

Update for Joint Audit and Standards Committee

Draft Statement of Accounts for the Chief Constable and Group were provided in June to the Joint Audit and Standards Committee. Since these draft accounts, our external auditors Grant Thornton, have conducted an in-depth review of our statements and supporting information. This has resulted in the following amendments.

Revaluation of buildings

Auditors identified that two of our buildings had been undervalued in 2020/21 and were subsequently revalued by West Mercia Police and Crime Commissioner Valuers. This increase in valuation amounted to £6.036m and was therefore a material error and we were asked to undertake a prior period adjustment. Revaluing buildings impacts 3 financial statements under the group accounts only;

CIES for the Group 2020/21 (extract)	Original 2020/21 Net Expenditure £000	Restated 2020/21 Net Expenditure £000	Amount of Restatement £000
COST OF SERVICES	275,139	275,139	0
(Surplus) or deficit on Provision of Services	72,787	72,787	0
Surplus or Deficit on revaluation of non-current assets	452	(5,584)	(6,036)
Re-measurement of the Net Defined Benefit Liability	229,177	229,177	0
Other Comprehensive Income and Expenditure	229,629	223,593	(6,036)
Total Comprehensive Income and Expenditure	302,416	296,380	(6,036)

Movement in Reserves 2020/21 (extract)	Original Total Unusable Reserves £000	Restated Total Unusable Reserves £000	Amount of Restatement £000
Balance as at 1 April 2019 (from balance sheet)	(2,570,730)	(2,570,730)	0
Other Comprehensive Income and Expenditure	(229,629)	(223,593)	(6,036)
Total Comprehensive Income and Expenditure	(229,629)	(223,593)	(6,036)
Adjustments between accounting basis & funding basis under regulations	(72,049)	(72,049)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(301,678)	(295,642)	(6,036)
Increase / Decrease in 2019/20	(301,678)	(295,642)	(6,036)
Balance at 31 March 2020 carried Forward	(2,872,408)	(2,866,372)	(6,036)

Balance Sheet				
31 March 2020		Original '31 March 2021	Restated '31 March 2021	Amount of Restatement
£000		£000	£000	£000
85,546	Total Long Term Assets	87,820	93,856	6,036
30,243	Total Current Assets	29,526	29,526	0
(42,438)	Total Current Liabilities	(43,975)	(43,975)	0
(2,629,091)	Long Term Liabilities	(2,931,527)	(2,931,527)	0
(2,555,740)	Net Assets	(2,858,156)	(2,852,120)	6,036
(14,990)	Total Usable Reserves	(14,252)	(14,252)	0
2,570,730	Total Unusable Reserves	2,872,408	2,866,372	(6,036)
2,555,740	Total Reserves	2,858,156	2,852,120	(6,036)

The impact of these revaluations is explained under note 37 (page 95) in the group statement of accounts.

Remuneration Disclosure Note

it was identified that a member of Chief Constable staff was duplicated in two different remuneration bands and therefore the note was amended in the group accounts (page 76)

Remuneration Band	Number of Employees		
	Original 2021/22	Restated 2021/22	Movement
£50,000 - £54,999	157	157	0
£55,000 - £59,999	118	118	0
£60,000 - £64,999	55	55	0
£65,000 - £69,999	12	12	0
£70,000 - £74,999	7	7	0
£75,000 - £79,999	6	6	0
£80,000 - £84,999	8	8	0
£85,000 - £89,999	2	2	0
£90,000 - £94,999	2	1	-1
£95,000 - £99,999	2	2	0
£100,000 - £104,999	0	0	0
£105,000 - £109,999	2	2	0
£110,000 - £114,999	0	0	0
£115,000 - £119,999	1	1	0
£120,000 - £124,999	1	1	0
£125,000 - £129,999	1	1	0
£135,000 - £139,999	1	1	0
£160,000 - £164,999	0	0	0
£165,000 - £169,999	1	1	0
Total	376	375	-1

This amendment also affected the Chief Constable Accounts (page 50)

Chief Constable	Number of Employees		
	Original	Restated	Movement
Remuneration Band	2021/22	2021/22	
£50,000 - £54,999	157	157	0
£55,000 - £59,999	116	116	0
£60,000 - £64,999	54	54	0
£65,000 - £69,999	12	12	0
£70,000 - £74,999	6	6	0
£75,000 - £79,999	6	6	0
£80,000 - £84,999	7	7	0
£85,000 - £89,999	2	2	0
£90,000 - £94,999	2	1	-1
£95,000 - £99,999	2	2	0
£100,000 - £104,999	0	0	0
£105,000 - £109,999	2	2	0
£110,000 - £114,999	0	0	0
£115,000 - £119,999	1	1	0
£120,000 - £124,999	1	1	0
£125,000 - £129,999	1	1	0
£135,000 - £139,999	1	1	0
£160,000 - £164,999	0	0	0
Total	370	369	-1

Pension Disclosure Note

This note was updated to reflect the potential impact of changes in underlying pension assumptions by the Government Actuary Department and Local Government Pension Schemes. (Page 61 CC accounts & Page 107 Group Accounts)

	Original					
	Group		CC		PCC	
	Increase in assumption £000	Decrease in assumption £000	Increase in assumption £000	Decrease in assumption £000	Increase in assumption £000	Decrease in assumption £000
Longevity (increase or decrease in 1 year)	316,509	- 316,509	306,948	- 306,948	9,561	- 9,561
Rate of inflation (increase or decrease by 1%) - Police Staff pension schemes only	219,804	- 219,804	210,383	- 210,383	9,421	- 9,421
Rate of increase in salaries (increase or decrease by 1%)	256,034	- 256,034	246,979	- 246,979	9,055	- 9,055
Rate of increase in pensions (increase or decrease by 1%) - PPS only	470,000	- 470,000	470,000	- 470,000	-	-
Rate of discount scheme liabilities (increase or decrease by 1%)	- 312,515	312,515	- 321,022	321,022	8,507	- 8,507

	Restated					
	Group		CC		PCC	
	Increase in assumption £000	Decrease in assumption £000	Increase in assumption £000	Decrease in assumption £000	Increase in assumption £000	Decrease in assumption £000
Longevity (increase or decrease in 1 year)	107,972	- 107,972	107,370	- 107,370	602	- 602
Rate of inflation (increase or decrease by 1%) - Police Staff pension schemes only	112,670	- 112,670	108,050	- 108,050	4,620	- 4,620
Rate of increase in salaries (increase or decrease by 1%)	60,970	- 60,970	60,010	- 60,010	960	- 960
Rate of increase in pensions (increase or decrease by 1%) - PPS only	470,000	- 470,000	470,000	- 470,000	-	-
Rate of discount scheme liabilities (increase or decrease by 1%)	- 620,520	620,520	- 616,000	616,000	- 4,520	4,520

Financial Instruments Disclosure Note

It was identified that Bromsgrove Finance Lease was omitted in error from the long term debtor figure within financial statements and therefore has been restated. (page 88 of the group accounts)

Financial Assets as at 31 March 2021	Restated			
	Long Term		Current	
	Investments £000	Debtors £000	Investments / Cash £000	Debtors £000
Fair value through profit or loss	£0	£0	£0	£0
Amortised cost (previously loans and receivables)	£0	£3,374	£9,871	£12,944
Fair value through other comprehensive income	£0	£0	£0	£0
Financial Assets as at 31 March 2021	Original			
	Long Term		Current	
	Investments £000	Debtors £000	Investments / Cash £000	Debtors £000
Fair value through profit or loss	£0	£0	£0	£0
Amortised cost (previously loans and receivables)	£0	£3	£9,871	£12,944
Fair value through other comprehensive income	£0	£0	£0	£0