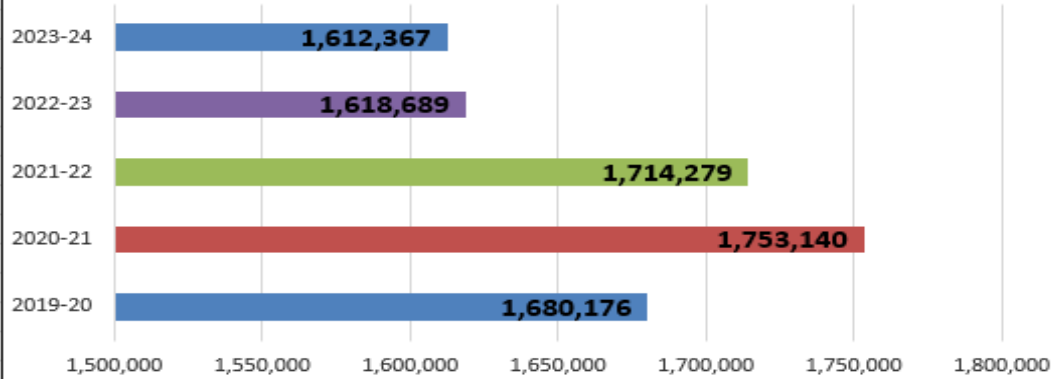
	GAS - Consumption kWh	Natural gas	Emissions kgCO <sub>2</sub> e - Gas		GAS
			Direct	Indirect (well to tank)	Total Emissions kgCO <sub>2</sub> e
	kWh	Scope 1	Scope 3	(Scope 1 + 3)	
2019-20	8,087,101	1,486,814	193,363	1,680,176	
2020-21	8,437,484	1,551,400	201,740	1,753,140	
2021-22	7,991,606	1,463,743	250,537	1,714,279	
2022-23	7,576,714	1,383,053	235,636	1,618,689	
2023-24	7,564,866	1,383,833	228,535	1,612,367	
<b>Annual Performance (% difference) against baseline 2019-20:</b>					
20-21 vs 19-20		4	4	4	4
21-22 vs 19-20		-1	-2	30	2
22-23 vs 19-20		-6	-7	22	-4
23-24 vs 19-20		-6	-7	18	-4

	<b>LPG - Consumption kWh</b>				<b>LPG</b>	
	LPG	<b>Emissions kgCO2e - LPG</b>				<b>Total Emissions kgCO2e (Scope 1 + 3)</b>
		kWh	<u>Direct</u>	<u>Indirect (well to tank)</u>		
			<u>Scope 1</u>	<u>Scope 3</u>		
2019-20	241,111	51,711	6,503	<b>58,214</b>		
2020-21	268,021	57,485	7,030	<b>64,515</b>		
2021-22	253,210	54,311	6,411	<b>60,722</b>		
2022-23	262,788	56,365	6,654	<b>63,019</b>		
2023-24	237,056	50,848	6,040	<b>56,888</b>		
<b>Annual Performance (% difference) against baseline 2019-20:</b>						
20-21 vs 19-20	11	11	8	11		
21-22 vs 19-20	5	5	-1	4		
22-23 vs 19-20	9	9	2	8		
23-24 vs 19-20	-2	-2	-7	-2		

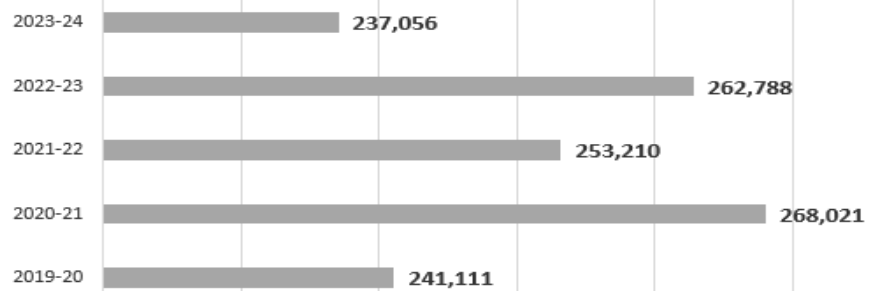
**GAS - consumption - kWh**



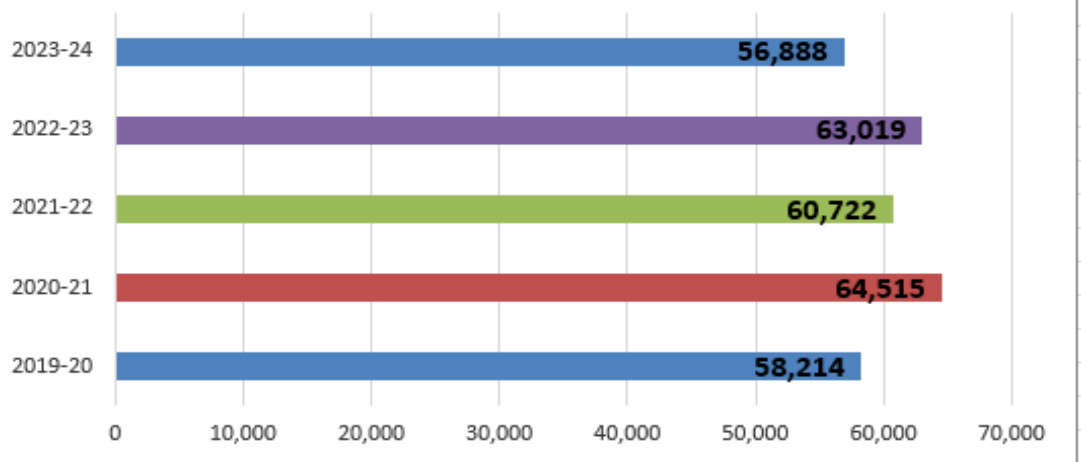
**Gas - Total emissions - kgCO2e (Scope 1 + 3)**



**LPG - consumption - kWh**

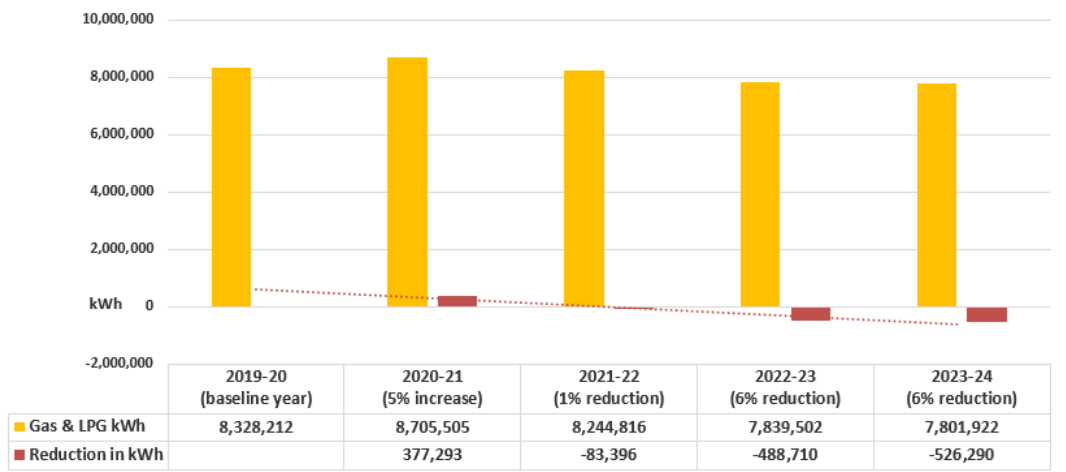


**LPG - Total emissions - kgCO2e (Scope 1 + 3)**



Gan gyfuno'r defnydd nwy ac LPG, gellir asesu cyflawniad dros amser:

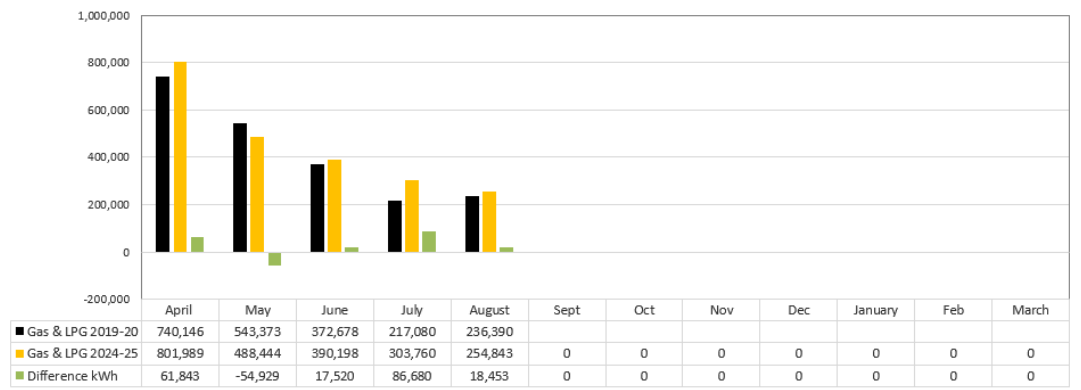
**Gas & LPG consumption kWh performance to 2023-24 (against baseline year 2019-20)**

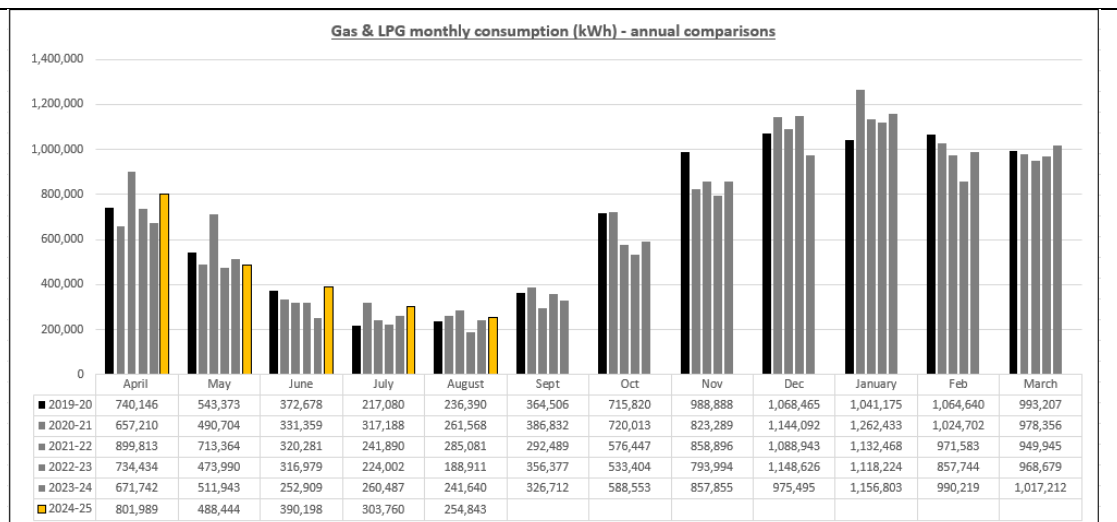


**Asesiad cyflawniad y flwyddyn bresennol (2024-25):**

Bob mis, asesir cyflawniad defnydd Nwy ac LPG y flwyddyn bresennol o ran blwyddyn sylfaenol (i) 2019-20 a (ii) yr un mis mewn blynnyddoedd blaenorol.

**Gas & LPG monthly consumption (kWh) - 2024-25 compared to 2019-20 (baseline)**





Mae'r cynnydd yn y defnydd yn 2024-25 yn cael ei ymchwilio ar hyn o bryd. Mae arwyddion cynnar yn dangos ei fod oherwydd cynnydd yn y defnydd o PFI Llanely, sy'n cyfrif yn gyffredinol am 30% o gyfanswm defnydd nwy'r Heddlu yn flynyddol. Bydd unrhyw newid yn PFI yn cael effaith gynyddol fawr ar gyfanswm gwerthoedd data. Gosododd y darparwr PFI System Rheoli Ynni Adeiladu newydd yn gynharach yn 2024. Ers y newid hwn gwelwyd cynnydd yn y defnydd o nwy. Rydym yn gweithio hefo'r darparwr PFI er mwyn asesu proffiliau defnydd ar lefel is-fesur ym mhob adeilad ar safle PFI er mwyn dod o hyd i achos i'r cynnydd ... A yw'n ganlyniad newid pwyntiau penodol o'r tymheredd gwresogi neu'r problemau mesuryddion nwy?

Defnyddiwyd y Gronfa Gynaliadwyedd er mwyn osod insiweiddiad to/llofft er mwyn gwella'r cyflawniad thermol lle'r oedd ei angen yn yr Heddlu (15 adeilad). Dechreuodd y prosiect ym mis Hydref 2023 ac fe'i cwblhawyd ym mis Mai 2024. Bydd y safleoedd hyn yn cael eu hasesu yn ystod cyfnod y gaeaf er mwyn penderfynu a ydy'r galw am wresogi wedi lleihau.

Mae angen cytuno ar gynllunio tymor hir ar gyfer lleihau defnydd nwy o hyd. Mae hyn fel arfer yn cael ei bennu drwy 'Gynllun Datgarboneiddio Gwres'. Cyflwynodd HGC gais grant am £100k i Gronfa Sgiliau Carbon Isel Cam 5 Salix ar gyfer contractwr arbenigol er mwyn creu Cynllun HD, ond nid oeddem yn llwyddo sicrhau'r cyllid. Mae angen gwneud mwy o waith yn y maes hwn.

**Defnydd trydan:** Allyriadau anuniongyrchol Cwmpas 2 ac allyriadau cysylltiedig anuniongyrchol Cwmpas 3))

Mae gan ddefnydd trydan ddwy ran:

- 1) Trydan sy'n cynhyrchu ei hun ar safle Heddlu Gogledd Cymru o ffotofoltäeg. Mae hyn yn berthnasol ym Mhencadlys Rhanbarthol y Dwyrain (Llai), Pencadlys yr Heddlu, Gorsafoedd Heddlu Llandudno a Llangefni a'r Gorsafoedd Heddlu a Thân ar y cyd yn Nefyn a Thywyn. Gan fod hwn yn ynni adnewyddadwy, nid oes allyriadau'n gysylltiedig hefo'i ddefnydd o fewn yr adeiladau hyn.
- 2) Mae cyflenwad trydan wedi'i brynu o'r grid yn creu allyriadau Anuniongyrchol Cwmpas 2 ac allyriadau Cwmpas 3 Anuniongyrchol cysylltiedig o gyflawni drwy'r grid cenedlaethol.

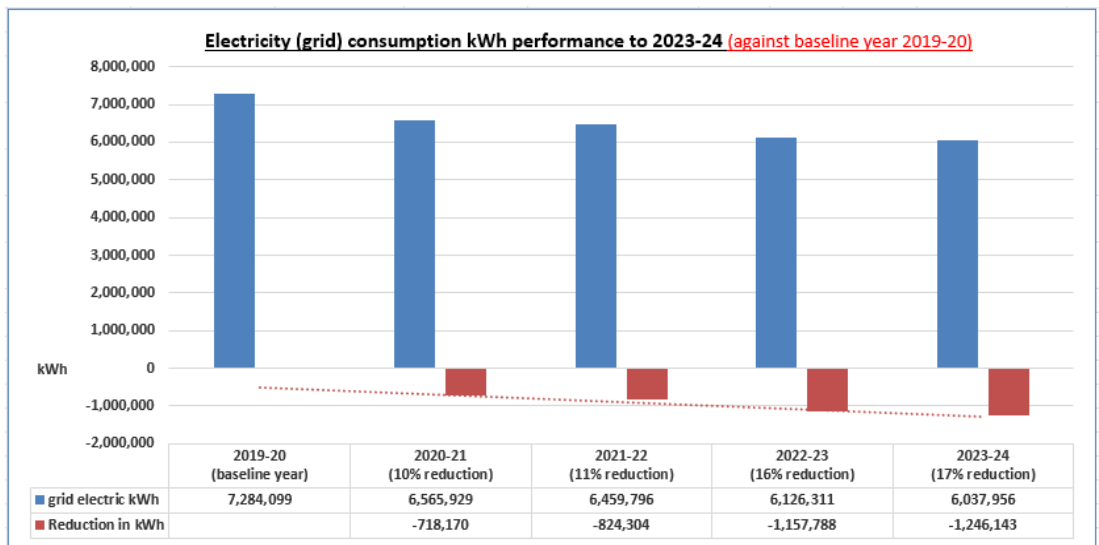
Mae data defnydd trydan ac allyriadau ar gael ar gyfer pob adeilad yn yr Ystâd.

	Consumption kWh			Emissions kgCO2e		Total Emissions kgCO2e
	Purchased Electric	Renewables	TOTAL kWh	Scope 2 - Indirect		
				Purchased Electric	Total	
	grid electric	self generated	Total Elect Usage	Scope 2	Scope 3	Total (Scope 2 + 3)
2019-20	7,284,099	97,677	7,381,776	1,861,816	439,814	2,301,630
2020-21	6,565,929	96,490	6,662,419	1,530,781	361,060	1,891,841
2021-22	6,459,796	103,111	6,562,907	1,371,608	510,130	1,881,738
2022-23	6,126,311	99,699	6,226,010	1,184,706	417,631	1,602,337
2023-24	6,037,956	80,659	6,118,615	1,250,305	409,284	1,659,589
<b>Annual Performance (% difference) against baseline 2019-20:</b>						
20-21 vs 19-20	-10	-1.2	-10	-18	-18	-18
21-22 vs 19-20	-11	6	-11	-26	16	-18
22-23 vs 19-20	-16	2	-16	-36	-5	-30
23-24 vs 19-20	-17	-17	-17	-33	-7	-28

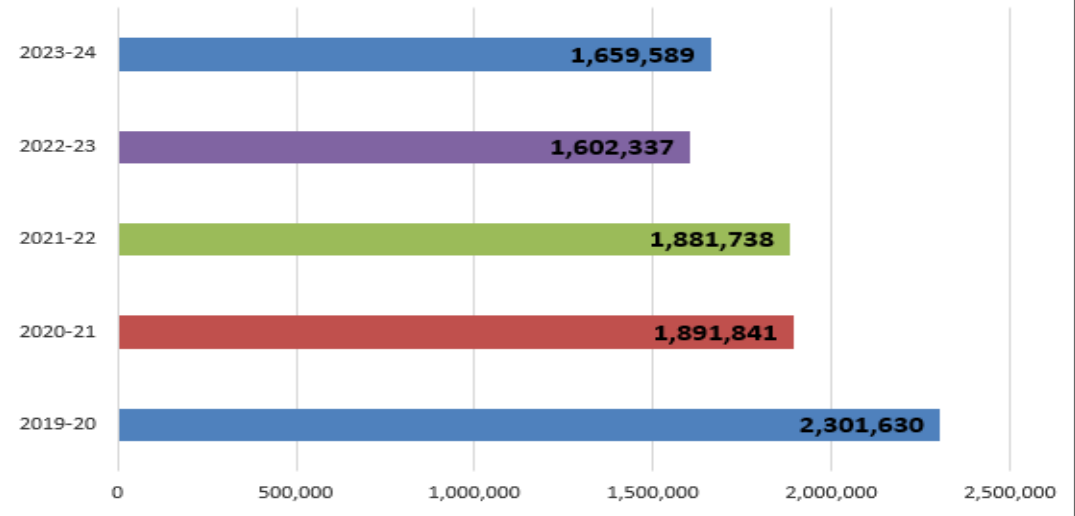
Mae'r trydan sy'n cael ei greu ei hun (drwy ffotofoltäig) yn cyfrif am oddeutu 1% o angen trydan yr Heddlu. Mae'r 99% sy'n weddill yn tarddu o'r grid cenedlaethol.

Yn ystod 2023-24, bu'n rhaid datgysylltu'r systemau ffotofoltäig (paneli solar) ym Mhencadlys yr Heddlu oherwydd problemau to. Mae'r paneli solar o do'r gampfa wedi'u symud a'u cysylltu hefo'r system bresennol yng Nghyfleuster Rheoli a Dalfa'r Dwyrain yn Llai. Mae'r Mae paneli solar ar do Archif Pencadlys yr Heddlu wedi'u datgysylltu ac mae angen eu symud i leoliad(au) arall/eraill, sydd eto i'w penderfynu.

Mae trafodaethau wedi digwydd o fewn yr Adran Gyfleusterau o ran cynyddu'r nifer o dechnoleg adnewyddadwy o fewn y stad. Mae wedi'i sefydlu bod angen contractwyr arbenigol er mwyn symud y gwaith hwn ymlaen.

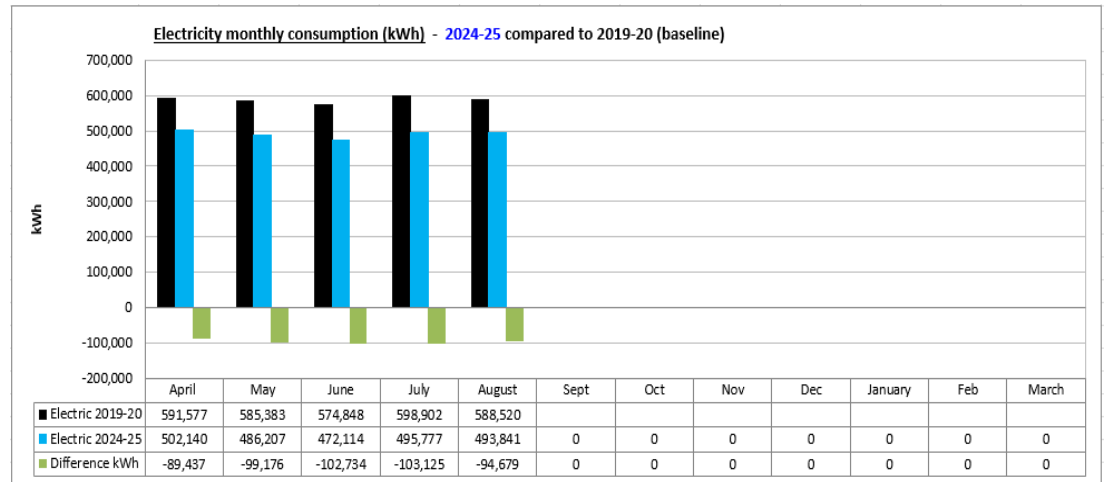


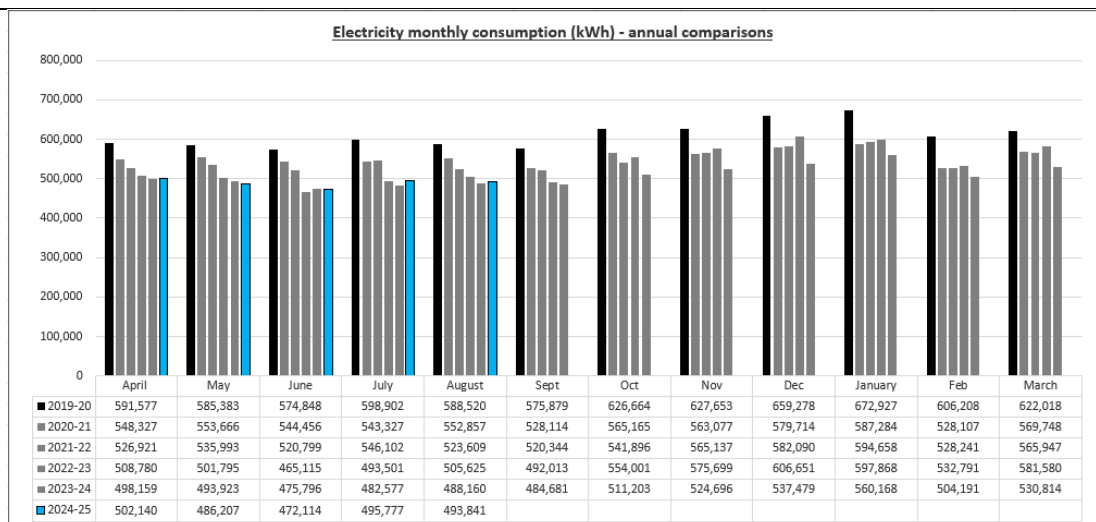
**Electricity (grid) - Total emissions kgCO2e (Scope 2 + 3)**



Asesiad cyflawniad y flwyddyn bresennol (2024-25):

Bob mis, asesir cyflawniad defnydd Trydan y flwyddyn bresennol o ran blwyddyn sylfaenol (i) 2019-20 a (ii) yr un mis mewn blynyddoedd blaenorol.





**Defnydd dŵr:** (Allyriadau anuniongyrchol Cwmpas 3)

Mae defnydd dŵr hefo dau set o allyriadau. Un ydy allyriadau anuniongyrchol Cwmpas 3 yn ymwneud hefo defnydd dŵr ac allyriadau anuniongyrchol Cwmpas 3 i driniaeth dŵr (carthffosiaeth).

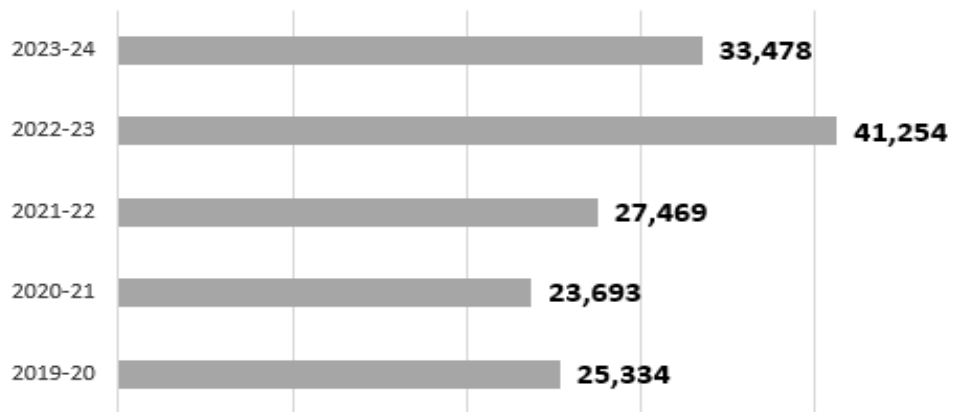
Mae data defnydd dŵr ac allyriadau ar gael ar gyfer pob adeilad yn yr Ystâd.

WATER	Consumption m3	Sewerage m3	Emissions kgCO2e		Emissions kgCO2e
			Scope 3 - Indirect Water Usage	Scope 3 - Indirect Water Treatment	
			Scope 3 - water	Scope 3 - sewerage	
2019-20	25,334	24,067	8,715	17,040	25,755
2020-21	23,693	22,508	8,150	15,936	24,086
2021-22	27,469	26,096	4,093	7,098	11,191
2022-23	41,254	39,191	6,147	10,660	16,807
2023-24	33,478	31,804	5,915	6,403	12,318
<b>Annual Performance (% difference) against baseline 2019-20:</b>					
2019-20	-	-	-	-	-
20-21 vs 19-20	-6	-6	-6	-6	-6
21-22 vs 19-20	8	8	-53	-58	-57
22-23 vs 19-20	63	63	-29	-37	-35
23-24 vs 19-20	32	32	-32	-62	-52

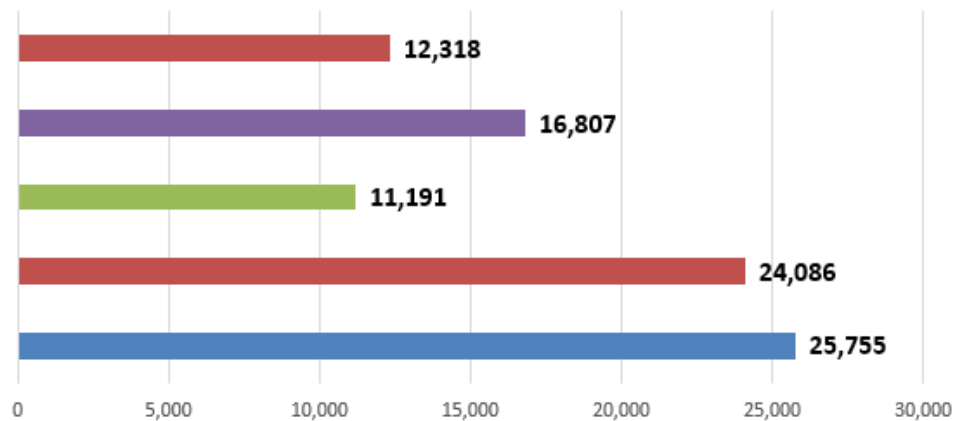
1 m3 = 1000 liter.



### Water - Consumption - m3



### Water - Total emissions - kgCO2e (Scope 3 - water + sewerage)

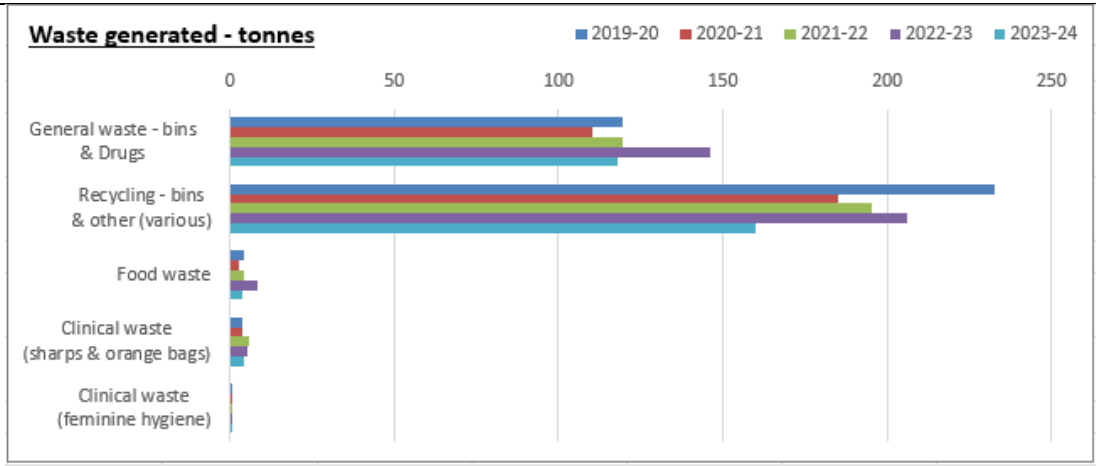


Mae dŵr yn enghraifft lle mae defnydd wedi cynyddu, ond mae'r allyriadau perthnasol wedi gostwng oherwydd newid yn y ffactorau trawsnewid carbon.

### Gwastraff a Grëwyd: (Allyriadau anuniongyrchol Cwmpas 3)

Mae 34 o ffrydiau gwastraff yn cael eu cofnodi, gan gynnwys popeth o finiau mewn swyddfeydd, i wastraff paratoi cerbydau, gwastraff cyfrinachol, gwastraff clinigol a gwaredu cyffuriau. Mae'r ffrydiau gwastraff wedyn yn cael eu rhoi mewn pum prif grŵp allyriadau, gan ddibynnu ar y math o lwybr gwaredu.

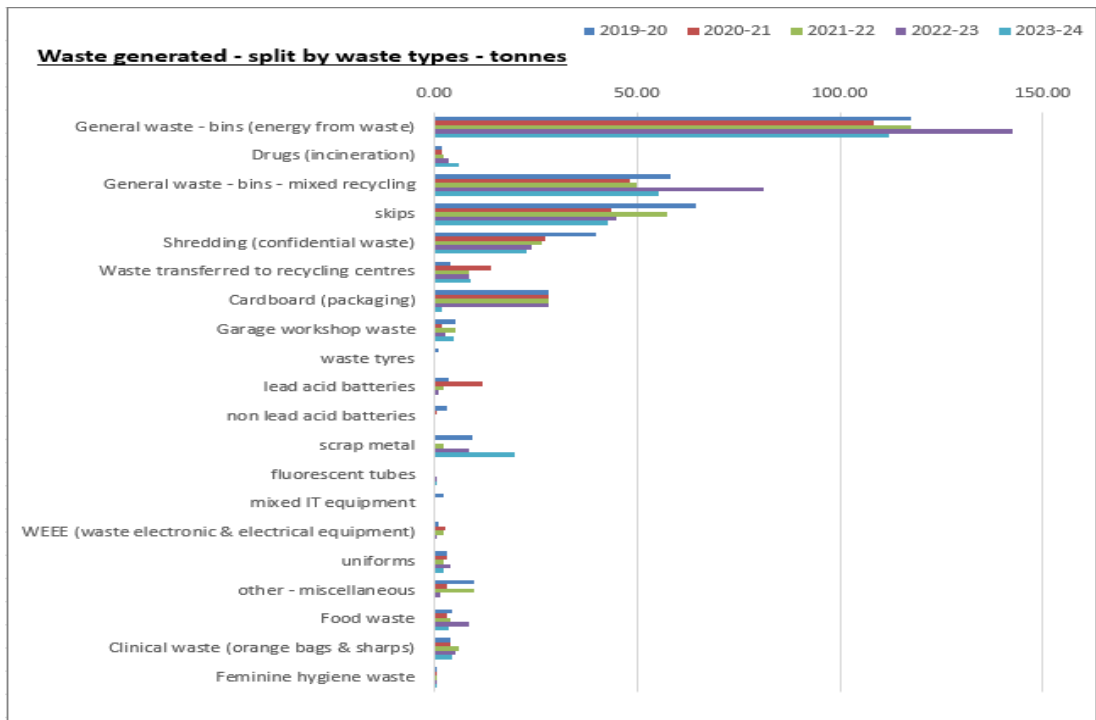
Disposal Type	Waste Type	Weight - tonnes				
		2019-20	2020-21	2021-22	2022-23	2023-24
combustion	General waste - bins & Drugs	119	110	120	146	118
recycling	Recycling - bins & other (various)	233	185	195	206	160
anaerobic digestion	Food waste	4	3	4	9	4
high temperature incineration	Clinical waste (sharps & orange bags)	4	4	6	5	4
landfill	Clinical waste (feminine hygiene)	1	1	0.5	0.5	0.5
	<b>Total</b>	<b>361</b>	<b>303</b>	<b>325</b>	<b>366</b>	<b>286</b>



Mae rhai bylchau yn y data o hyd oherwydd naill ai nad ydynt ar gael neu aros am y wybodaeth gan gontractwyr (mae'r rhain wedi'u hamlygu yn y tabl isod). Fodd bynnag, mae'r biniau ffrydiau gwastraff mwy, ailgylchu cymysg, sgipiau a rhwygo wedi'u cwblhau.

**Data split by waste streams:**

Disposal Type	Waste Type	2019-20	2020-21	2021-22	2022-23	2023-24
combustion	General waste - bins (energy from waste)	117.34	108.34	117.45	142.66	111.94
combustion	Drugs (incineration)	2.08	2.08	2.18	3.44	6.20
recycling	General waste - bins - mixed recycling	58.05	48.18	49.95	81.04	55.51
recycling	skips	64.34	43.66	57.50	45.01	42.89
recycling	Shredding (confidential waste)	39.96	27.28	26.39	24.22	22.84
recycling	Waste transferred to recycling centres	3.80	13.90	8.60	8.48	9.08
recycling	Cardboard (packaging)	28.08	28.08	28.08	28.08	1.80
recycling	Garage workshop waste	5.27	1.97	5.23	2.62	4.67
recycling	waste tyres	1.16				
recycling	lead acid batteries	3.62	12.05	2.28	1.00	0.25
recycling	non lead acid batteries	2.94	0.62	0.02	0.01	0.16
recycling	scrap metal	9.27	0.00	2.48	8.78	19.66
recycling	fluorescent tubes	0.23	0.21	0.23	0.46	0.58
recycling	mixed IT equipment	2.28	0.41	0.41	0.41	0.00
recycling	WEEE (waste electronic & electrical equipment)	0.97	2.71	2.33	0.44	0.00
recycling	uniforms	3.14	2.94	2.20	4.10	2.20
recycling	other - miscellaneous	9.65	3.13	9.67	1.35	0.06
anaerobic digestion	Food waste	4.45	2.95	4.00	8.51	3.76
high temperature incineration	Clinical waste (orange bags & sharps)	3.94	3.94	5.93	5.05	4.30
landfill	Feminine hygiene waste	0.75	0.75	0.49	0.49	0.51
	<b>TOTAL</b>	<b>361.32</b>	<b>303.20</b>	<b>325.42</b>	<b>366.15</b>	<b>286.41</b>

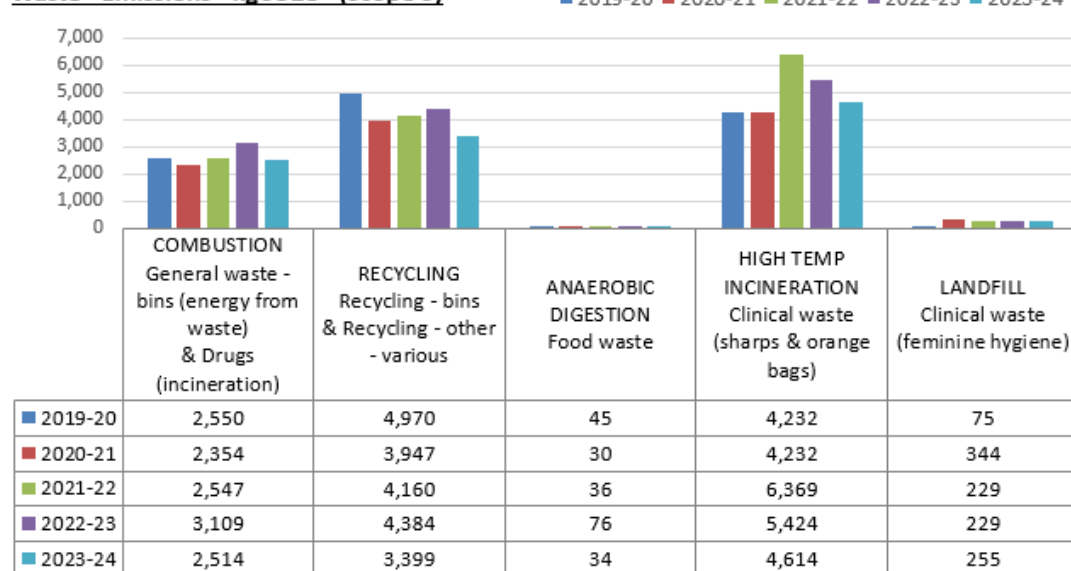


Gwastraff clinigol (offer miniog a bagiau oren) ydy un o'r ffrydiau gwastraff lleiaf yn ôl nifer ond mae hefo'r allyriadau uchaf oherwydd 'ffactor allyriadau' hynod uchel (ffactor trawsnewid carbon).

Waste Type	Disposal	Weight (tonnes) 2023-24	carbon conversion factor @ kgCO2e	Scope 3 Emissions kgCO2e
General waste - bins (energy from waste) Drugs (incineration)	combustion	118.14	21.28081	2514.09
Recycling - bins Recycling - other - various	recycling	159.70	21.28081	3398.57
Food waste	anaerobic digestion	3.76	8.912	33.55
Clinical waste (sharps & orange bags)	high temperature incineration	4.30	1074	4613.90
Clinical waste (feminine hygiene)	landfill	0.51	496.6833	255.30
<b>TOTAL</b>		<b>286.41</b>		<b>10,815.41</b>

Disposal Type	Waste Type	Emissions - kgCO2e				
		2019-20	2020-21	2021-22	2022-23	2023-24
combustion	<b>COMBUSTION</b>					
	General waste - bins (energy from waste) & Drugs (incineration)	2,550	2,354	2,547	3,109	2,514
recycling	<b>RECYCLING</b>					
	Recycling - bins & Recycling - other - various	4,970	3,947	4,160	4,384	3,399
anaerobic digestion	<b>ANAEROBIC DIGESTION</b>					
	Food waste	45	30	36	76	34
high temperature incineration	<b>HIGH TEMP INCINERATION</b>					
	Clinical waste (sharps & orange bags)	4,232	4,232	6,369	5,424	4,614
landfill	<b>LANDFILL</b>					
	Clinical waste (feminine hygiene)	75	344	229	229	255
<b>Total</b>		<b>11,872</b>	<b>10,906</b>	<b>13,341</b>	<b>13,221</b>	<b>10,815</b>

Waste - Emissions - kgCO2e - (Scope 3)



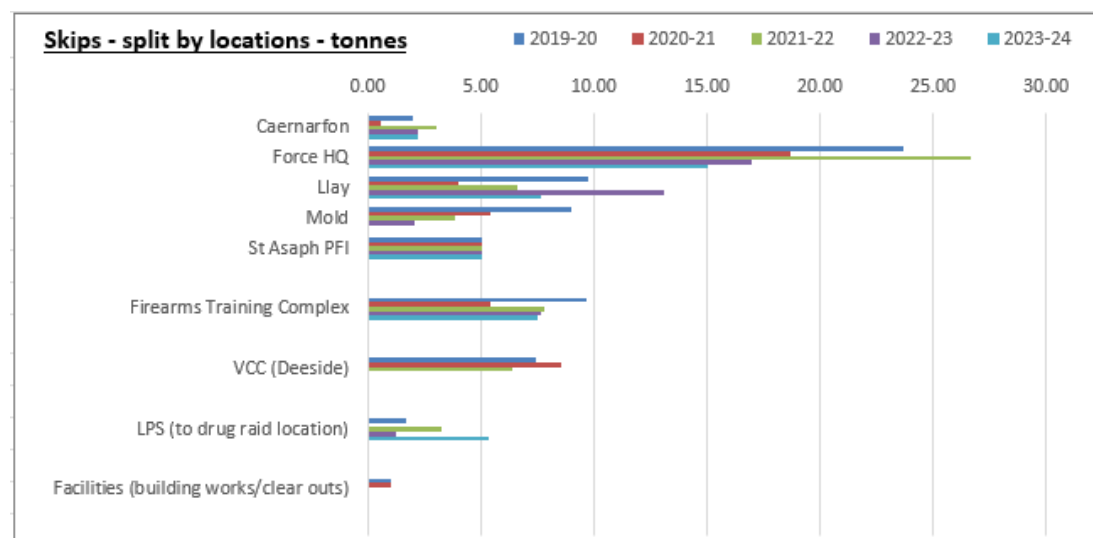
Ym mis Ebrill 2024, cyflwynodd Llywodraeth Cymru Reoliadau Ailgylchu yn y Gweithle sy'n ei gwneud yn ofynnol i bob gweithle wahanu deunyddiau y gellir eu hailgylchu. Cyn hynny rhannwyd y gwastraff mewn biniau rhwng gwastraff cyffredinol (gwastraff bagiau du) ac ailgylchu cymysg. Mae'r rheoliadau newydd bellach yn rhannu'r ffrydiau gwastraff yn wastraff na ellir ei ailgylchu (gwastraff bagiau du) a'r deunyddiau ailgylchu i ffrydiau casglu (i) plastigau

a metelau ar wahân a (ii) cardbord a phapur. Bydd hyn yn gwella ansawdd a maint y ffordd y mae gwastraff yn cael ei gasglu, ei wahanu, ei waredu a'i aildddefnyddio, fel rhan o ddull economi cylchol o reoli gwastraff yng Nghymru.

Mae pob adeilad o fewn HGC wedi cael ei drawsnewid i'r drefn wastraff newydd. Mae'r biniau presennol wedi cael eu defnyddio a'u haddasu at ddibenion gwahanol, gan leihau'r gofyniad am wariant ar finiau newydd a dileu'r gwastraff presennol rhag cael gwared ar y biniau presennol.

Mae sgipiau yn un o'r ffrydiau gwastraff mwy. Cynhaliwyd asesiad ac roedd y sgipiau ym Mhencadlys yr Heddlu, Caernarfon, PFI a Llai yn cael eu defnyddio gan y Siopau Eiddo a Atafaelwyd ar gyfer gwaredu dillad. Lansiodd cynllun ym mis Gorffennaf 2024, hefo cyflwyno Banciau Ailgyrchu Dillad ar y safleoedd hyn, i'w defnyddio gan staff Eiddo a Atafaelwyd a HGC. Cesglir y dillad ac incwm a dderbynnir ar gyfer y tunelledd sy'n codi. Bydd yr incwm yn cael ei gyfeirio at PACT er mwyn cyfrannu tuag at brosiectau cymunedol (disgwyllir y casgliad cyntaf ym mis Hydref 2024).

<b>Data split by skip location:</b>	<b>Weight (tonnes)</b>				
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Caernarfon	1.99	0.60	3.00	2.25	2.25
Force HQ	23.70	18.66	26.68	17.00	15.00
Llay	9.78	4.00	6.58	13.10	7.68
Mold	9.02	5.44	3.82	2.08	removed
St Asaph PFI	5.06	5.06	5.06	5.06	5.08
Firearms Training Complex	9.69	5.40	7.80	7.64	7.52
VCC (Deeside)	7.44	8.56	6.38	n/a	n/a
LPS (to drug raid location)	1.72	0.00	3.24	1.24	5.36
Facilities (building works/clear outs)	1.00	1.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>69.40</b>	<b>48.72</b>	<b>62.56</b>	<b>48.37</b>	<b>42.89</b>



**Cadwyn Gyflenwi:** (Allyriadau anuniongyrchol Cwmpas 3)

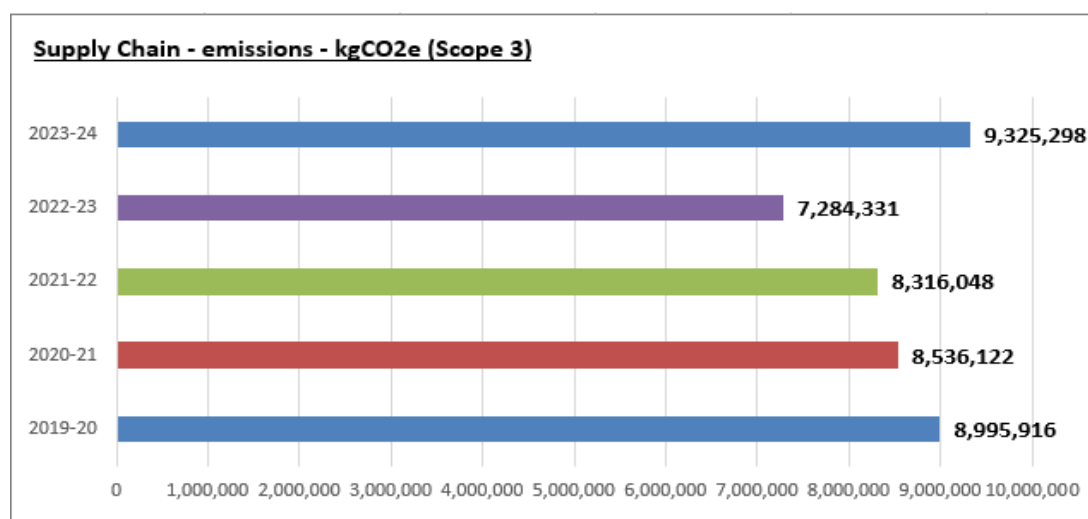
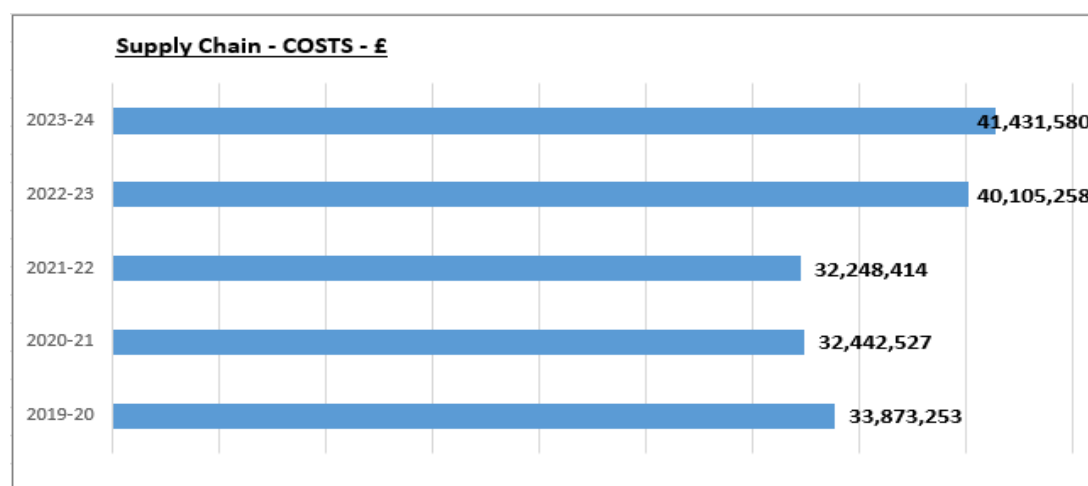
Mae Cadwyn Gyflenwi'n seiliedig ar wariant (£) ac wedi'i rannu rhwng codau SIC o ran y gwariant. Mae data costau Heddlu Gogledd Cymru yn berthnasol i 30 o gategorïau gwahanol o fewn offeryn adrodd carbon sero net Llywodraeth Cymru ar gyfer bob blwyddyn rhwng 2019-20 a 2023-24. Mae allyriadau cadwyn gyflenwi yn faes newydd cyfrifyddu carbon. Yr

unig ffactorau trawsnewid carbon sydd ar gael i HGC eu defnyddio ydy'r rhai hynny a geir yn offeryn adrodd Llywodraeth Cymru. Parhaodd y ffactorau trawsnewid carbon yr un fath ar gyfer 2019-20, 2020-21 a 2021-22. Fe wnaethant ostwng yn 2022-23 a chynyddu eto yn 2023-24.

Supply Chain	Cost £	Emissions kgCO <sub>2</sub> e
		Indirect Scope 3
2019-20	33,873,253	8,995,916
2020-21	32,442,527	8,536,122
2021-22	32,248,414	8,316,048
2022-23	40,105,258	7,284,331
2023-24	41,431,580	9,325,298

Annual Performance (% difference) against baseline 2019-20:		
20-21 vs 19-20	-4	-5
21-22 vs 19-20	-5	-8
22-23 vs 19-20	18	-19
23-24 vs 19-20	2	0.4



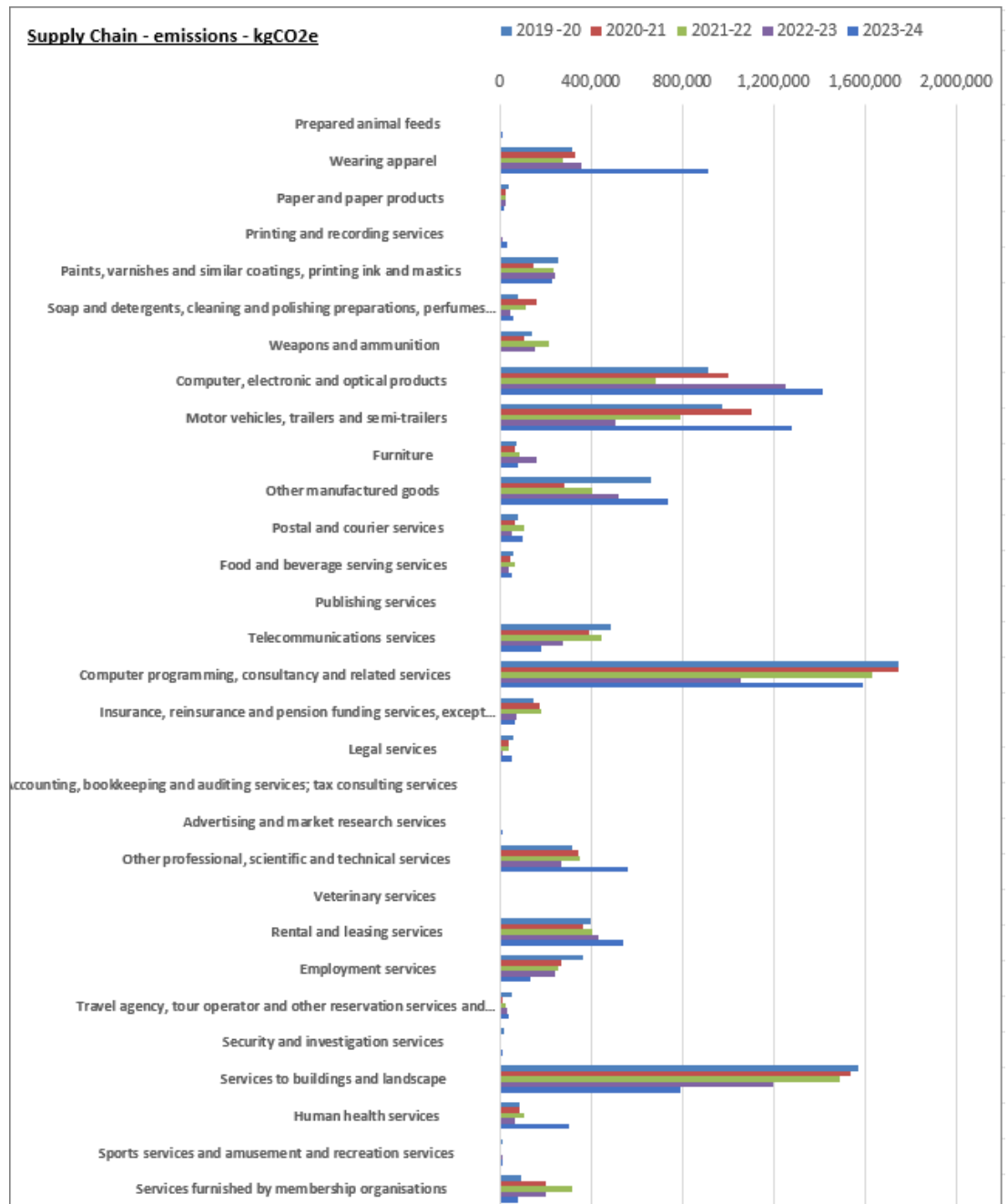
Bu rhai newidiadau yn y data 'gwariant' o'i gymharu â blynyddoedd blaenorol. Gellid priodoli hyn i batrymau ariannol go iawn yn ogystal â chywiriadau categori gan y tîm Cyfrifon. Ar gyfer blynyddoedd blaenorol, roedd y cyflenwyr sy'n cyd-fynd â rhai categorïau yn anghywir (gan ei fod yn seiliedig ar ddull addasiad gorau, sydd bellach wedi cael ei ystyried yn fanylach ar gyfer data wrth symud ymlaen). Mae'r categorïau bellach yn fwy ar yr un lefel â'u gwir aliniadau o gymharu â chofnodion hanesyddol.

**SUMMARY - Costs (£)**

SIC code (SIC)	Product category	2019-20	2020-21	2021-22	2022-23	2023-24
10.9	Prepared animal feeds	£6,249	£4,348	£6,224	£7,502	£10,568.47
14	Wearing apparel	£474,515	£486,820	£409,883	£456,687	£1,153,676.34
17	Paper and paper products	£35,496	£23,729	£21,611	£35,874	£28,452.05
18	Printing and recording services	£12,388	£7,229	£3,971	£22,942	£86,000.47
20.3	Paints, varnishes and similar coatings, printing ink and mastics	£156,239	£90,784	£144,701	£213,928	£174,862.00
20.4	Soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations	£56,656	£112,540	£77,328	£85,089	£79,690.04
25.4	Weapons and ammunition	£209,618	£156,449	£317,448	£279,408	0
26	Computer, electronic and optical products	£2,220,943	£2,434,587	£1,656,897	£2,679,421	£3,697,947.47
29	Motor vehicles, trailers and semi-trailers	£1,574,225	£1,782,955	£1,279,169	£1,395,363	£3,577,889.19
31	Furniture	£112,856	£105,723	£139,585	£288,640	£212,383.07
32	Other manufactured goods	£1,488,095	£632,585	£907,663	£717,699	£1,094,727.18
53	Postal and courier services	£231,821	£183,907	£312,687	£316,608	£408,902.76
56	Food and beverage serving services	£151,197	£120,483	£172,389	£153,416	£189,475.76
58	Publishing services	£18,889	£27,444	£28,562	£27,969	£42,417.13
61	Telecommunications services	£1,526,225	£1,221,562	£1,411,276	£2,519,699	£1,725,296.06
62	Computer programming, consultancy and related services	£9,902,193	£9,881,732	£9,234,370	£10,585,289	£12,111,712.69
65.1-3	Insurance, reinsurance and pension funding services, except compulsory social security & Pensions	£822,687	£967,234	£1,029,732	£1,058,060	£885,287.15
69.1	Legal services	£618,729	£439,361	£402,912	£366,739	£869,455.92
69.2	Accounting, bookkeeping and auditing services; tax consulting services	£11,566	£14,110	£17,965	£7,022	£13,134.01
73	Advertising and market research services	£38,382	£22,877	£34,679	£66,607	£128,084.98
74	Other professional, scientific and technical services	£2,034,914	£2,189,012	£2,239,347	£1,816,127	£2,925,812.85
75	Veterinary services	£10,165	£10,588	£8,593	£10,838	£9,971.37
77	Rental and leasing services	£1,691,834	£1,561,934	£1,729,547	£3,781,756	£4,027,597.11
78	Employment services	£2,655,517	£1,960,214	£1,882,034	£1,840,720	£1,138,755.90
79	Travel agency, tour operator and other reservation services and related services	£327,065	£71,657	£179,303	£272,910	£302,278.22
80	Security and investigation services	£73,412	£3,351	£11,938	£47,198	£138,789.40
81	Services to buildings and landscape	£6,400,739	£6,246,227	£6,071,606	£8,443,731	£4,639,450.53
86	Human health services	£349,441	£353,633	£435,694	£435,956	£1,030,697.07
93	Sports services and amusement and recreation services	£33,813	£29,158	£31,191	£75,958	£55,960.05
94	Services furnished by membership organisations	£627,385	£1,300,293	£2,050,109	£2,096,103	£672,305.19
<b>TOTAL</b>		<b>£33,873,253</b>	<b>£32,442,527</b>	<b>£32,248,414</b>	<b>£40,105,258</b>	<b>£41,431,580</b>

\*\* 25.4 Nid ydy arfau a ffrwydron bellach yn berthnasol (o 2023-24) gan mai Heddlu Swydd Gaer sydd bellach yn gyfrifol am hyn drwy'r trefniadau cydweithio.

Mae'r canlynol yn dangos y 30 categori gwariant gwahanol. Mae'r nifer fwyaf o allyriadau yn deillio o brynu offer TG, gwasanaethau cysylltiedig â TG, cerbydau a gwasanaethau/cynnal a chadw adeiladau.



Risgiau / Materion Allweddol

Er mwyn gallu symud ymlaen hefo cynllunio tymor hir ar gyfer Cynlluniau Datgarboneiddio Gwres er mwyn lleihau defnydd nwy a'i allyriadau cysylltiedig cwmpas 1 uniongyrchol, bydd angen cynnwys gwybodaeth ac ymgynghorwyr arbenigol.

Yn yr un modd, mae gallu symud ymlaen hefo cynllunio tymor hir ar gyfer datgarboneiddio pŵer a thechnolegau adnewyddadwy cynyddol ar safleoedd, er mwyn lleihau'r defnydd o drydan grid a'i allyriadau anuniongyrchol cwmpas 2 cysylltiedig, yn gofyn am wybodaeth arbenigol ac ymgynghorwyr gymryd rhan.

Penderfyniadau

Nodi cynnwys yr adroddiad hwn.



# HEDDLU GOGLEDD CYMRU

## NORTH WALES POLICE

Archwiliad Swyddfa'r Comisiynydd  
Gwybodaeth – Mai 2024

Ardal gwmpas	Disgrifiad
<b>Toriad Data Personol Rheoli ac Adrodd</b>	I ba raddau y mae gan y sefydliad fesurau ar waith er mwyn canfod, asesu ac ymateb i achosion o dorri rheolau diogelwch sy'n ymwneud â data personol, eu cofnodi'n briodol a hysbysu'r awdurdod goruchwyllo a'r unigolion lle bo hynny'n briodol



Yn gwneud Gogledd Cymru'r lle mwyaf diogel i fyw, gweithio ac ymweld yn y DU  
Making North Wales the safest place to live, work and visit in the UK





# HEDDLU GOGLEDD CYMRU NORTH WALES POLICE

## Crynodeb gweithredol Scope Rating Indicator



Diben yr archwiliad oedd rhoi sicrwydd annibynnol i Swyddfa'r Comisiynydd Gwybodaeth a HGC o'r graddau y mae HGC, o fewn cwmpas yr archwiliad y cytunwyd arno, yn cydymffurfio hefo deddfwriaeth diogelu data. Penderfynwyd ar y meysydd cwmpas gan yr archwiliad yn dilyn dadansoddiad yn seiliedig ar risg o brosesu data personol HGC. Roedd y cwmpas yn ystyried unrhyw faterion neu risgiau diogelu data sy'n benodol i HGC, a nodwyd o wybodaeth Swyddfa'r Comisiynydd Gwybodaeth neu bryderon HGC ei hun, neu unrhyw faterion neu risgiau diogelu data sy'n effeithio ar ei sector neu sefydliadau penodol yn ehangach. Mae Swyddfa'r Comisiynydd Gwybodaeth wedi teilwra'r rheolaethau a gwmpesir ym mhob maes ymhellach er mwyn ystyried strwythur sefydliadol HGC, natur a maint prosesu data personol HGC, ac osgoi dyblygu ar draws meysydd cwmpas.

Rhoddodd Swyddfa'r Comisiynydd Gwybodaeth sgôr sicrwydd "rhesymol" i HGC. Asesir y sgôr o ran siart sicrwydd Swyddfa'r Comisiynydd Gwybodaeth sy'n cael ei raddio o sicrwydd uchel i sicrwydd cyfyngedig iawn.

### Audit Summary

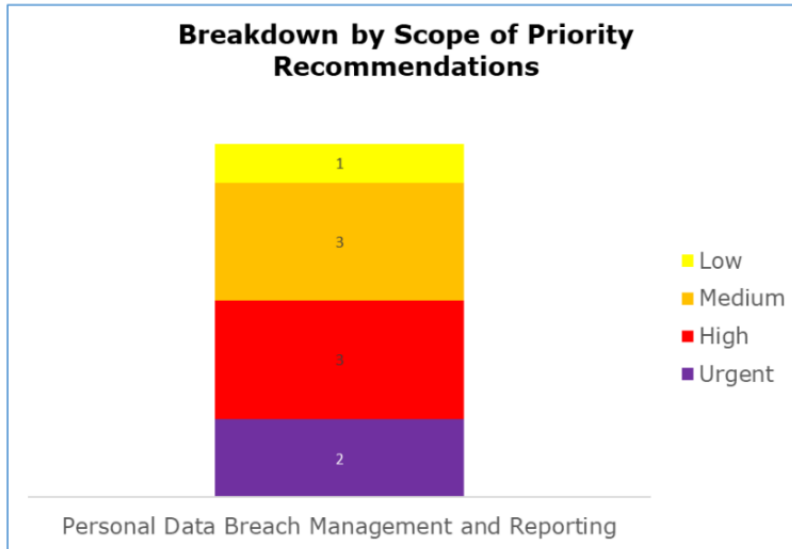
Audit Scope area	Assurance Rating	Overall Opinion
<b>Personal Data Breach Management and Reporting</b>	Reasonable	There is a limited level of assurance that processes and procedures are in place and are delivering data protection compliance. The audit has identified considerable scope for improvement in existing arrangements to reduce the risk of non-compliance with data protection legislation.





# HEDDLU GOGLEDD CYMRU NORTH WALES POLICE

## Priority Recommendations



The bar chart above shows a breakdown by scope area of the priorities assigned to our recommendations made:

- Two urgent, three high, three medium and one low priority recommendations.

# Meysydd i'w gwella

- Adolygu'r trothwy ar gyfer adrodd wrth Swyddfa'r Comisiynydd Gwybodaeth am achosion torri data. Wrth asesu'r risg i'r unigolyn, dylid ystyried tebygolrwydd a difrifoldeb y niwed posibl, a dylid cofnodi asesiadau risg, yn enwedig pan benderfynir peidio â rhoi gwybod amdano.
- Cwblhau dadansoddiad o anghenion hyfforddi ar gyfer y Tîm Sicrwydd Gwybodaeth (IA) er mwyn nodi unrhyw hyfforddiant arbenigol sydd ei angen. Dylai'r hyfforddiant gael ei gwblhau a'i adnewyddu ar amllder priodol.
- Parhau datblygu cofrestr risg Sicrwydd Gwybodaeth er mwyn sicrhau bod risgiau a nodwyd o ganlyniad i doriadau data personol yn cael eu hychwanegu. Dylai'r risgiau fwydo mewn i'r gofrestr risg gorfforaethol lle bo hynny'n briodol.
- Cofnodi'r broses er mwyn hysbysu testunau data yn dilyn toriad data personol. Mae hyn yn cynnwys unrhyw ymgynghoriad angenrheidiol ynghylch pryd a sut y dylid gwneud yr hysbysiadau hynny.



# Argymhellion a chynnydd lefel uchel

Cyf	Mesur rheoli	Argymhelliad	Blaenoriaeth	Dyddiad targed	Ymateb HGC	Statws
A.01	Mae gan y sefydliad bolisiau a gweithdrefnau ar waith er mwyn strwythuro sut mae'n ymdrin hefo toriad data personol a rhoi arweiniad i staff os bydd digwyddiad.	A.01(a) Dylai HGC adolygu'r polisiau a'r gweithdrefnau er mwyn sicrhau eu bod yn ddigon manwl i staff eu dilyn pe bai toriad data personol yn cynnwys angen cofnodi achosion fu bron â digwydd. A.01(b) Dylai'r gweithdrefnau hefyd gynnwys y matrices risg a ddefnyddir er mwyn asesu difrifoldeb y toriad a'r effaith debygol ar hawliau a rhyddid unigolyn.	Canolig	Ch4 2024	Fodd bynnag, mae gweithdrefnau sydd ar waith wedi'u hadolygu a'u diweddarau er mwyn cynnwys matrices.	Ar y gweill
A.02	Mae'r rhai sy'n gwneud penderfyniadau yn gallu gwneud penderfyniadau cytbwys ynghylch torri data personol.	Dylai HGC sicrhau bod dadansoddiad anghenion hyfforddi yn cael ei gwblhau. Mae hyn er mwyn sicrhau bod hyfforddiant arbenigol ar gyfer staff yn y tîm Sicrwydd Gwybodaeth yn cael ei nodi a sicrhau bod yr hyfforddiant gofynnol yn cael ei gwblhau. Dylai'r hyfforddiant arbenigol gael ei adnewyddu ar amllder priodol.	Uchel	Ch4 2024	Ar ôl siarad hefo ychydig o heddluoedd eraill, mae hyfforddiant HGC yn cyd-fynd. Mae HGC yn elwa o gael swyddog wedi ymddeol sy'n asesu'r rhan fwyaf o achosion torri rheolau ac sy'n deall natur unigryw plismona gweithredol ac sy'n gallu pontio dealltwriaeth adrannol. Mae'r Pennaeth Adrannol wedi bod yn yr heddlu ers 10 mlynedd ac wedi ymgymryd â nifer o gyrсияu er mwyn cynorthwyo'r tîm sy'n ymdrin â thoriadau.	Ar y gweill
A.03	Mae cytundebau sydd ar waith rhwng y rheolwr data ac unrhyw broseswyr sy'n gweithio ar eu rhan yn adlewyrchu rhwymedigaethau'r prosesydd os bydd torri data personol.	Dylai HGC barhau â'i adolygiad er mwyn gweithredu system awtomataidd er mwyn sicrhau bod gwiriadau rheolaidd yn cael eu cynnal. Mae hyn er mwyn rhoi sicrwydd bod proseswyr yn cydymffurfio â'u gofynion cytundebol ar gyfer digwyddiadau diogelwch a thorri data. Dylai'r gwiriadau hyn fod yn digwydd ar amllder sy'n briodol i'r risgiau o dan sylw. Bydd hyn yn sicrhau bod y gwiriadau yn digwydd ar amledd sy'n briodol i'r risgiau o dan sylw.	Canolig	Q4 2024	Mae papur cyfriflyfr risg wedi'i gyflwyno i Reolwr Busnes C&A fel rhan o Gynllunio Sefydliadol. Yn ddiweddar, mae HG wedi adolygu'r holl Ddeddfau Diogelu Data er mwyn sicrhau eu bod yn gyfredol a sicrhau eu bod ar dempledi DDD 2018. Bydd diogelwch yn cael ei adolygu nesaf.	Ar y gweill
A.04	Mae mesurau ar waith er mwyn atal a chanfod toriadau data personol.	Dylai HGC sicrhau eu bod yn cynnal adolygiad o'r holl brosesu data personol risg uchel parhaus. Dylai unrhyw brosesu sy'n debygol o arwain at risg uchel i hawliau a rhyddid unigolion gael Aseiad Effaith Diogelu Data er mwyn nodi a lliniaru'r risgiau sy'n gysylltiedig â'r prosesu. Os nodir gweithgarwch a risgiau prosesu ychwanegol, dylai HGC gofnodi sut y bydd y risgiau hynny'n cael eu lliniaru.	Ar frys	Q2 2025	Mae gwaith ar y gweill er mwyn adolygu cofnodion gweithgarwch prosesu er mwyn nodi ardaloedd prosesu risg uchel a sicrhau bod cofnodion wedi'u cwblhau.	Ar y gweill
A.05	Mae mesurau ar waith er mwyn asesu difrifoldeb toriadau data personol.	A.05(a) Dylai HGC barhau datblygu'r gofrestr risg Sicrwydd Gwybodaeth er mwyn sicrhau bod risgiau a nodwyd o ganlyniad i doriadau data personol yn cael eu hychwanegu. Dylai'r risgiau fwydo mewn i'r gofrestr risg gorfforaethol lle bo hynny'n briodol. Yn ogystal, dylid trosglwyddo'r risgiau i staff gweithredol perthnasol. A.05 (b) Dylai HGC sicrhau bod y cynllun ymateb i ddigwyddiadau seiber yn cael ei gadarnhau, ei gymeradwyo a'i drosglwyddo i staff perthnasol. Dylid hefyd profi'r cynllun yn rheolaidd er mwyn sicrhau ei fod yn parhau'n gywir ac yn gyfredol.	Uchel	Q4 2024	Mae'r gofrestr risg wedi'i datblygu. Mae dogfen broses yn cael ei datblygu er mwyn nodi risgiau, trothwy ar gyfer adrodd ar gofrestr, ei holrhain a'i huwchgwyfeirio. Mae cynllun ymateb digwyddiadau seiber yn cael ei ddiweddarau o fewn y tîm Technoleg.	Ar y gweill
A.06	Mae gweithdrefnau ar waith er mwyn rhoi gwybod i Swyddfa'r Comisiynydd Gwybodaeth am achosion torri data personol lle bo hynny'n briodol.	Dylai HGC adolygu eu trothwy ar gyfer adrodd am achosion torri data i Swyddfa'r Comisiynydd Gwybodaeth a sicrhau ei fod yn adlewyrchu canllawiau Swyddfa'r Comisiynydd Gwybodaeth. Wrth asesu'r risg i'r unigolyn, dylid ystyried tebygolrwydd a difrifoldeb y niwed posibl, a dylid cofnodi'r asesiad risg, yn enwedig pan benderfynir peidio ag adrodd.	Ar frys	Wedi cwblhau	Gwnaeth pennaeth Sicrwydd Gwybodaeth adolygu SIPs o 12 mis er mwyn sicrhau bod pob digwyddiad yn cael ei gofnodi a'i adrodd yn unol â'r Ddeddf. Mae cynnwys y mae pob achos torri rheolau sydd wedi cyrraedd y trothwy wedi cael eu hadrodd ar y cyd â'r Ddeddf. Diweddarwyd IVR er mwyn adlewyrchu'r trothwy er mwyn cynorthwyo holl staff Sicrwydd Gwybodaeth wrth gofnodi toriad.	Wedi cwblhau
A.07	Mae gweithdrefnau ar waith er mwyn rhoi gwybod i Swyddfa'r Comisiynydd Gwybodaeth am achosion torri data personol lle bo hynny'n briodol.	A.07 Dylai HGC sicrhau bod y broses o hysbysu testunau data yn dilyn toriad data personol yn cael ei gofnodi gan gynnwys unrhyw ymgynghoriad angenrheidiol ynghylch pryd a sut y dylid gwneud yr hysbysiadau hynny.	Canolig	Wedi cwblhau	Cofnodwyd hyn yn y weithdrefn. Adolygwyd ac ychwanegwyd y ddogfen at weithdrefn weithredu safonol fewnol.	Wedi cwblhau
A.08	Mae gweithdrefnau ar waith er mwyn ymchwilio digwyddiadau diogelwch.	A.08 Gweler argymhelliad A.05 (a). Unwaith y bydd y Gofrestr Risg Sicrwydd Gwybodaeth wedi'i chwblhau, dylai HGC sicrhau bod casgliadau ymchwiliadau yn cael eu cofnodi yn y gofrestr risg lle bo hynny'n briodol. Dylai'r risgiau hefyd fwydo mewn i'r Tudalen 291 o 291	Uchel	Q4 2024	Bydd Sicrwydd Gwybodaeth yn cofnodi casgliadau ar y gofrestr risg unwaith y byddant wedi'u datblygu'n llawn	Ar y gweill
A.09	Mae prosesau ar waith er mwyn hwyluso dysgu sefydliadol.	A.09 Dylai HGC sicrhau bod yr adroddiad chwarterol yn cynnwys toriadau sy'n arwain at hysbysiad testun data. Bydd hyn yn caniatáu vmdriniaeth fwr gronynnog wrth nodi a	Canolig	Wedi cwblhau	Diweddarwyd yr adroddiad chwarterol er mwyn adlewyrchu'r newid hwn	Wedi cwblhau