Grant Thornton

Auditor's Annual Report on the Police and Crime Commissioner and Chief Constable for Gloucestershire Police

2021/22 and 2022/23

22 March 2024

Contents

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Police and Crime Commissioner and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner and Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Executive summary

Value for money arrangements and key recommendations

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Office of the Police and Crime Commissioner and the Chief Constable of Gloucestershire Police have put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Constabulary's arrangements under specified criteria. 2020/21 was the first year that we reported our findings in this way. The NAO has issued guidance to auditors which states that a commentary covering more than one financial year can be issued where it is more efficient and effective to do so. We have decided to report a combined commentary on the Office of the Police and Crime Commissioner's (PCC) for Gloucestershire and Chief Constable's (CC) arrangements for 2021/22 and 2022/23 because this will allow for our Value for Money assessments to be provided during 2023 in a more timely way. As part of our work, we considered whether there were any risks of significant weakness in the PCC's and CC's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

Criteria	**Risk assessment**	**2020/21 Auditor Judgment**	**2021/22 Auditor Judgment**	**2022/23 Auditor Judgment**	**Direction of travel**
Financial sustainability	Risk identified as a result of our prior year findings and planning review.	Four significant weaknesses and one improvement recommendation raised due to various issues identified by our work and as reflected by HMICFRS.	Our work, echoed by HMICFRS discharging the causes of concern has confirmed these weaknesses have been addressed. Improvement recommendation raised.	As 21/22. Improvement recommendation raised to continue work identifying efficiency opportunities.	↑
Governance	Risk identified due to the lack of transparency and breach of legislation regarding publication of key documents by the PCC.	A significant weakness was identified as there is a lack of documentation published and available on its website.	This significant weakness has been carried forward as minimal changes have been made.	As 21/22	↔
Improving economy, efficiency and effectiveness	Risk identified due to mismanagement of domestic abuse and the HMICFRS PEEL rating of calls for service as inadequate, with no progress in either area.	A significant weakness has been identified in relation to HMICFRS PEEL report findings, which resulted in a number of service areas being rated as inadequate and in need of improvement.	Weakness carried forward due to poor call answering times, in addition mismanagement of domestic abuse is a significant weakness.	As 21/22	↔

No significant weaknesses in arrangements identified or improvement recommendation made.

No significant weaknesses in arrangements identified, but improvement recommendations made.

Significant weaknesses in arrangements identified and key recommendations made.

Executive summary

Financial sustainability

The significant weaknesses we identified in 2020/21 have all been addressed. His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) echoed our findings that this is the case as evidenced by their discharging of the related causes of concern that were included in their 2021/22 PEEL inspection report in September 2023. We also found that our improvement recommendation raised in 2020/21 has also been addressed.

Gloucestershire OPCC and Chief Constable delivered an overall underspend in 2021/22 and 2022/23 (subject to audit), after taking into account central Government funding, precept and the planned use of reserves. The PCC and Chief Constable understood the financial risks which they faced and managed these risks by maintaining an appropriate level of reserves. Overall, we are satisfied that the PCC and Chief Constable had appropriate arrangements in place to manage the risks they faced in respect of its financial resilience. The Medium-Term Financial Strategy (MTFS) 2023/24 to 2026/27 is balanced, whilst recognising the need to continue work to identify efficiencies supported by a newly created Innovation Fund to support investments to achieve these. We have raised an improvement recommendation on page 14 in recognition of this and to support management in maintaining focus in this area.

Governance

The OPCC and Constabulary have put in place effective governance arrangements. However, a significant weakness in relation to the OPCC's transparency and accountability to its electorate remains in place, as there is no change to the level of documentation published and available on its website since our audit in 2020/21. A key recommendation has been raised on page 21. We have also raised an improvement recommendation on page 22 to link risks in the risk register to corporate objectives and ensure they include the correct emphasis.

Improving economy, efficiency and effectiveness

Since HMICFRS published its inspection report in 2021, call handling has failed to improve in the period to July 2023. In addition, the Constabulary has not managed domestic abuse well in the last two years, causing a risk to the public. Significant weaknesses have been found in both these areas with key recommendations raised on pages 29 and 30. An improvement recommendation has also been raised on page 31 to integrate financial performance reporting within the performance overview section of the PCC Chief Executive Update Report presented to the Police and Crime Panel.

<u>2021/22</u>

We have completed our audit of your financial statements and issued an unqualified audit opinion on 31 March 2023, following the Joint Independent Audit Committee meeting. Our findings are set out in further detail on page 39.

<u>2022/23</u>

We have not yet completed our audit of your financial statements for 2022/23. We will continue to report progress publicly to the Joint Independent Audit Committee.

Use of auditor's powers

We bring the following matters to your attention:

Statutory recommendations Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly	We did not issue statutory recommendations for either 2021/22 or 2022/23
Public Interest Report Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.	We did not issue a public interest report for either 2021/22 or 2022/23
Application to the Court Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.	We did not make an application to the Court for either 2021/22 or 2022/23
Advisory notice Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority: • is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure, • is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or • is about to enter an item of account, the entry of which is unlawful.	We did not issue an advisory notice for either 2021/22 or 2022/23
Judicial review Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.	We did not apply for a judicial review for either 2021/22 or 2022/23

Securing economy, efficiency and effectiveness in the PCC and CC's use of resources

All PCCs and CCs are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The PCC and CC's responsibilities are set out in Appendix A.

PCCs and CCs report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the PCC and CC have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:

Financial Sustainability

Arrangements for ensuring the PCC and CC can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

Governance

Arrangements for ensuring that the PCC and CC make appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the PCC and CC make decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the PCC and CC delivers their services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Our commentary on the PCC and CC's arrangements in each of these three areas, is set out on pages 7 to 31. Further detail on how we approached our work is included in Appendix B.

Financial sustainability

We considered how the PCC and the CC:

- identifies all the significant financial pressures they are facing and builds these into their plans
- plans to bridge funding gaps and identify achievable savings
- plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures financial plans are consistent with other plans such as workforce, capital, investment and other operational planning
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

Financial Context

The Comprehensive Spending Review and Government Settlements are reviewed by the Chief Constable's and PCC's Chief Finance Officers (CFO) on an ongoing basis to try to model future resource envelopes that Gloucestershire Constabulary will operate in. As for all police bodies, annual settlements and the lack of longer-term assurances over funding make financial planning more difficult and short-term in its focus. Indications from central Government are that the future may bring a longer-term funding settlement which should help bring further clarity around these planning assumptions.

<u>2021/22</u>

The Home Secretary laid the Police Grant Report 2021/22 before the House of Commons on 17th December 2020. The report stated that overall funding for policing for 2021/22 would total up to £15.8 billion - a £636m increase on the previous year's settlement. Within this, available funding to PCCs would increase by up to an additional £703m.

The main grant for Gloucestershire Constabulary for 2021/22 was £69.305m. Core funding increased by £3.678m (6.3%). The Government announced an increase of £415m to government grants for the recruitment of a further 6,000 additional officers by the end of March 2022. Gloucestershire's share of the increase was £3.2m. Gloucestershire was allocated 43 additional officers in 2021/22 for territorial policing. In addition, like other police bodies, Gloucestershire Constabulary also received a one-off grant of £905k to reflect reductions in council tax income as a result of the Covid-19 pandemic.

The PCC had to consider what level of increase to set for council tax in 2021/22. PCCs had the flexibility to increase Council Tax by up to £15 in 2021/22. Taking the results of the budget consultation into account, the PCC decided to increase the council tax precept by 4.99%, £12.83 for a Band D taxpayer.

<u>2022/23</u>

The Home Secretary laid the Police Grant Report 2021/22 before the House of Commons on 16 December 2021. The report stated that overall funding for policing for 2022/23 would total up to £16.9 billion - a £1.1 billion increase on the previous year's settlement. Within this, available funding to PCCs would increase by up to an additional £796m.

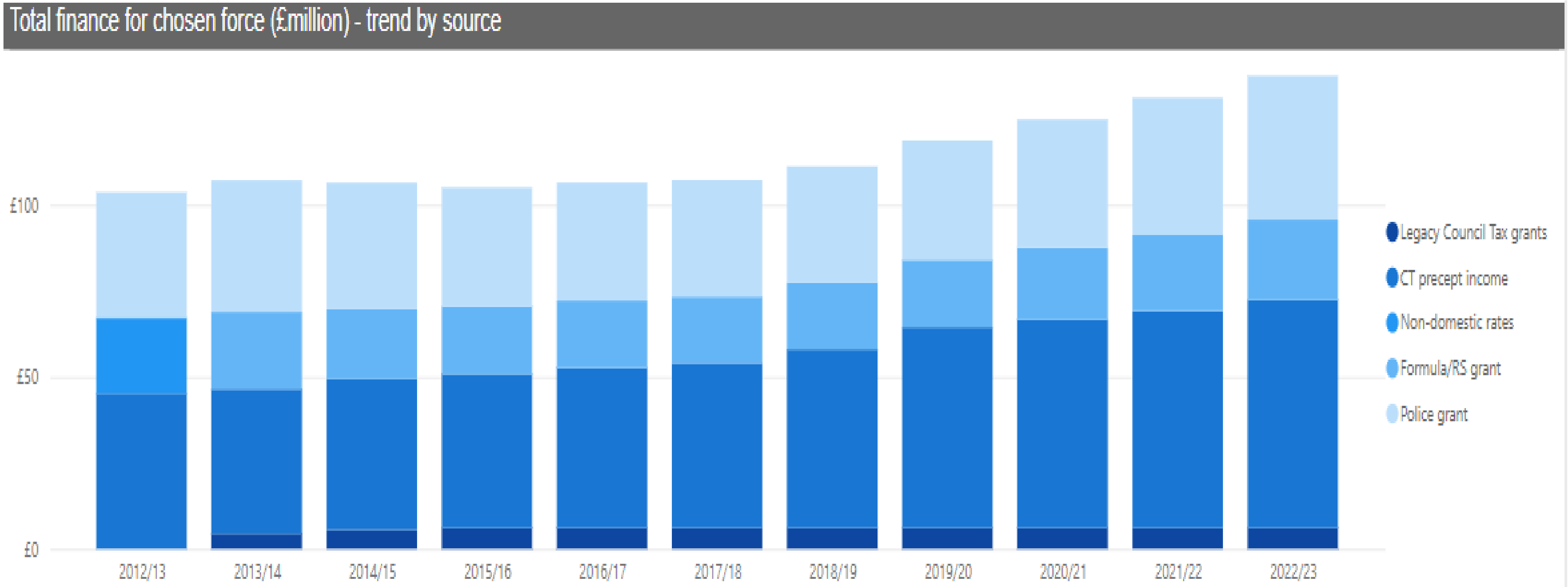
The main grant for Gloucestershire Constabulary for 2022/23 was £72.505m. Core funding increased by £3.2m (5%). Ring fenced additional funding for the increase in police officer numbers is £150m of which Gloucestershire's share was £1.031m. Gloucestershire was allocated 61 additional officers in 2022/23 for territorial policing and the funding also included an allocation for two officers to be provided for the Regional and Organised Crime Unit.

The PCC had to consider what level of increase to set for council tax in 2022/23. PCCs had the flexibility to increase Council Tax by up to £10 in 2022/23. Taking the results of the budget consultation into account, the PCC decided to increase the council tax precept by 3.6%, £10.00 for a Band D taxpayer.

Financial sustainability continued

Financial Context continued

The graph below is an extract from the HMICFRS Value for Money profiles and demonstrates how Gloucestershire Constabulary's funding is split.



Financial sustainability continued

Overview of the arrangements to ensure financial sustainability

The Medium-Term Financial Strategy (MTFS) is embedded within the annual budget setting cycle to provide a longer-term view of priorities and demand for services. It sets out the framework for strategic planning over the next four years. The current MTFS covers the period 2023/24 to 2026/27 and is balanced. The PCC updates the MTFS (including the Chief Constable allocation) each year. The MTFS sets the environment surrounding finances, identifying the consequences of savings and investment over the next few years based on various funding scenarios. The MTFS is reported through the governance structure to the Police and Crime Panel who approve the PCC's proposed council tax precept.

Workforce planning is incorporated into the budget formation and monitoring at a high level. The budget and MTFS sets the establishment requirement within the financial envelope, the workforce plan then delivers these numbers with monthly reviews of officer numbers occurring and recruitment being adjusted based on this. Public scrutiny in this area has increased over the past few years due to the drive from the Home Office to recruit 20,000 additional officers nationally. The first year of the MTFS matches the budget and is costed through at a high level into years two to four.

Gloucestershire Constabulary has, as acknowledged by HMICFRS in its announcement in September 2023 that it had removed the Constabulary from Engage (enhanced monitoring), refined its financial planning processes to understand its current and future operational demands. In doing so, it had designed a new operating model effective 2023/24 onwards which put the right officers and staff in the right places to deal with demand. HMICFRS also confirmed that estate and IT needs had been built into its financial-planning process.

Key Financial Assumptions in the Medium-Term Financial Strategy (MTFS)

All of the below assumptions are in line with our knowledge of Gloucestershire Constabulary, the wider police sector and the economic outlook. The assumptions appear to be prudent and reasonable based upon this and other relevant supporting documents. We are satisfied that appropriate consideration has been given to the key pressures that will be faced, and that prudency has been applied in relation to income streams. They key assumptions for the MTFS for 2021/22 to 2024/25, 2022/23 to 2025/26 and 2023/24 to 2026/27 are described below.

MTFS 2021/22 to 2024/25

In February 2021 the MTFS was updated for the period 2021/22 to 2024/25. At this point the settlement and precept for 2021/22 was known. Key assumptions have been used for 2022/23 onwards. Key assumptions included in this MTFS are as follows:

- Main grant funding - The MTFS assumes that the government grant will only increase to cover the costs of the uplift in officer numbers. The grant will not cover the cost of pay rises, inflation and additional cost pressures. This is lower when compared to other Constabularies who assume a 1% uplift in later years. The funding assumptions also do not build in any changes from the anticipated review of the funding formula. As the review has been expected for several years and has been delayed many times which has been further exasperated by Covid-19, this is considered reasonable given the current uncertainty.
- Inflation assumptions are based upon the rates for the Consumer Price Index (CPI) projected by the Office for Budget Responsibility (OBR). The rate of inflation affects around 20% of the Constabulary's expenditure. For all non-pay budgets from 2020/21 onwards a rate of inflation of 2% has been assumed. The OBR inflation forecasts for CPI suggest inflation at a rate of between 1 and 2% until Q3 2025. Therefore, this is in line with the latest forecasts.
- Pay is typically the largest area of expenditure for the Constabulary, and hence forms a significant portion of the budget allocation from the OPCC. The pay award for officer and staff in September 2020 was 2.5%. In the Spending Review announced in November 2020 the Chancellor stated that pay rises in 2021 will be paused for public sector workers (except for NHS workers). It was therefore assumed that there would be no pay increase for officers and staff in September then pay increases will be 1% per year. Gloucestershire Constabulary and OPCC are a Living Wage Foundation employer and supported by Government legislation. This is in line with expectations and neighbouring Constabularies.

Financial sustainability continued

- The level of Council Tax increase each year is set by the PCC, bearing in mind the referendum limit set for that year. For the purposes of the MTFS it has been assumed that council tax will increase at the same rate as inflation (2%) for 2022/23, 2023/24 and 2024/25. It is assumed that this level of increase will be within the referendum limit. This is in line with neighbouring Constabularies. The incoming PCC indicated that he would go for the maximum increase allowed to fund his manifesto promises. It was assumed that the tax base will increase by 0.5% per year for the next three years. For 2021/22 the tax base has increased by 0.3%. From our knowledge of the local area it is reasonable to assume that the Council Tax base will increase over the period. There is a large focus on housing development as the demand continues to increase across the region.

<u>MTFS 2022/23 to 2025/26</u>

In February 2022 the MTFS was updated for the period 2022/23 to 2025/26. At this point the settlement and precept for 2022/23 was known. Key assumptions have been used for 2023/24 onwards. Key assumptions included in the MTFS are as follows:

- Main grant funding - The MTFS assumes that the government grant will increase by 1% for 2023/24 and for 2024/25 and remain flat for 2025/26. The funding assumptions also do not build in any changes from the anticipated review of the funding formula. This is considered reasonable given the current uncertainty.
- Inflation assumptions are based upon the rates for the Consumer Price Index (CPI) projected by the Office for Budget Responsibility (OBR). For all non-pay budgets rates of inflation have been assumed as 4% for 2022/23, 2.6% for 2023/24, 2.1% for 2024/25 and 2% for 2025/26. The OBR inflation forecasts for CPI suggest inflation at a rate of between 1 and 2% until Q3 2025. Therefore, this is in line with the latest forecasts.
- The MTFS assumes a pay award of 2.5% for officers and staff in the September of 2022, September 2023, September 2024 and 1.5% for September 2025. This is in line with expectations and neighbouring Constabularies.
- For the purposes of the MTFS it has been assumed that council tax will increase by 3.7% in 2022/23, 3.6% in 2023/24, 3.4% in 2024/25 and 2% in 2025/26. It is assumed that this level of increase will be within the referendum limit. This is in line with neighbouring Constabularies. It was assumed that the tax base will increase by 1.1% in 2022/23, and 1.4% in 2023/24, 2024/25 and 2025/26.

<u>MTFS 2023/24 to 2026/27</u>

In February 2023 the MTFS was updated for the period 2022/3 to 2025/26 At this point the settlement and precept for 2023/24 was known. Key assumptions have been used for 2024/25 onwards. Key assumptions included in the MTFS are as follows:

- Main grant funding - The MTFS assumes that the government grant will increase by 1% for 2024/25 to 2026/27. The funding assumptions also do not build in any changes from the anticipated review of the funding formula. This is considered reasonable given the current uncertainty.
- Inflation assumptions are based upon the rates for the Consumer Price Index (CPI) projected by the Office for Budget Responsibility (OBR). For all non-pay budgets rates of inflation have been assumed as 4% for 2022/23, 2.6% for 2023/24, 2.1% for 2024/25 and 2% for 2025/26. Inflation assumptions are based upon the rates for the Consumer Price Index (CPI) projected by the Office for Budget Responsibility (OBR). Inflation rates are assumed to be 4% in 2023/24, 2.6% in 2024/25, 2.1% in 2025/26 and 2% in 2026/27. Therefore, this is in line with the latest forecast.

Financial sustainability continued

- The MTFS assumes a pay award of 2% for officers and staff in the September of 2023, September 2024, September 2025 and September 2026. This is in line with expectations and neighbouring Constabularies. We note that this assumption is flagged as the most significant risk in the medium term as it is significantly below the level of inflation and significantly lower than the pay awards in September 2022. Our commentary to manage risks to financial sustainability is provided on page 9.
- For the purposes of the MTFS it has been assumed that council tax will increase by 5.36% in 2023/24, 5.09% in 2024/25, 4.85% in 2025/26 and 4.6% in 2026/27. It is assumed that this level of increase will be within the referendum limit. This is in line with neighbouring Constabularies. It was assumed that the tax base will increase by 1.5% in each period of the MTFS.

Saving Schemes

We found that arrangements to identify savings schemes had improved compared to 2020/21. As such, our key recommendation raised in 2020/21 has been addressed.

As part of the MTFS process, savings are identified to balance the budget. A balanced MTFS with identified savings and no funding gap has been approved in each of the last three years (2021/22, 2022/23 and 2023/24). These savings have been incorporated within the budget and monitored intrinsically via the main budget monitoring process. The Efficiency and Savings Group introduced in 2022/23 provides additional oversight tracking achievement of savings included in the savings register.

£1.4m of savings were delivered in 2021/22 and £0.63m of savings in 2022/23. The achievement of these savings contributed to the overall breakeven financial performance for 2021/22 and 2022/23. An overall underspend of £2.5m was achieved in 2021/22 and an overall underspend of £1.95m achieved in 2022/23. Financial performance in both years was achieved after planned use of reserves and increasing useable revenue reserves balances overall.

The MTFS for 2023/24 to 2026/27 includes savings of £3.1m and the areas in which savings will be delivered are identified. The MTFS recognises that ongoing fiscal control is required for Gloucestershire Conhstabulary to live within its means due to ongoing economic challenges. Arrangements have been put in place to continue the identification and driving out of input savings to be delivered alongside working smarter, leaner and more efficiently. The Reserves Strategy for the period 2023/24 to 2026/27 includes an Innovation Fund within specific reserves to provide funds supporting investments to achieve efficiencies. We are raising an improvement recommendation that this work receives ongoing focus and the outcomes are monitored and reported to the appropriate fora.

Improvement Recommendation

The Constabulary should continue its work to identify and drive out savings alongside working smarter, leaner and more efficiently. The use of the Innovation Fund should be monitored to ensure it is impactful in investing in schemes which deliver savings. Outcomes and impacts should be monitored and reported to the appropriate fora.

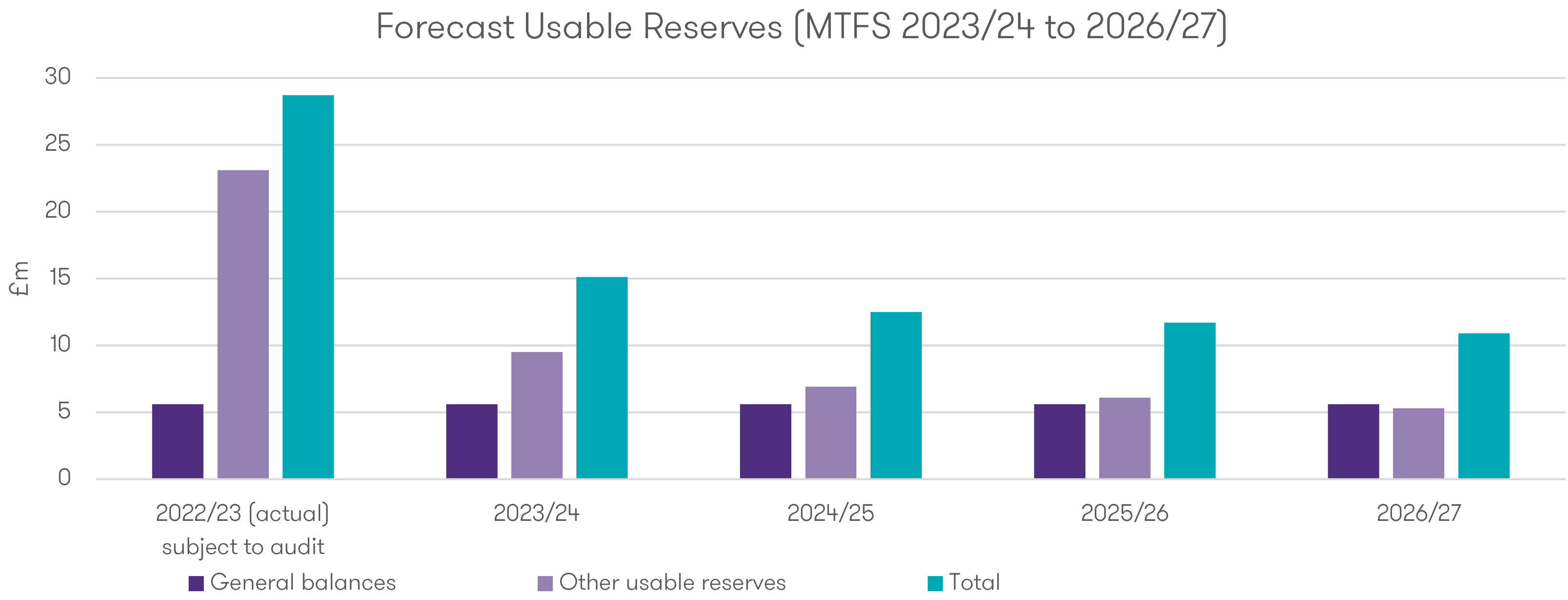
Financial sustainability continued

Reserves

The PCC has a Reserves Strategy to maintain a general fund balance at a minimum of 3% of the net revenue expenditure (budget) each year. At 31 March 2022, the General Fund balance was £5.3m which represented 4% of budget; and at 31 March 2023 the General Fund Balance was £5.6m (subject to audit) which also represented 4% of the budget for that year. The PCC's Reserves Strategy for the current MTFS for 2023/24 to 2026/24 forecasts that General Fund balances will be maintained at £5.6m representing 4% of the budget for each year thus complying with the Reserves Strategy requirement. Our key recommendation raised in 2020/21 has thus been addressed.

Total usable reserves in the 2021/22 financial statements increased by £4.3m from the prior year and stood at £24.8m. The balance in the 2022/23 financial statements increased by £3.9m standing at £28.7m (subject to audit).

The Reserves Strategy 2023/24 to 2026/27 projects total usable reserves reducing year on year to £10.9m by 31 March 2027, primarily due to the use of capital reserves for estates and ICT and the majority of the specific reserves being allocated for use in support of delivery of the MTFS.



Financial sustainability continued

Capital and Estates

In 2020 the PCC reviewed his strategy surrounding the Estate. It was updated to reflect his priorities to develop a modern, fit for purpose, agile and flexible estate.

The Capital programme to 31 March 2027 reflects these priorities with a number of large projects in progress such as the Sabrina Training Centre, Bamfurlong improvements, and the decarbonization project. The revenue consequences of all potential capital bids are taken into account in the MTFS, including any minimum revenue provision (MRP) and financing costs. Individual project boards are held for each of these large projects to track progress and mitigate risks as they arise.

The Constabulary and PCC have recognised that their IT systems are out of date and not sufficient for current and future needs. There are ambitious investment plans to upgrade to new systems, including a new records management system which is currently being implemented. The majority of the IT upgrade will be funded from reserves with the remainder from capital receipts.

Finance Team Capacity

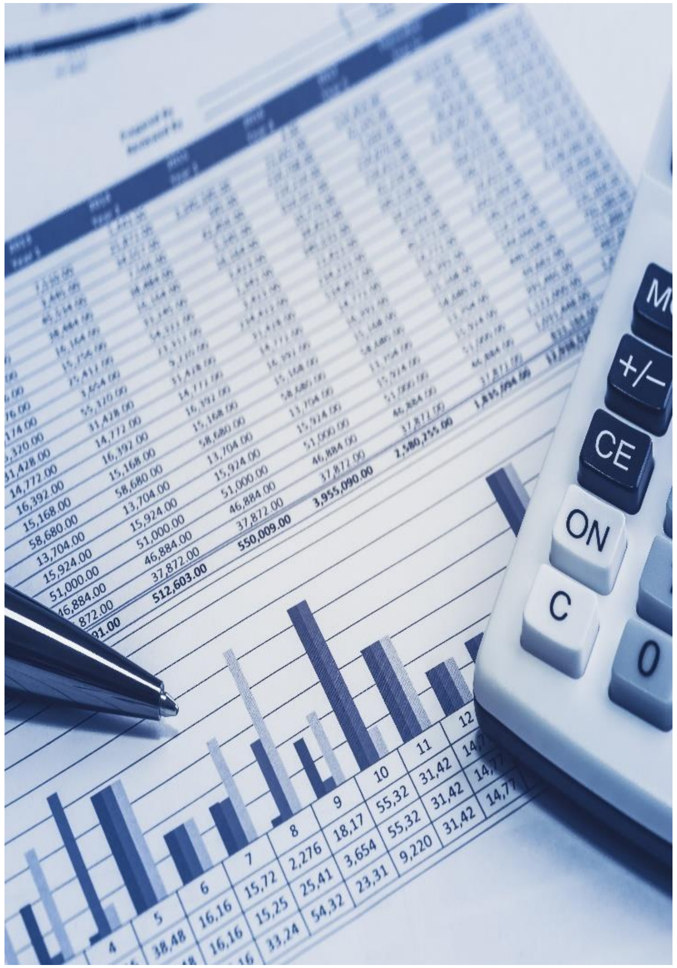
We found that our key recommendation raised in 2020/21 in relation to the capacity of the Finance Team has been addressed. Our knowledge and experience during our accounts audit work for 2021/22, and during completion of audit work to date for 2022/23 found that capacity in the Finance Team has improved.

This is echoed by HMICFRS who stated in their letter published in September 2023 discharging their cause of concern related to strategic planning, organisational management and value for money that "during our process of continuous assessment, we found that the Constabulary increased capacity in its finance team". We comment on page 33 that our key recommendation has been addressed.

Conclusion

Overall, we have found no evidence of significant weaknesses in the arrangements for ensuring financial sustainability. The PCC and the CC have a track record of sound financial management and managing risks to financial resilience. Financial plans clearly link to plans outlined in the Police and Crime Plan and the investments required to secure sustainable delivery of good policing services to the citizens of Gloucestershire.

We have raised one improvement recommendation on page 14 that the impact of work planned to identify and drive out savings alongside working smarter, leaner and more efficiently alongside the use of the Innovation Fund is monitored.



Improvement recommendations

Financial sustainability

Recommendation 1	The Constabulary should continue its work to identify and drive out savings alongside working smarter, leaner and more efficiently. The use of the Innovation Fund should be monitored to ensure it is impactful in investing in schemes which deliver savings. Outcomes and impacts should be monitored and reported to the appropriate forum.
Audit year	2021/22 and 2022/23
Why/impact	The MTFS 2023/24 to 2026/27 recognises the ongoing economic challenges and the need to provide fiscal control for Gloucestershire Constabulary to live within its means. The ongoing work to identify new ways of working delivering further efficiencies is key to this.
Summary findings	See page 11
Management Comments	The financial environment for policing remains very challenging, with only short-term funding announcements, limited grant and precept increases set against rising demands and costs. The OPCC and Constabulary have performed well to manage their pressures within the available budget each year. There will be continued effort to deliver even more efficient and effective outcomes; improved structures and processes have already been put in place to oversee this effort.

The range of recommendations that external auditors can make is explained in Appendix C

Governance

We considered how the PCC and CC:

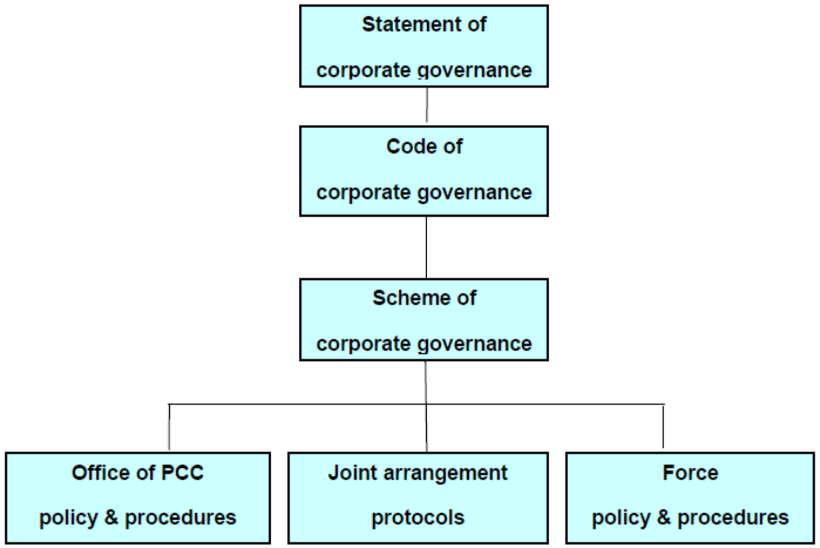
- monitor and assess risk and gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out the annual budget setting process
- ensure effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensure they make properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitor and ensure appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

Overview of Governance Arrangements

Within the police sector, the PCC and Chief Constable are 'Those charged with governance' (TCWG). The PCC holds the Chief Constable to account, with the PCC held to account by the police and crime panel and the electorate.

Gloucestershire Constabulary also has independent scrutiny from the joint independent audit committee (JIAC). Internal audit is supplied externally by SWAP internal audit services. Reasonable assurance was given by them in both the 2021/22 and 2022/23 financial years.

The PCC published his Police and Crime Prevention Plan for Gloucestershire 2021-2025 which sets out his priorities (see below). There is a Corporate Governance Framework in place (see below). We found that governance arrangements are effective and worked well in response to the findings of the latest HMICFRS PEEL report which had resulted in the Constabulary being placed into an enhanced level of monitoring.



Governance continued

HMICFRS

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) independently assesses the effectiveness and efficiency of police Constabularies and fire and rescue services in the public interest.

They:

- Inspect and monitor the 43 territorial police Constabularies in England and Wales reporting on their effectiveness, efficiency and legitimacy via PEEL assessments
- Work with other inspectorates within criminal justice and more broadly to address problems involving more than one agency. For example, the programme of police custody inspections with the Care Quality Commission (CQC)
- Assess and report on the efficiency, effectiveness and people of the 44 fire and rescue services in England.

External Auditors consider the outcome of PEEL assessments when performing our VFM work. Particularly in assessing Police Bodies' arrangements to assess performance and identify areas for improvement in outcomes.

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) PEEL Report

Following serious concerns raised from its most recent inspection of Gloucestershire Constabulary published in October 2021, the decision was made to put Gloucestershire Constabulary into the 'Engage' process of monitoring. This gave the Constabulary greater access to assistance from HMICFRS, the College of Policing, the Home Office and other law enforcement agencies to make improvements. Overall, Gloucestershire Police was rated inadequate in six areas. It was rated good or adequate in the remaining five areas inspected. One of HMICFRS' main concerns was around strategic and financial planning. It found that the Constabulary's financial plans were not aligned to other corporate plans, it wasn't clear how the Constabulary could continue to provide the current level of policing within its anticipated budgets, and it didn't have a good understanding of where its current skills and capabilities gaps were in its workforce.

The Constabulary acted immediately following prompt feedback from the inspection which took place in June 2021. It increased the level of governance around HMICFRS findings, created a PEEL Recovery Board which sat monthly, and declared a critical incident which allowed them to move resources around more quickly. There was a significant level of PCC scrutiny; the timing coincided with the most recent PCC elections and a new PCC was in post. Five key areas were identified – crime recording, workforce planning, 999 and 101 call response times, quality of call response in the control room, and financial and workforce strategy.

Crime recording provides a tangible example of Constabulary improvement since then. In 2019, the Constabulary had a crime recording accuracy rate of approximately 81% which meant that, on estimate, the Constabulary was failing to record over 7,900 crimes per year. The PEEL inspection found the accuracy was 86% which was inadequate. The Constabulary increased the number of staff on the team from 20 in 2021 to 48 in 2023, carried out additional training and communicated expectations Constabulary-wide. At the most recent inspection in October 2023, the Constabulary was found to be 97.4% compliant.

In addition, the timeliness of crime recording has improved from 30% recorded within 24 hours to 88-90%. Legacy IT systems are an issue when it comes to improving crime recording times; officers and staff have to manually input details taken from the call log. The Constabulary is due to upgrade to the Niche system in 2025 which will auto populate crime records from the call record, saving considerable time and resource.

HMICFRS acknowledged that the Constabulary significantly improved the identification and risk assessment of vulnerability; improved the quality of investigations and consistently updated victims; improved the planning and processes around finance and the management of resources; and more accurately recorded crime. It made the decision to remove Gloucestershire Constabulary from enhanced monitoring (otherwise known as 'Engage') in September 2023. However, call demand remains an area of concern. See Page 25.

A summary of HMICFRS inspection findings from the PEEL inspection report published in October 2021 is provided overleaf.

Governance continued

Summary of HMICFRS PEEL inspection findings 2021/22

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Preventing crime	Managing offenders		Investigating crime
	Treatment of the public			Supporting victims
	Disrupting serious organised crime			Recording data about crime
	Developing a positive workplace			Responding to the public
				Protecting vulnerable people
				Good use of resources

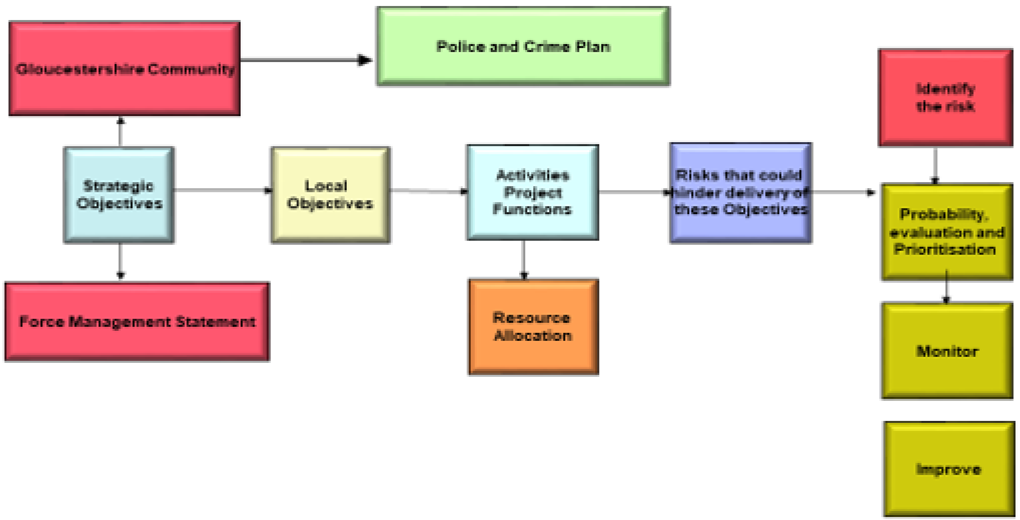
Governance continued

Management of Risk

Gloucestershire Constabulary has a strategic risk register that sets out risks with actions, triggers and controls. Each risk is assigned to a strategic lead and is scored using a 5x5 system to measure impact and likelihood (inherent and residual). Each risk has a review date of no more than three months, and a named executive owner. Gloucestershire Constabulary also has an issues log which uses the same system of recording. In March 2022 there was one issue documented on the issues log. There are also various governance documents which set out the OPCC and CC's responsibilities in relation to risk management, including strategy and how risk fits into the overall corporate governance.

The management of risk has been carefully considered in Gloucestershire Constabulary, with various strategic documents outlining risk strategy and risk appetite which are regularly updated. There are regular meetings scheduled to specifically discuss risks at a strategic level, with red risks highlighted and reported separately. A private session is held for independent members prior to each JIAC meeting allowing the Head of Governance and Risk to update the committee on risk changes and mitigations . However, we identified two areas where the risk management process could be improved. We found that risks are not mapped to corporate objectives and some risks misemphasise the point. For example, "HMICFRS - There is a risk that being graded as inadequate for the CDI/VSA strand of the PEEL Inspection will cause reputational damage to the organisation. Specifically, that by failing to record crime in an accurate, comprehensive and timely fashion the constabulary provides a poor victim service. This is likely to undermine public confidence in Gloucestershire Constabulary and may lead to lower levels of reporting to the police particularly in cases involving vulnerability". The ordering of the wording of the risk can be interpreted that the reputational risk to the Constabulary from being graded inadequate is the Constabulary's priority focus, rather than the risk to the public from the reasons behind the inadequate grading – in this case poor crime recording being the priority focus.

Risk Management Framework/Process



Improvement Recommendations

The Constabulary should review the risks within the register and make sure that they articulate the correct emphasis and align them to the corporate objectives.

Governance continued

Monitoring and Compliance with Standards

According to HMICFRS, Gloucestershire Constabulary has “an embedded and well used ethics committee, which is chaired by an independent member of the community. Its aim is to promote good ethical practice in the organisation, and enhance trust and confidence in the Constabulary’s ethics and actions.” The Head of the Professional Standards Department and the Chief Officers have joint responsibility for setting standards within the Constabulary. The emphasis is on standards of professionally behaviour, and the Code of Ethics. General information is sent out via a regular Constabulary bulletin, and there are regular away days for leaders in the organisation, where expectations are laid out in relation to e.g. violence against women and girls.

There is a gifts and hospitality policy in place that is reviewed annually, however the last publication of the Chief Constable’s register was in 2017/18 which is contrary to what the policy says. The PCC has a register which is published and up to date.

In 2020/21, we raised a key recommendation in relation to the information currently available to the public at that time on the Constabulary and PCC website. We said that documents published should be considered against the Police Reform and Social Responsibility Act 2011 to improve transparency and accountability to the electorate. Unfortunately, there has been no improvement to the PCC’s website since then. Most meeting minutes and agendas have not been updated since 2018/19. This remains a significant weakness for the PCC and we raise a new key recommendation.

Data Breaches

The number of data breaches has increased significantly from 196 in 2021/22 to 272 in 2022/23. There was 1 referral to the ICO in 21/22 and 3 referrals to the ICO in 22/23. However, none of the ICO referrals resulted in any action taken – there were no sanctions imposed and no further action required. Chief Officers are aware of the increase which is thought to be down to a focus on training and consequential increased reporting.

Vetting

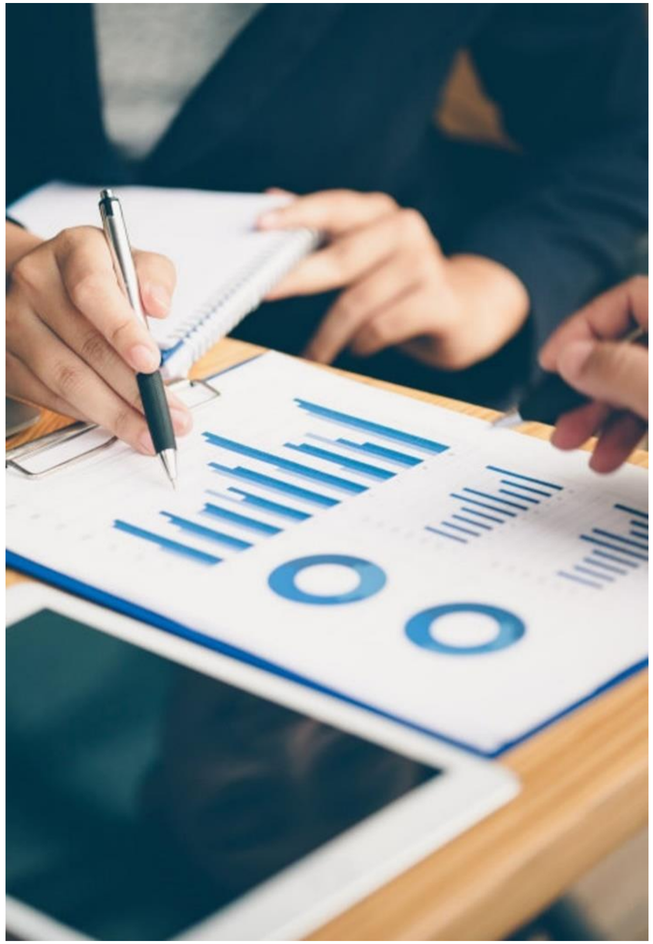
Vetting is in place for all police recruits and new starters. In November 2023 there were 234 members of staff with expired vetting in Constabulary. Officers are re-vetted following every change of posting. All officers are also being re-vetted through the national police database, as part of a national requirement.

Key Recommendation

We recommend that an urgent review is completed into the information that is currently available to the public on the PCC’s website. Documents published should be considered against the Police Reform and Social Responsibility Act 2011 to improve transparency and accountability to the electorate.

Governance continued

Annual Budget Setting Process and Budgetary Control



The annual budget and MTFS are developed in parallel each year. We have considered financial plans for 2021/22, 2022/23 and future years in the financial sustainability section of this report.

Financial reporting is a key objective for senior managers and is discussed and monitored in detail.

The PCC and Chief Constable share a responsibility to identify and agree, in consultation with partners and stakeholders, a medium-term financial strategy which includes funding and spending plans for both revenue and capital.

Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling both the Chief Constable and PCC to review and adjust their budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

It is the joint responsibilities of the PCC CFO and Chief Constable CFO to submit a budget monitoring report, containing the most recently available financial information to the PCC showing spending to date and comparisons of projected outturn with the latest approved budget. This is reported to the Finance Panel on a monthly basis. During 2022/23 the reporting was refreshed to also include workforce information (police officer, police staff and PCSO establishment numbers) taken from Workforce Police Staffing Level reports. As pay costs form the majority of revenue spend, we consider this aids understanding of budgetary control in this area.

Treasury Management forms part of the monthly budget monitoring reports that are taken to Finance Panel. The Treasury Management Strategy (TMS) should be updated on an annual basis which incorporates the Prudential and Treasury Indicators and an Annual Investment Strategy. This is required under the provisions of the latest CIPFA Code of Practice on Treasury Management in the Public Services (the CIPFA Code) and the Prudential Code for Capital Finance in Local Authorities (the Prudential Code). We found that the TMS was updated for both the 2021/22 and the 2022/23 financial years. The improvement recommendation raised in our previous report to update the TMS annually was thus addressed. But, as part of our findings on the previous page, we could not locate the TMS for 2023/24 on the PCC's website. We have not commented further here as the previous page provides the detail.

Overall, we found that there are adequate arrangements in place pertaining to the annual budget setting process and ongoing budgetary control.

Conclusion

Overall, we found that the OPCC and Gloucestershire Constabulary have put in effective governance arrangements. However, the significant weakness we identified in 2020/21 in relation to the OPCCs transparency and accountability to the electorate remains in place and needs addressing as a matter of urgency. One key recommendation and one improvement recommendation have been raised.

Key recommendation

Governance

Key Recommendation 1	We recommend that an urgent review is completed into the information that is currently available to the public on the PCC website. Documents published should be considered against the Police Reform and Social Responsibility Act 2011 to improve transparency and accountability to the electorate. This is a repeat of the key recommendation made in 2020/21
Audit year	2021/22 and 2022/23
Why/impact	To ensure transparency and accountability to the electorate through compliance with the Police Reform and Social Responsibility Act 2011.
Summary findings	See page 19
Management comments	It is acknowledged that both the PCC and Constabulary websites should be more complete, up to date and easy to access for key information; action is already underway in order to address this recommendation.

The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations

Governance

Recommendation 2	The Constabulary should review the risks within the register and make sure that they articulate the correct emphasis, and ensure they are linked to corporate objectives.
Audit year	2021/22 and 2022/23
Why/impact	The risk register highlights the biggest risks to the organisation and allows senior leaders to be able to monitor, mitigate and manage those risks. If the risks are not articulated in the correct way, it is more difficult to manage the risks effectively. The overriding concern should be the risk to the public, over the risk of an inadequate grade from an inspectorate.
Summary findings	See page 18
Management Comments	The Constabulary has recently undertaken an overhaul of its Organisational Risk Assessment (ORA) which will inform the refresh of the Strategic Risk Register. This recommendation will be taken into account during this refresh to ensure that the risks are correctly articulated.

The range of recommendations that external auditors can make is explained in Appendix C

Improving economy, efficiency and effectiveness

We considered how the PCC and CC:

- use financial and performance information to assess performance to identify areas for improvement
- evaluate the services they provide to assess performance and identify areas for improvement
- ensure they deliver their role within significant partnerships and engage with stakeholders they have identified, in order to assess whether objectives are being met
- where they commission or procure services assess whether they are realising the expected benefits.

Performance management

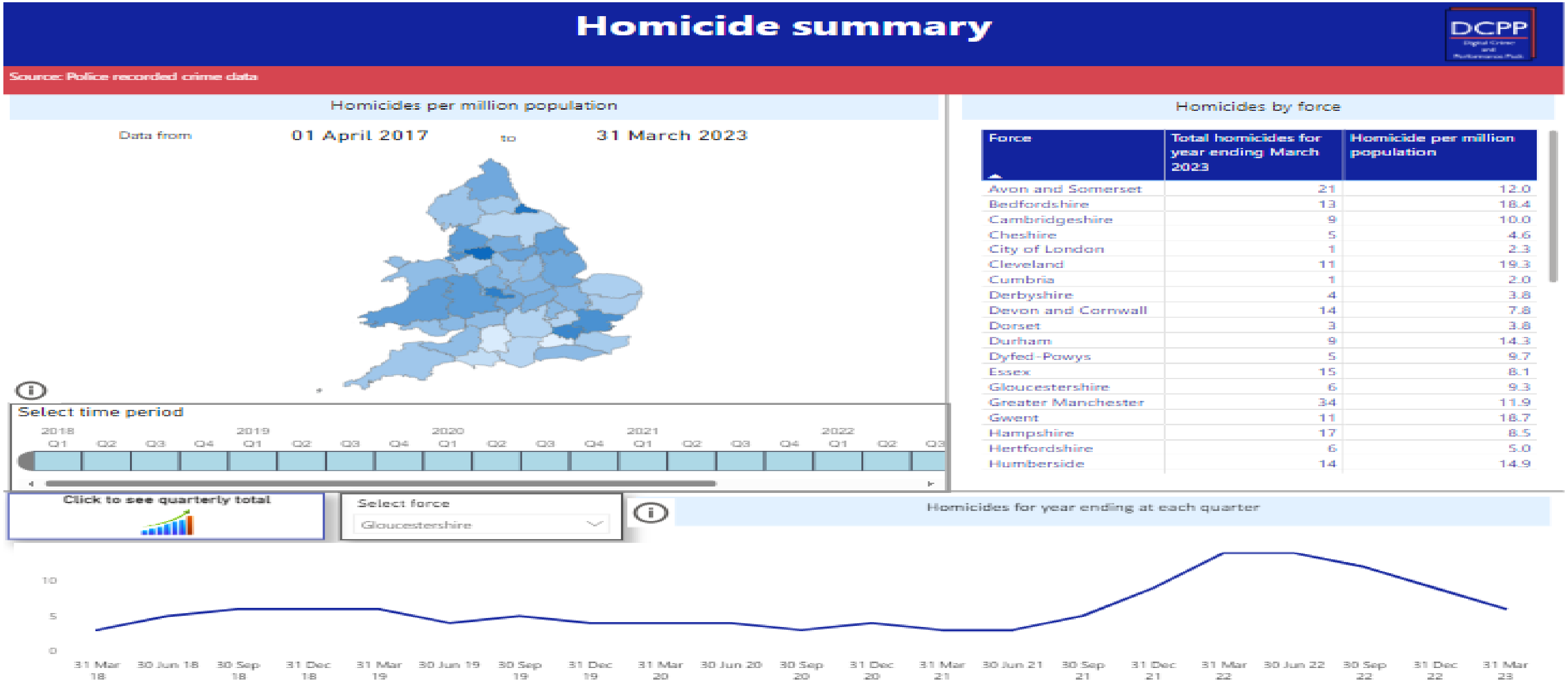
The Constabulary produce a scorecard that runs to about 60 pages, covering the offender journey from the first point of contact by the victim to the police, through to crime outcomes. This is accompanied by a slide deck and narrative covering an analysis of the data. Data includes national trends, through to core business areas and performance at a local level. These are used in the monthly performance boards and operational policing boards. No minutes are taken for the performance board which makes it difficult to assess how effectively the scorecard is being used. Performance exceptions are discussed at the operational policing board which has minuted discussions around performance of concern.

There are also 'scripted' meetings every two months with superintendents to hold them to account for local performance. These are reported to the operational policing board. In addition, there are fortnightly communications sent to sergeants and inspectors regarding performance priorities and accompanying actions. Minutes from the operational policing board show that performance is considered a priority for all ranks in Gloucestershire Constabulary, which we find very positive.

We have provided an example scorecard overleaf.

Improving economy, efficiency and effectiveness

Example scorecard used for performance reporting



Force	Total homicides for year ending March 2023	Homicide per million population
Avon and Somerset	21	12.0
Bedfordshire	13	18.4
Cambridgeshire	9	10.0
Cheshire	5	4.6
City of London	1	2.3
Cleveland	11	19.3
Cumbria	1	2.0
Derbyshire	4	3.8
Devon and Cornwall	14	7.8
Dorset	3	3.8
Durham	9	14.3
Dyfed-Powys	5	9.7
Essex	15	8.1
Gloucestershire	6	9.3
Greater Manchester	34	11.9
Gwent	11	18.7
Hampshire	17	8.5
Hertfordshire	6	5.0
Humberside	14	14.9

Improving economy, efficiency and effectiveness continued

Performance management Continued

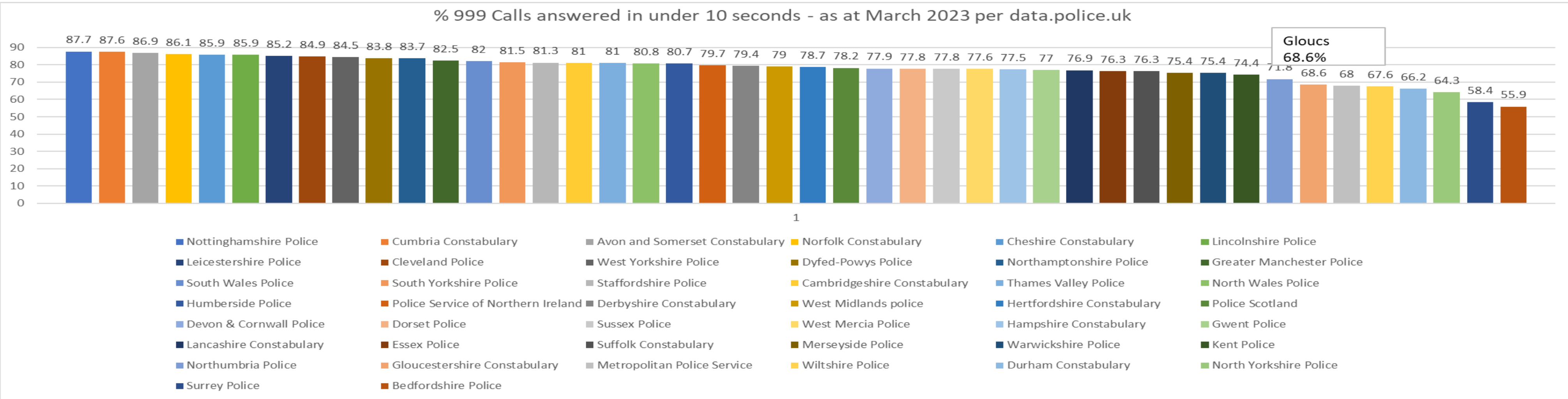
Call demand

As previously discussed on page 16, in October 2021, HMICFRS published its latest inspection report of Gloucestershire Constabulary. The Constabulary was given the worst possible rating for 'responding to the public' and was found to be inadequate.

The report said "The Constabulary recognises that it needs to review and monitor its call-taking capacity, capability and processes, to help it better manage demand. To address this, it has started to put processes in place. This would reduce the average time taken to answer 999 calls and reduce the number of 101 calls that are abandoned.

The Constabulary told us that it takes on average 12.3 seconds to answer 999 calls, which is above the national target of 10 seconds. This means that calls from victims are not being responded to as quickly as in other parts of the country. In December 2020, the Constabulary told us that its call abandonment rate was 25 percent. This also reflects similar performance over recent months.

The Constabulary told us that it has had an average abandonment rate of 32 percent for the past three years. It now has regular strategic monitoring in place and a planned series of IT upgrades and improvements within the Constabulary control room to improve efficiency and better manage demand. However, despite some signs of improvement, the current sustained abandonment rate for 101 calls is a cause of concern."



Improving economy, efficiency and effectiveness continued

Performance management continued

Call demand continued

In 2020/21 we raised a key recommendation: "We recommend that the outcomes of the PEEL report continue to be considered in detail and the action plan continually monitored to track improvements against the recommended areas, formally reporting progress through the governance structure. HMICFRS will also monitor the Constabulary's progress towards addressing the areas identified."

In September 2023, following an HMICFRS revisit, most issues raised in the October 2021 report were discharged. But the cause of concern around call handling remained in place. "At the beginning of 2023, the Constabulary was only answering 75 percent of 999 calls within 10 seconds. By July 2023, this figure had slightly reduced to 74.4 percent, and had been below this percentage for the previous months of the year.

The Constabulary still needs to improve the percentage of 101 calls that are abandoned. An unacceptably high number of callers hang up before their calls are answered. The Constabulary has told us that, in April 2023, 11,143 calls were abandoned, equating to 33.69 percent of all 101 calls. This had increased to 12,261 calls in August 2023, equating to 43.42 percent of all calls."

We consider that the performance related to call demand is therefore a significant weakness in arrangements and we include this within our key recommendation on page 30.

Domestic Abuse

A proportion of the call demand received by the Constabulary would be domestic abuse related crimes and incidents. This specific area of performance was brought to our attention by senior leaders.

The risk of mismanagement of Domestic Abuse (DA) incidents was highlighted to the Constabulary by HMICFRS in its PEEL report in October 2021 as part of its review into crime recording. We investigated this further and found that despite DA being a Constabulary priority in 2021/22 and 2022/23, it has not been regularly scrutinised. DA did not feature distinctively on the Chief Constable's performance scorecard until July '23 so it was not being routinely monitored.

In June 2022 (sometime after the HMICFRS inspection) a triage team was formed to better manage the large number of Grade 2 incidents awaiting police attendance. Gloucestershire Constabulary suggest Grade 2 incidents should have a police response within 60 minutes. According to operational policing board minutes from Sept 2022, some of these Grade 2 incidents had sat in the queue for months un-resourced. These incidents would have included DA incidents which is a big risk for the victims, and for the Constabulary.

Research undertaken for the new operating model in May 2022 highlighted that Gloucestershire Constabulary didn't understand its DA demand, and there were data issues; DA crimes were part of the demand that Gloucestershire Constabulary couldn't meet; DA was recognised as a Constabulary priority however the approach was fragmented and disjointed; positive action in relation to DA was not being taken and the Constabulary had seen a decline in the use of DA powers.

Improving economy, efficiency and effectiveness continued

Performance management continued

Domestic Abuse continued

It also highlighted that DA risk assessments were being carried out over the phone against best practice guidance. The new operating model went live in June 2023, but recent data (Sept 2023) shows that the triage team is still dealing with 25% of DA incidents over the phone, without police attendance, against best practice guidance. This is a risk for the victims, and for the Constabulary.

The new operating model introduced a reactive investigations team (RIT) to deal with crimes that did not fall under the remit of 'serious or complex' crimes (which would be investigated by CID). DA forms the bulk of their work, but 86% of the officers on the RIT team are student officers with no experience and limited training.

Their lack of knowledge is a risk which is only mitigated by supervision from a small number of detective sergeants and inspectors. In 2022/23 all but 1 of the 14 violence against women and girls' risks were about the Constabulary's management of DA, and of the 13 DA related risks, all were RAG rated red risks except 2 which were amber. Despite this significant measure of risk, it is not reflected in the Constabulary's risk register (see page 18).

In September 2023 the Chief Constable declared a critical incident on DA due to feedback from external partners. This was in part due to the number of crimes unrecorded in relation to DA, which was an issue highlighted by HMICFRS in October 2021.

Conclusion:

We consider the significant weakness and key recommendation pertaining to the call demand elements of the HMICFRS inspection should be retained as the Constabulary is yet to demonstrate due sustainable progress. In addition, we consider that there is a significant weakness in respect of Domestic Abuse incidents and recommend that the Constabulary should complete a full review of its arrangements in relation to the management of domestic abuse to ensure that it is delivering an effective service to the public.

Integrated Performance reporting

In 2020/21 we noted that OPCC and Constabulary did not undertake any form of integrated reporting. For Police bodies we would expect this to include information on KPIs that are monitored, such as crime statistics and performance against Police and Crime Plan objectives, officer recruitment progress and financial outturn data, normally no less frequently than quarterly. We noted that the Police and Crime Panel are still not receiving reports that integrate financial performance reporting alongside performance overview.

Integrated reporting is a key component of good governance. The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) emphasises 'the need for integration in both reporting and organisational performance and makes explicit reference to Integrated reporting.

We are thus refreshing the improvement recommendation raised in 2020/21 to specifically recommend that financial performance is reported alongside the performance oversight included in the PCC Executive Update reports to the Police and Crime Panel. Please see page 31.

Improving economy, efficiency and effectiveness continued

Partnerships

Gloucestershire Constabulary and the PCC have strong relationships with partners and work collaboratively to reduce and prevent crime. The Gloucestershire Police and Crime Plan 2021-2025 details how crucial effective collaboration and partnership working is in order to build a safer Gloucestershire. It is one of the 'golden threads' highlighted in the report, which gives examples of the importance of partnership working across the county for e.g. anti-social behaviour, and violence against women and girls.

The Constabulary has a risk management partnership toolkit in place, which sets out what a partnership/collaboration is, how to identify and classify partnership risks, and how to assess likelihood and impact of those risks.

The PCC and Chief Constable regularly engage with stakeholders in various different ways in order to inform priorities and improve service delivery.

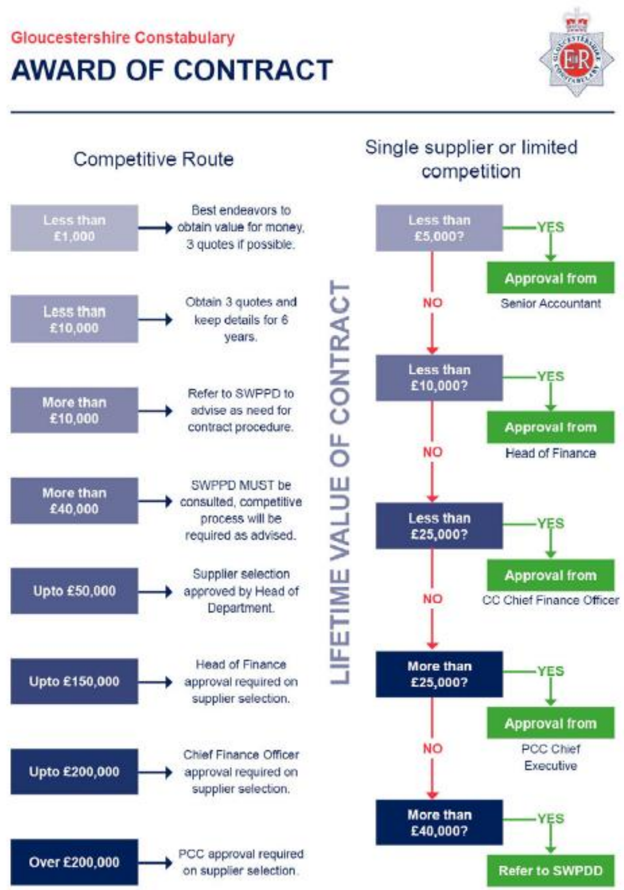
Procurement

Gloucestershire Constabulary are part of a five-Constabulary partnership which has delivered any procurement with a value exceeding £50,000 in line with national value for money expectations since 2012. Each year and annual report is provided to the board where any issues with service are identified.

Presumptions are that through economies of scale, and national call-off contracts, unit costs and administration will reduce for all Constabularies. The lead Constabulary for the Southwest Police Procurement Service (SWPPS) is Devon and Cornwall.

Since our last audit, the Constabulary has put a new contracts manager in place, holds regular contract management meetings and has more robust processes to manage contracts.

We considered arrangements in this area to be appropriate.



Key recommendation

Improving economy, efficiency and effectiveness

Key Recommendation 2	We recommend that the Constabulary should complete a full review of its arrangements in relation to the management of domestic abuse to ensure that it is delivering an effective service to the public
Audit year	2021/22 and 2022/23
Why/impact	The Constabulary is not attending 25% of domestic related incidents; Domestic Abuse (DA) risk assessments are being carried out over the phone which is against best practice; it is relying on investigators with no experience to investigate high risk domestic abuse crimes; there were no DA governance meetings in 2021/22 or 2022/23; performance data for DA was only added to the performance scorecard in July 2023; the Constabulary did not fully understand its DA demand; and all of this was despite DA being a Constabulary priority. This is a significant risk for victims of domestic abuse in Gloucestershire Constabulary's area.
Summary findings	See page 26
Management comments	In September 2023 the Constabulary were successful in exiting from the engage tier of HMICFRS monitoring. This was following notable improvements in performance linked to call handling, crime recording, investigation, use of resources and victim care. The Chief Constable declared a critical incident in respect of domestic abuse shortly after noting that the mechanics utilised to address many of the issues in our previous PEEL inspection would also be well placed to seek rapid improvement in DA delivery. The Deputy Chief Constable was appointed as the Senior Responsible Officer for improvements and is supported by the Head of Crime. The timing of this step was designed to maximise the impact of a nationally recognised training programme, DA Matters, which was due to commence roll out in October. DA Matters seeks to address many of the cultural and systemic issues that underpin outstanding DA response. A DA summit has since been held in force and DA improvement work is now underway focused on process and practice. This includes improving the usage of protective orders, increasing arrests and evidence led prosecutions, ensuring appropriate and comprehensive completion of risk assessments and narrowing the timeliness gap between call and officer attendance.

The range of recommendations that external auditors can make is explained in Appendix C.

Key Recommendation

Improving economy, efficiency and effectiveness

Key Recommendation 3	We recommend that the outcomes of the PEEL report in relation to call handling continue to be considered in detail and the action plan continually monitored to track improvements against the recommended areas, formally reporting progress through the governance structure. HMICFRS will also monitor the Constabulary's progress towards addressing the areas identified.
Audit year	2021/22 and 2022/23
Why/impact	To improve the service given to the victims of crime and vulnerable people.
Summary findings	See page 25
Management comments	Work continues to improve call handling. There has been a sustained improvement in 999 call response times recently and some improvement in the response to 101 calls, with a reduced abandonment rate. However, resource, technology and process improvements continue to be planned and implemented to address this issue.

The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations

Improving economy, efficiency and effectiveness

Recommendation 3	The PCC Chief Executive update reports to the Police and Crime Panel should integrate financial performance reporting within the performance overview section of the report.
Audit year	2021/22 and 2022/23
Why/impact	Integrated reporting is a key component of good governance. The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) emphasises "the need for integration in both reporting and organisational performance and makes explicit reference to Integrated reporting. With the growing demands on public services, public sector entities are compelled to identify new and better ways of doing business and convince their stakeholders of how they will continue to achieve their objectives and targets.
Summary findings	We noted that the Police and Crime Panel are still not receiving reports that integrate financial performance reporting alongside performance overview.
Management Comments	Future reports to the Police and Crime Panel will contain financial reporting as well as performance reporting.

The range of recommendations that external auditors can make is explained in Appendix C.

Follow-up of previous recommendations – Financial Sustainability

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
1	The CFOs for the PCC and Chief Constable should develop a detailed and affordable medium-term financial plan that understands and outlines the key service demands and is based on reasonable and supported assumptions about future income and expenditure. These financial plans need to be aligned with other key strategies that work together to deliver the PCC's Police and Crime Plan including but not limited to workforce, IT and estates.	Key	March 2022	Both our review and also HMICFRS have identified that this has been addressed. HMICFRS published a follow up letter in September 2023 stating that the causes of concern in relation to Strategic planning, organisational management and value for money had been addressed and the cause of concern discharged. HMICFRS stated that: *"During our process of continuous assessment, we found that the constabulary increased capacity in its finance team. We also observed improved governance, with finances and budgeting playing a part in most strategic meetings both internally in the constabulary and with the Office of the Police and Crime Commissioner.* *We also found that the planning and processes for the constabulary's medium-term financial plan had improved. The constabulary had made clear links to its Police and Crime Plan and budget-forecasting and budget-setting processes. These considered likely future costs and future savings, as well as external factors such as inflation and general price and wage rises.* *We could also see that the constabulary had taken steps to understand its current and future operational demands. And in doing so, it had designed a new operating model, which put the right officers and staff in the right places to deal with demand. We also saw that estate and IT needs had been built into its financial-planning process."*	Yes	No

Follow-up of previous recommendations – Financial Sustainability continued

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
2	The CFOs for the PCC and Chief Constable should ensure that detailed savings plans are in place and approved as part of the budget if a budget gap exists. These detailed savings plans should be monitored and reported as part of the monthly budget monitoring.	Key	March 2022	See Recommendation 1 on page 32. Progress to date documented there also addresses savings.	Yes	No
3	The CFOs for the PCC and Chief Constable should ensure the adequacy of reserves is considered against the approved Reserve Strategy and how this links to any budget gaps and reserves earmarked for specific projects.	Key	March 2022	General Fund reserves represented 4% of the budget in 2021/22 and 2022/23 and are projected to do so during the period to 31 March 2027. No budget gaps exist in the MTFS 2023/24 to 2026/27.	Yes	No
4	The CFOs for the PCC and Chief Constable should ensure the finance team has appropriate capacity, training and knowledge to manage and report its finances effectively.	Key	March 2022	See Recommendation 1 on page 32. Progress to date documented there also addresses increased capacity in the Finance Team.	Yes	No

Follow-up of previous recommendations – Financial Sustainability continued

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
5	We recommend that a detailed review is commissioned to understand what IT software is currently utilised and what updates are required. The Constabulary and OPCC should ensure that the capacity and knowledge within key IT roles is established to maintain and update systems when required.	Improvement	March 2022	A review of IT software identified the updates required and this is reflected in the Capital Programme through to 2026/27. Adequate arrangements are in place to ensure staffing is available to implement IT projects to implement systems.	Yes	No

Follow-up of previous recommendations – Governance

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
1	We recommend that a review is completed into the information that is currently available to the public on the Constabulary and PCC website. Documents published should be considered against the Police Reform and Social Responsibility Act 2011 to improve transparency and accountability to the electorate.	Key	March 2022	Our review of the PCC's website demonstrated that most minutes and agendas have not been updated since 2018/19. We also found it is difficult to locate specific documents – for example, the Treasury Management Strategy for 2023/24.	No	Yes – see Key Recommendation 1
2	As per our Audit Findings Report issued in October 2021, we recommended that the three Constabularies (Wiltshire, Avon and Somerset and Gloucestershire) complete a timely review of the PFI scheme and ratify and formal contracted changes through the relevant governance processes prior to the 31 March 2022 year end, to ensure the asset and liability is correctly reflected in each of the financial statements. We have included this recommendation as part of this report as it relates to both the financial statement and governance arrangements.	Improvement	March 2022	Recommendation actioned in year with updated contractual split applied only to the Annual Service Charge element of the scheme. This was approved through the Tri Constabulary Management Board.	Yes	No

Follow-up of previous recommendations – Governance continued

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
3	The Chief Finance Officer should ensure that key documents such as The Treasury Management Strategy are updated on an annual basis, incorporating Prudential and Treasury Indicators and an Annual Investment Strategy.	Improvement	March 2022	The Treasury Management Strategy was updated in both 2021/22 and 2022/23. However, our review of the PCC's website failed to locate the updated document for 2023/24.	Partially	Yes – we have closed this improvement recommendation but as shown on page 21 our key recommendation related to the lack of information published on the PCC's website, including the current Treasury Management Strategy, is carried forward

Follow-up of previous recommendations - Improving economy, efficiency and effectiveness

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
1	We recommend that the outcomes of the PEEL report continue to be considered in detail and the action plan continually monitored to track improvements against the recommended areas, formally reporting progress through the governance structure. HMICFRS will also monitor the Constabulary's progress towards addressing the areas identified.	Key	March 2022	On 20 September 2023, HMICFRS announced that the Constabulary has been removed from an enhanced level of monitoring due to improvements made. But the accompanying letter to the Chief Constable stated that the prompt answering of 999 and 101 calls will remain a cause of concern, and that HMICFRS will continue to monitor progress during its forthcoming inspection. HMICFRS reported progress in the area stating that In a recent visit to the Constabulary control room (FCR), HMICFRS found that morale was good, and that there had been clear improvements to its infrastructure and working environment. The FCR has also recently benefited from recruiting more staff and is due to recruit more staff over the coming months; it is due to be fully staffed by January 2024. HMICFRS subsequently stated: "But the constabulary's 999 performance still needs to improve. At the beginning of 2023, the constabulary was only answering 75 percent of 999 calls within 10 seconds. By July 2023, this figure had slightly reduced to 74.4 percent, and had been below this percentage for the previous months of the year. The constabulary still needs to improve the percentage of 101 calls that are abandoned. An unacceptably high number of callers hang up before their calls are answered. The constabulary has told us that, in April 2023, 11,143 calls were abandoned, equating to 33.69 percent of all 101 calls. This had increased to 12,261 calls in August 2023, equating to 43.42 percent of all calls. The prompt answering of 999 and 101 calls will remain a cause of concern, and we will continue to monitor progress during our forthcoming inspection."	Partially	Recommendation carried forward to ensure continued sustainable improvement in handling 999 and 101 calls.

Follow-up of previous recommendations - Improving economy, efficiency and effectiveness continued

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
2	We recommend that Gloucestershire Constabulary look at integrating financial performance reporting with service delivery performance reporting.	Improvement	March 2022	We note that the PCC Chief Executive update reports to the Police and Crime Panel still do not integrate financial reporting alongside performance reporting.	No	Improvement Recommendation carried forward.
3	We recommend that the Constabulary and OPCC should further embed their review of contracting monitoring procedures in place. Clear communication with SWPPD should take place to clarify the respective roles and responsibilities and ensure contracts are continually monitored at all stages of their lifecycle.	Improvement	March 2022	Since our last audit, the Constabulary has put a new contracts manager in place, holds regular contract management meetings and has more robust processes to manage contracts.	Yes	No

Opinion on the financial statements for 2021/22

Audit opinion on the financial statements

We gave an unqualified opinion on the Group, Police and Crime Commissioner and Chief Constable's financial statements on 31 March 2023.

Audit Findings Report

More detailed findings can be found in our AFR, which was published and reported to the March 2023 Joint Independent Audit Committee.

Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the entity. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

The group is below the threshold for a full review. Our Assurance Statement was issued on 31 March 2023.

Preparation of the accounts

The Accounts and Audit (Amendment) Regulations 2021 pushed back the date by which principal authorities need to publish their draft financial statements to the first working day of August. We noted that the draft accounts (or a notice explaining a delay in publication as required by the legislation) were not published on the PCC and Constabulary website on this date. The notice of delay was not published until 16 August 2022, in breach of the legislation. The draft financial statements were received for audit and published on 13 September 2022. As a result we had to delay our planned audit dates by a month, with the audit commencing on 19 September 2022. In turn, this impacted on the capacity and availability of key finance team members due to the audit period running in parallel to the budget setting processes for 2023/24.

Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation

Opinion on the financial statements for 2022/23

Audit opinion on the financial statements

We gave an unqualified opinion on the Group, Police and Crime Commissioner and Chief Constable's financial statements on 22 March 2024.

Audit Findings Report

More detailed findings can be found in our Audit Findings Report, which was published and reported to the March 2024 Joint Independent Audit Committee.

Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the entity. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

The group is below the threshold for a full review. Our Assurance Statement was issued on 22 March 2024.

Preparation of the accounts and Audit

The Statement of accounts for the Group, PCC and Chief Constable were provided along with a robust set of working papers. The audit work took place remotely and onsite during the months of January March 2024.

Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation

Appendices

Appendix A – Responsibilities of the Police and Crime Commissioner and Chief Constable

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the PCC and CC's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the PCC and CC will no longer be provided.

The PCC and CC are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Appendix B – Risks of significant weaknesses, our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the PCC's and Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we identified are detailed in the table below, along with the further procedures we performed, our findings and the final outcome of our work:

Year of audit	Risk of significant weakness	Procedures undertaken	Findings	Outcome
2021/22 and 2022/23	Financial Sustainability - The following risks of significant weakness were identified as a result of prior year findings and our planning review: 1. Unrealistic assumptions and lack of understanding of demand to inform the budgeting process. 2. Unidentified saving targets 3. Lack of alignment between key strategies and financial plans 4. Reserves held not in line with the Reserves Policy as at 31 March 2021. 5. Lack of capacity and IT resilience in the finance function.	We: • reviewed the arrangements for developing and agreeing the 2022-23 and 2023-24 budgets and updated Medium Term Financial Plan along with underlying assumptions, including the identification of savings plans, and considered the level of risk within these plans; • considered the arrangements for monitoring and managing the delivery of budget and savings plans for 2021-22 and 2022-23 including the year end outturn position; • reviewed the Constabulary's plans for recruitment to ensure these are aligned to the future financial plans; • reviewed the capital and borrowing plans to ensure these are sustainable into the future; • reviewed the updated Reserve Policy in detail and the year end outturn position against the policy; • reviewed the proposed restructure of the finance function and progress against this strategy, including an update on recruitment into finance positions; • assessed the timeless of the production of outturn position and Financial Statements against key deliverable targets; followed up the specific recommendation raised in 2020-21; and • considered HMICFRS' follow report including their discharging of causes of concern identified in October 2021.	See pages 7 to 13.	Significant weaknesses addressed

Appendix B – Risks of significant weaknesses, our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the Constabulary's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we identified are detailed in the table below, along with the further procedures we performed, our findings and the final outcome of our work:

Year of audit	Risk of significant weakness	Procedures undertaken	Findings	Outcome
2021/22 and 2022/23	Governance - the following risk of significant weakness was identified as a result of prior year findings and our planning review: Lack of transparency and breach of legislation regarding publication of key documents by the PCC.	We: • reviewed any updated guidance from central government regarding PCC transparency and publications • ensured all meetings and key policy documents have been updated and published on the agenda. • followed up on the specific key recommendation raised in 2020-21.	See page 19.	Appropriate arrangements not in place, key recommendation raised.
2021/22 and 2022/23	Improving economy, efficiency and effectiveness - the following risks of significant weakness were identified as a result of prior year findings and our planning review: 1. HMICFRS rating of several service areas as inadequate. 2. Lack of evidence to support the results and efficiencies gained by the Transformational Program.	We: • reviewed any action plans that the Constabulary have implemented to address the concerns raised in the HMICFRS report and the progress against these. • confirmed with HMICFRS directly the results of any ongoing reviews and follow up reviews. • reviewed the updated Terms of Reference for the Transformation Board, alongside minutes and decision logs for the financial year. • followed up on specific key recommendations raised in 2020-21.	See pages 23 to 27.	Improvements in performance related to call handling and domestic abuse considerations required. Two key recommendations raised.

Appendix C – An explanatory note on recommendations

A range of different recommendations can be raised by the PCC's and CC's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the PCC and CC under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the PCC and CC. We have defined these recommendations as 'key recommendations'.	Yes	21, 29, 30
Improvement	These recommendations, if implemented should improve the arrangements in place at the PCC and CC, but are not a result of identifying significant weaknesses in the PCC and CC's arrangements.	Yes	14, 22, 31

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