

**CENTRAL SCOTLAND JOINT  
POLICE BOARD**



**ABSTRACT OF ACCOUNTS**

**2005/2006**

# CENTRAL SCOTLAND JOINT POLICE BOARD

## ABSTRACT OF ACCOUNTS 2005/06

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# **CENTRAL SCOTLAND JOINT POLICE BOARD**

## **MEMBERS AND OFFICIALS 2005/06**

The members and officials of the Joint Police Board for 2005/06 were as noted below.

### **CONVENOR**

Councillor P McCafferty, Falkirk Council

### **VICE CONVENORS**

Councillor T Hazel, Stirling Council  
Councillor G Matchett, Clackmannanshire Council

### **FALKIRK COUNCIL**

#### **Appointed Members -**

Councillor D Alexander  
Councillor W Anderson  
Councillor T Coleman  
Councillor Reverend John Jenkinson  
Councillor M Nicol

### **STIRLING COUNCIL**

#### **Appointed Members -**

Councillor A Dickson  
Councillor J Hendry

### **CLACKMANNANSHIRE COUNCIL**

#### **Appointed Members -**

Councillor B Fearon

### **OFFICIALS**

Chief Constable	-	Andrew Cameron
Clerk	-	Rose Mary Glackin, Falkirk Council
Treasurer	-	William Watson, Stirling Council

# CENTRAL SCOTLAND JOINT POLICE BOARD

## TREASURER'S REPORT 2005/06

This report comments chiefly on the financial position of Central Scotland Joint Police Board as presented in this Abstract of Accounts. In utilising the financial resources at its disposal during 2005/06, the Force continued to perform at high levels with its detection rate remaining one of the highest in the country at 62%.

### REVENUE ACCOUNT

At its meeting on 2 February 2005, the Board approved a Revenue Budget of £49 million for the financial year 2005/06. After deducting the estimated government grant of £24.6 million, the resultant requisition upon the constituent authorities was £24.1 million. It was also agreed that the constituent authorities would receive half of the refund due from earlier extra funding for increased recruitment. The final revenue position is £48 million, which is £1 million better than budget. This final position will leave the Board with accumulated revenue reserves to carry forward of £2.7 million (2004/05 = £2.5 million). This surplus includes an "earmarked" element for police pension commutations of £1.35 million following a change in accounting policy regarding the treatment of this liability. The balance will help fund growth in the next year to continue to address the concerns of our communities, enable the return of the second £250K to constituent authorities, allow movement towards the target level of reserves approved by the Board and will provide flexibility in budget management. Explanations for the main variations are noted below and are shown on the summary Revenue Account on Page 9. The main variances can be explained as follows:-

- Ignoring the effects of the adjustments required for FRS 17 (see below), staff costs are over budget by £1,268K. The main reason for this over spend was an adverse variance of £881K on police overtime. Part of this was incurred to ensure continued high profile community related policing. The element incurred on Operation Sorbus (G8) is covered by increased levels in income. Strong management procedures are in place to control spends on overtime. The FRS 17 adjustment of £5,536K is funded by an appropriation from the Pensions Reserve.
- The Supplies and Services over spend amounted to £624K. Several factors contributed to this figure including equipment costs for Operation Sorbus (G8) (although these are covered by income); increased advertising costs due to the recruitment drive and replacing two chief officers; the costs of the baton rounds and Taser equipment as the Force moves to less lethal options for its firearms solutions; and the revenue costs of Airwave being fully on stream .
- Transport costs were £165K higher than budget due mainly to the continuing increases in fuel costs.
- The over spends were more than offset by the positive variance of £2,914K against budget realised in income. The main factors contributing to the increase include the resources provided for Operation Sorbus (G8), higher than budgeted secondment income and the continued stringent policy of pursuing rental income in relation to mast sites.

### CAPITAL ACCOUNT

The Board incurred £1,846K of capital expenditure in 2005/06. Operational vehicles accounted for £463K, and computers and equipment accounted for £1,178K. Other areas of expenditure included the monies spent on refurbishing the Cells Complex and Stirling Police Station located at Randolphfield. Capital expenditure was financed by the capital grant from the Scottish Executive of £1,494K, the brought forward balance from 2004/2005 of £78K, revenue funding from G8 and from Falkirk Council community partnership funding and some applied capital receipts. A total of seven police houses were sold in the year, yielding £446K capital receipts. The total of capital receipts available to carry forward into the next financial year was £582K.

## **PENSIONS LIABILITIES**

The Accounting Standards Board, having recognised that the previous treatment of pensions liabilities was not consistent with the treatment applied to other liabilities in that the full impact of the future obligations accrued in the financial year were not being recognised, introduced the Financial Reporting Standard 17. The Standard deems it necessary to recognise all future liabilities committed up to the end of the current financial year, and Central Scotland Joint Police Board has complied with it in full beginning with the 2003/04 accounts.

The Abstract of Accounts for 2005/06 has been prepared in compliance with FRS 17, and recognises the full pension obligations in the year in which they are earned by members of the pension schemes. The main effects of complying with the Standard on the 2005/06 Accounts are as follows:

- A charge has been made to the Revenue Account for costs of £20,670K (2004/05 £16,650K), the funding of which comes from an appropriation from the Pensions Reserve Account.
- The recognition of the Pension Liability of £336,418K (2004/05 £282,377K) in the Balance Sheet has resulted in total net liabilities of £313,684K.

## **ACKNOWLEDGEMENT**

I am extremely grateful to the Force's Finance Department for their assistance throughout the year in managing the Force's financial affairs and in the preparation of this Abstract of Accounts for the Joint Police Board.

Further information on these accounts or on any other aspect of the Board's finances may be obtained from the Treasurer to Central Scotland Joint Police Board, Stirling Council, Viewforth, Stirling, FK8 2ET (telephone 01786 442811) or from the Force's Director of Finance and Resources, Randolphfield, Stirling, FK8 2HD (telephone 01786 456377). Information about Central Scotland Police can be found on the web site at [www.centralscotland.police.uk](http://www.centralscotland.police.uk).

*W. R. Watson*

**William Watson CPFA**  
Treasurer

# CENTRAL SCOTLAND JOINT POLICE BOARD

## STATEMENT OF MAIN ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2006

### 1 General

The Abstract of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in Great Britain - A Statement of Recommended Practice (SORP) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). The Abstract of Accounts is intended to present the financial position and transactions of the Board and has been prepared in accordance with the basic accounting concepts as follows:

- Accruals
- Going Concern
- Legislative Requirements
- Quality of Financial Information, being
  - relevance
  - reliability
  - comparability
  - understandability

### 2 Cost Basis

The Abstract of Accounts has been prepared using the historical cost basis as modified by the revaluation of fixed assets.

### 3 Fixed Assets

Land and buildings are recorded at depreciated replacement cost as is the basis recommended by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes issued by the Royal Institute of Chartered Surveyors.

Vehicles and equipment values in the accounts are based upon depreciated cost.

All expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis.

Where an asset has been acquired or is under construction, but is not yet in operational use, the cost is capitalised but not depreciated until commissioned into full operational use.

Where assets become non-operational, depreciation is no longer charged from the date that this is deemed to be the case.

### 4 Depreciation

Assets other than land are depreciated over their useful economic lives.

Fixed Assets are depreciated in the year of purchase from the date of purchase / operational use; and in the year of disposal, until the date of disposal.

Depreciation is charged as follows:

Buildings	straight line method over estimated useful life of building (per valuation)
Plant and equipment	straight line method at 20% - 33% per annum
Vehicles	reducing balance method at 23% per annum

## **5 Capital Charges**

The capital charges made to the Revenue Account equate to the sum of depreciation plus a notional interest rate of 3.5%. The notional interest rate is variable and is notified by CIPFA.

External interest payable and the provision for depreciation are charged to the Asset Management Revenue Account which is credited with capital charges as charged to the Revenue Account.

## **6 Capital Receipts**

When assets are sold or disposed of, the capital receipt is held in an account (Usable Capital Receipts Account) until it is used to finance further capital expenditure. The reserved element of capital receipts from prior years is held in the Capital Financing Account.

## **7 Capital Account**

### Fixed Asset Restatement Account

The Code of Practice requires the creation of a Fixed Asset Restatement Account. The balance on the Account represents primarily the balance of the surplus or deficits from the periodic revaluation of fixed assets.

### Capital Financing Account

The Code of Practice requires the creation of a Capital Financing Account. The balance on the Account represents primarily the sums that have been set aside to finance capital expenditure.

### Usable Capital Receipts

Usable Capital Receipts are capital receipts which are held until such time as they are used to finance new capital expenditure.

## **8 Income and Expenditure**

Income includes all specific and material sums due to Central Scotland Police for the financial year. Expenditure included in the accounts relates to services provided in the financial year.

## **9 Revenue and Capital Debtors and Creditors**

All specific and material sums payable to and due by the Board as at 31 March 2006 have been brought into account. All salaries and wages earned up to 31 March 2006 are included in the Abstract of Accounts for that year irrespective of when actual payments were made. Sundry creditors and debtors include all specific accruals in respect of further material items.

## **10 Operating Leases**

Rental payments made under operating leases are charged to the Revenue Account on a straight-line basis, over the term of the lease. The amounts paid under these arrangements and undischarged obligations as at 31 March 2006 are disclosed in Note 5 (page 11) of the Revenue Account.

## **11 Stores and Work in Progress**

The Board complies with the requirements of SSAP 9 "Stocks and Long-Term Contracts". Stocks held at 31 March 2006 are valued at the lower of cost and current market value.

## **12 Insurance**

Expenditure included in the Abstract of Accounts relates to premiums paid, policy excesses and settlement of claims.

### **13 Pensions**

The Joint Police Board participates in two pension schemes that meet the distinct needs of Uniformed and Non-Uniformed personnel. Both schemes provide members with defined benefits related to pay and service.

The Accounting Standards Board, having recognised that the previous treatment of pensions liabilities was not consistent with the treatment applied to other liabilities in that the full impact of the future obligations accrued in the financial year were not being recognised, introduced the Financial Reporting Standard 17. The Standard deems it necessary to recognise all future liabilities committed up to the end of the current financial year, and Central Scotland Joint Police Board has complied with it in full beginning with the 2003/04 accounts.

In the preparation of its 2005/06 accounts the Board complies with the requirements of UK GAAP and with the requirements of FRS 17 to recognise the full expected cost of providing for all pensions and related benefits on a systematic and rational basis over the period that it derives benefit from the services of its employees. The pension costs included in the accounts have been determined with the assistance of an independent actuary.

Where reference has been made to pensionable pay, this refers to the respective total pensionable pays of Police Officers and Support Staff.

Further details of pension costs have been disclosed in Note 2 to the Revenue Account (page 10) and further details of the assets and liabilities of the Schemes have been disclosed in Note 9 to the Balance Sheet (page 17).

### **14 Pension Commutation – Set aside of Revenue Reserves**

In preparing its accounts the Joint Police Board complies in full with the rules of FRS 17. The liability to pay commuted sums for those officers who were eligible to retire but remained in service at 31 March is included in the Net Pension Asset / Liability figure.

Funding for payment of these commuted sums is made available from Police Grant and Requisitions in the year in which the officer is eligible to retire. In order to ensure that this funding is correctly applied, an amount equal to the amount calculated for commuted sums due is set aside in the Revenue Surplus Reserve and “earmarked” for this specific purpose. Details of the set aside amounts are included in Note 8 to the Revenue Account (page 12) and Note 13 to the Balance Sheet (page 21).

### **15 Preparation of Accounts on Going Concern Basis**

Although there is an excess of liabilities over assets, the financial statements have been prepared on a going concern basis. The justification for this is that under the “1995 Combined Area Amalgamation Scheme Orders” the constituent authorities of Central Scotland Joint Police Board are required to meet the Board’s expenditure, net of Police Grant, in each financial year.

**CENTRAL SCOTLAND JOINT POLICE BOARD**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006**

Actual 2004/05 £000		Actual 2005/06 £000	Budget 2005/06 £000	Variance £000
48,354	Staff Costs	53,352	46,548	(6,804)
1,009	Property Costs	1,175	1,044	(131)
2,678	Supplies and Services	2,975	2,351	(624)
868	Transport Costs	982	817	(165)
910	Third Party Payments	934	863	(71)
2,844	Finance Costs / Capital Charges	3,424	2,311	(1,113)
0	Non Distributable Costs	4	0	(4)
<b>56,663</b>	<b>GROSS EXPENDITURE</b>	<b>62,846</b>	<b>53,934</b>	<b>(8,912)</b>
(5,982)	Income	(7,821)	(4,907)	2,914
<b>50,681</b>	<b>NET COST OF SERVICES</b>	<b>55,025</b>	<b>49,027</b>	<b>(5,998)</b>
(855)	Transfer from Asset Management Revenue Account (Note 6)	(1,312)	0	1,312
(100)	Interest on Revenue Balances	(31)	0	31
12,343	Pension Interest Costs	16,126	0	(16,126)
0	Net (Surplus) / Deficit on Insurance Account	15	0	(15)
(820)	Expected Return on Pension Assets	(996)	0	996
<b>61,249</b>	<b>NET OPERATING EXPENDITURE</b>	<b>68,827</b>	<b>49,027</b>	<b>(19,800)</b>
(76)	Appropriations (from) / to Capital Financing Account	(140)	0	140
0	Transfer to / (from) Insurance Reserve	(15)	0	15
(16,650)	Movement on Pensions Reserve	(20,670)	0	20,670
<b>44,523</b>	<b>Net Expenditure to be met from Grant &amp; Constituent Authorities</b>	<b>48,002</b>	<b>49,027</b>	<b>1,025</b>
22,463	<u>Funded from Specific Government Grant</u>	24,322		
	<u>Funded from Requisitions on Constituent Authorities</u> (Note 7)			
3,593	Clackmannanshire      15.8%	3,770		
11,757	Falkirk                      51.7%	12,337		
7,391	Stirling                      32.5%	7,756	23,863	
<b>45,204</b>		<b>48,185</b>		
<b>681</b>	<b>Surplus / (Deficit) for the year</b>	<b>183</b>		
1,849	Accumulated Surplus / (Deficit) brought forward	2,530		
<b>2,530</b>	<b>Accumulated Surplus / (Deficit) carried forward</b> (Note 8)	<b>2,713</b>		

## NOTES TO THE REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

1. As required under the Best Value Accounting Code of Practice the following analysis is provided for the divisions of service suggested: -

<b>Service Divisions for Police Services For The Year Ended 31<sup>st</sup> March 2006</b>	<b>2004/05 Actual £000</b>	<b>2005/06 Actual £000</b>
Call Management	549	559
Common Police Services	413	461
Community Safety	17,443	17,748
Corporate & Democratic Core	62	62
Crime Management	19,427	19,768
Finance Costs / Capital Charges	2,844	3,424
Police Pensions	5,127	8,104
Public Order	2,197	2,235
Traffic Management	2,619	2,664
<b>Net Cost of Services for the year ended 31 March 2006</b>	<b>50,681</b>	<b>55,025</b>

## 2. PENSION COSTS

### Police Officers

The Police Pension Scheme is an unfunded scheme administered by Falkirk Council on behalf of the Central Scotland Joint Police Board.

The pension costs that are charged to the Board's accounts in respect of Police Officers are equal to the accrued cost of pensions and other benefits earned in the financial year and payable to scheme members after allowing for the receipt of contributions and transfer value income.

In 2005/06, the current service cost of pensions was £10.8 million, representing 43.8% of pensionable pay. In the Police Pension Scheme the age profile of the active membership is rising significantly. Under the projected unit method the current service cost will increase as the members of the scheme approach retirement.

### Other Employees

Support staff are eligible to join the Local Government Pension Scheme through the Pension Fund administered by Falkirk Council.

The pension costs charged to the Board's Accounts in respect of support staff consist of the accrued cost of pensions and other benefits earned in the financial year and payable to scheme members and any costs arising from the award of premature retirement benefits.

The employer's contribution rate is set on a three yearly basis by an Actuary appointed by Falkirk Council. The rate is set to ensure that the Pension Fund remains solvent and in a position to meet 100% of its overall liabilities. The most recent valuation of the Fund was as at 31st March 2005, with the next formal valuation due as at 31 March 2008.

For 2005/06, the Pension Fund Actuary has used an alternative discount rate (AA Corporate Bonds) as a means of valuing pension fund liabilities. This change has brought the valuation of local authority pension funds more into line with the valuation methods used in other sectors.

In 2005/06, the Board's current service costs amounted to £1,076K, representing 19.8% of pensionable pay.

The capital cost of any discretionary increases in pension payments (e.g. discretionary added years) agreed by the Board for support staff:

- a) retiring in 2005/06 is nil,
- b) retiring in earlier years, for which payments are still being made, is £233K.

### 3. PUBLICITY ACCOUNT

Section 5 of the Local Government Act 1986 requires a separate account to be kept of expenditure on publicity. During 2005/06 the Board incurred the following publicity expenditure:

	2004/05	2005/06
	£	£
Employment Advertising	49,864	49,928
Other Advertising	20,221	21,897
	<b>70,085</b>	<b>71,825</b>

### 4. AUDIT FEES

The fees charged to the Revenue Account and payable to Audit Scotland are as follows:

	2004/05	2005/06
	£	£
External Audit Services	30,580	29,400
Other Services	0	0
	<b>30,580</b>	<b>29,400</b>

### 5. OPERATING LEASES

Rental payments made under operating leases are charged to the Revenue Account on a straight-line basis over the term of the lease. Details of the Joint Police Board's obligations:

Actual Lease Payments	Category of Lease	Actual Lease Payments	Committed Lease Payments	Leases Expiring During	Leases Expiring between 2007/08 & 2010/11	Leases Expiring from 2011/12 onwards
2004/05 £		2005/06 £	2006/07 £	2006/07 £	2010/11 £	£
0	CCTV Rental Agreement	4,013	4,013	0	4,013	0
3,000	Car Leases	15,000	15,000	0	12,000	3,000
6,450	Land	14,500	14,500	0	0	14,500
24,796	Photocopiers	6,300	0	0	0	0
0	Protective Vests	0	51,942	0	51,942	0
<b>34,246</b>	<b>Total</b>	<b>39,813</b>	<b>85,455</b>	<b>0</b>	<b>67,955</b>	<b>17,500</b>

## 6. TRANSACTIONS ON THE ASSET MANAGEMENT REVENUE ACCOUNT

The 2005/06 transactions on the Asset Management Revenue Account are as follows:

	2004/05 £000	2005/06 £000
<b>Income -</b>		
Capital Charges	(2,844)	(3,424)
<b>Less Expenditure -</b>		
Provision for Depreciation and Amortisation of Deferred Capital Grant	1,056	1,252
Loans Fund Interest and Expenses	933	860
<b>Balance to Revenue Account</b>	<b>(855)</b>	<b>(1,312)</b>

## 7. APPLIED REVENUE RESERVES

In 2004/2005 the constituent authorities provided excess funding of £500K to support an increase in recruitment.

In 2005 / 2006, the constituent authorities match-funded to the level of Grant Aided Expenditure however the requisitions shown account for the repayment of £250K of this excess. A further £250K is due to be repaid in 2006 / 2007.

## 8. ACCUMULATED SURPLUS

The surplus of requisitions paid plus police grant due over the actual net expenditure is taken to reserves to provide a working balance and to provide against material unforeseen circumstances.

Also included in the Accumulated Surplus figure is the amount of funding which is required to be set aside to meet future commuted sums of police officers who were at the year end eligible to retire but chose to remain in service.

As at 31 March 2006 the amount included in the Accumulated Surplus but required to provide for future commuted sums was £1,352K (as at 31 March 2005 - £997K).

## 9. STAFF EMOLUMENTS

The number of police officers and support staff whose remuneration, excluding pension contributions, was £40,000 or more in bands of £10,000 were:

	2004/05 Number of Employees	2005/06 Number of Employees
<b>Remuneration Band</b>		
£40,000-£49,999	57	77
£50,000-£59,999	8	5
£60,000-£69,999	4	5
£70,000-£79,999	0	0
£80,000-£89,999	1	1
£90,000-£99,999	1	2
£100,000-£109,999	0	0
£110,000-£119,999	1	1
	<b>72</b>	<b>91</b>

## 10. RELATED PARTIES

The Accounting Code of Practice requires disclosure as a note to the Revenue Account of material transactions with related parties not disclosed elsewhere within the Abstract of Accounts, and disclosure of amounts due to or from related parties as a note to the Balance Sheet.

All Joint Police Board members are members of constituent authorities as listed at page 3. The Joint Police Board does not remunerate the members for their services to it.

Ms Rose Mary Glackin, Clerk to the Joint Police Board, is the Director of Law and Administration at Falkirk Council. Mr William Watson, Treasurer to the Joint Police Board, is Head of Resource Management at Stirling Council.

For 2005/06 the material transactions with any related parties, which are not disclosed elsewhere within the Abstract of Accounts, are noted below :

	<b>Goods / Services Purchased £000</b>	<b>Goods / Services Sold £000</b>
Clackmannanshire Council	82	75
Falkirk Council	384	278
Stirling Council	118	27

## 11. BUDGET INFORMATION

The budget figures included in the Revenue Account are not subject to the same level of audit testing as actual income and expenditure.

**CENTRAL SCOTLAND JOINT POLICE BOARD  
BALANCE SHEET AS AT 31 MARCH 2006**

<b>2004/05 £000</b>		<b>2005/06 £000</b>		<b>2005/06 £000</b>
	<b>FIXED ASSETS</b>			
32,727	Operational Land and Buildings	32,232		
447	Non Operational Assets	0		
4,555	Vehicles, Plant and Equipment	4,609		
22	Assets Under Construction	114		
<b>37,751</b>	<b>TOTAL FIXED ASSETS (Notes 1 to 5)</b>			<b>36,955</b>
	<b>CURRENT ASSETS</b>			
248	Stocks	247		
2,771	Debtors (Note 6)	2,938		
5	Advances and Petty Cash	5		
2,782	Advances with Stirling Council Loans Fund	3,219		
<b>5,806</b>				<b>6,409</b>
	<b>CURRENT LIABILITIES</b>			
(4,080)	Creditors (Note 7)	(4,087)		
0	Insurance Provision (Note 12)	(27)		
<b>(4,080)</b>				<b>(4,114)</b>
<b>39,477</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>39,250</b>
	<b>LESS: LONG TERM LIABILITIES</b>			
(4,317)	Government Grants – Deferred Account (Note 10)			(5,013)
(282,377)	Net Pension Asset / (Liability)			(336,418)
(12,360)	Long Term Borrowing – Stirling Council (Note 11)			(11,503)
<b>(259,577)</b>	<b>TOTAL NET ASSETS / LIABILITIES</b>			<b>(313,684)</b>
	<b><u>RESERVES:-</u></b>			
81	Insurance Fund (Note 12)			66
2,530	Surplus Revenue Reserve (Note 13)			2,713
(282,377)	Pension Reserve (Note 14)			(336,418)
19,679	Fixed Asset Restatement Account (Note 15)			18,575
240	Capital Financing Account (Note 15)			798
270	Usable Capital Receipts Account (Note 15)			582
<b>(259,577)</b>				<b>(313,684)</b>

In my opinion the Abstract of Accounts presents fairly the financial position of the Joint Police Board as at 31 March 2006 and its income and expenditure for the year then ended.

*W. R. Watson*

William Watson CPFA  
Treasurer

## NOTES TO THE BALANCE SHEET AS AT 31 MARCH 2006

### 1. VALUATION OF THE BOARD'S ASSETS

The properties which comprise the Joint Police Board's property portfolio, with the exception of the Falkirk Police Station, were valued as at 1 April 2004 by Stirling Council Estates Services in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors. The land and buildings at the site of the new Falkirk police station were valued as at 1 November 2004, the property having become operational during October 2004.

The intention is to carry out asset re-valuations every five years, the next full valuation being due to take place during 2009/10 for the year ended 31 March 2010.

### 2. FIXED ASSETS INFORMATION AS AT 31 MARCH 2006

The Joint Police Board's fixed assets are in respect of Operational and Non-Operational Land and Buildings; Operational Vehicles; Computer, Laboratory and Other Equipment; Plant, Radio and Telecommunications Equipment.

Asset Type	Number
Police Stations	22
Police Houses – Operational	8
Radio Aerial Sites	8
Vehicles	192

### 3. FIXED ASSET STATEMENT

	Land & Buildings £000	Non-Operational Assets £000	Operational Vehicles £000	Computer, Plant and Equipment £000	Assets Under Construction £000	Total £000
<b>Gross Valuation</b>						
Opening Balance as at 1.4.05	35,946	447	2,853	5,608	22	44,876
Revaluations/Restatements	(427)			(166)	(21)	(614)
Additions	607		463	1,178	113	2,361
Disposals		(447)	(485)			(932)
<b>Balance as at 31.3.2006</b>	<b>36,126</b>	<b>0</b>	<b>2,831</b>	<b>6,620</b>	<b>114</b>	<b>45,691</b>
<b>Depreciation</b>						
Opening Balance as at 1.4.05	3,220	0	1,507	2,400	0	7,127
Relating to disposals	0	0	(441)	0	0	(441)
Charge for the year	674	0	373	1,003	0	2,050
<b>Balance as at 31.3.2006</b>	<b>(3,894)</b>	<b>0</b>	<b>(1,439)</b>	<b>(3,403)</b>	<b>0</b>	<b>(8,736)</b>
<b>Written Down Value as at 31.3.2006</b>	<b>32,232</b>	<b>0</b>	<b>1,392</b>	<b>3,217</b>	<b>114</b>	<b>36,955</b>
<b>Written Down Value as at 31.3.2005</b>	<b>32,727</b>	<b>447</b>	<b>1,346</b>	<b>3,209</b>	<b>22</b>	<b>37,751</b>

Assets Under Construction from 2004/05 are now incorporated in the Net Book Values of the appropriate category of asset. In 2005/06 work commenced on a project to centralise the custodier function within Central Scotland Police. The costs to date (£113K) have been held as "Assets Under Construction" pending completion of the project in 2006/07.

#### 4. CAPITAL EXPENDITURE IN THE YEAR

Capital expenditure of £1,846 was incurred in the year, and CCTV equipment was capitalised via the Capital Financing Account (see below). The additions were funded as follows:-

	%	£000
Capital Grants (2005/06) Applied	63.3	1,494
Capital Grants (brought forward) Applied	3.3	78
Capital Receipts Applied	7.7	183
Capital Funded from Revenue	3.9	91
		<hr/> 1,846
Capital Funded from Capital Financing Account	21.8	515
		<hr/> <b>2,361</b> <hr/>

The details of the revenue funding are as follows :-

- £51K - received from Falkirk Council under a community partnership scheme to part fund a mobile office for Falkirk partners to use.
- £40K - received from Tayside Police to refund capital expenditure incurred by Central Scotland Police during the G8 Conference.

The centralised CCTV System is operated by a management group made up of the three constituent authorities (Clackmannanshire, Falkirk and Stirling) and Central Scotland Police. Equipment was purchased in 2004/05 from funds provided by the Scottish Executive. As no partnership exists which can hold the assets in its books, Central Scotland Police has included the assets on its Balance Sheet. The payment was dealt with through Stirling Council's accounts in 2004/05, so the asset was funded through an adjustment to the Capital Financing Account.

#### 5. CAPITAL COMMITMENTS

As at the year end the work on the custodier centralisation project was in progress but not completed. The resulting capital contractual commitments incumbent on the Joint Police Board as at 31 March 2006 were therefore as follows:

Contractor	Estimated Value of Commitment	Purpose of contract
Murdoch Smith Ltd	£272K	Complete building work for the centralisation of custodier project

## 6. DEBTORS

The debtors balance as at the year end is made up as follows:

	2004/05 £000	2005/06 £000
Government Grants	663	715
VAT	299	255
Other Grants & Recharges	579	1,209
Sales Ledger Debtors	901	504
Sundry Prepayments	329	255
	<u>2,771</u>	<u>2,938</u>

## 7. CREDITORS

The creditors balance as at the year end is made up as follows:

	2004/05 £000	2005/06 £000
Payroll Accruals	1,358	1,585
Short Term Advances with Stirling Council Loans Fund	1,022	857
Government Grants	69	55
Purchase Ledger Creditors	526	687
Sundry Accruals	1,105	903
	<u>4,080</u>	<u>4,087</u>

## 8. POLICE PENSION PROVISION

Provisions are amounts which have been set aside to meet liabilities which are certain to arise but because of their inherent nature cannot be quantified with any certainty.

In order to preserve the funding to pay for the cost of the commuted sums of officers eligible to retire but who have not yet done so, the amount previously held in a provision is now included in the Accumulated Surplus Carried Forward and "earmarked" for this purpose. As at 31 March 2006, the earmarked amount is £1,352K (31 March 2004 - £997K). This is also detailed in Note 8 of the Notes to the Revenue Account on page 12 and at Note 13, Surplus Revenue Reserve on page 21.

## 9. ACCOUNTING FOR RETIREMENT BENEFITS

As part of the terms and conditions of employment of police officers and support staff, the Joint Police Board offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Board has a commitment to make the payments and that commitment needs to be incorporated into the Abstract of Accounts and disclosed at the time that employees earn their future pension entitlement.

The Board participates in two pension schemes:

- the Local Government Pension Scheme for support staff, administered by Falkirk Council - this is a funded scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets, and
- the Police Pension Scheme for police officers – this is an unfunded scheme, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet scheme benefits as they eventually fall due.

In 2005/06, pension costs have been charged to the consolidated revenue account on the accruals basis as prescribed in FRS 17. As at 31 March 2006, the Board had the following overall assets and liabilities for pensions. In compliance with FRS 17 these have been included in the Balance Sheet as at 31 March 2006.

	<b>Local Government Pension Scheme</b>		<b>Police Pension Scheme</b>		<b>Totals</b>	
	<b>£000</b>		<b>£000</b>		<b>£000</b>	
	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>31 March 2006</b>	<b>31 March 2005</b>
Estimated liabilities in scheme	(23,880)	(18,223)	(330,300)	(276,900)	(354,180)	(295,123)
Estimated unfunded discretionary liabilities	(233)	(222)	0	0	(233)	(222)
Estimated assets in scheme	17,995	12,968	0	0	17,995	12,968
Net asset/ (liability)	(6,118)	(5,477)	(330,300)	(276,900)	(336,418)	(282,377)

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Hymans Robertson, an independent firm of Actuaries, has assessed both the Police Pensions Scheme and the Falkirk Council Pension Fund liabilities. The main assumptions used in their calculations have been: -

	<b>Local Government Pension Scheme</b>		<b>Police Pension Scheme</b>	
	<b>2005/06</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2004/05</b>
Rate of Inflation	3.1%	2.9%	3.1%	2.9%
Rate of increase in salaries	4.6%	4.4%	4.6%	4.4%
Rate of increase in pensions	3.1%	2.9%	3.1%	2.9%
Rate for discounting scheme liabilities	4.9%	5.4%	4.9%	5.4%

The Police Pensions Scheme has no assets to cover its liabilities. Assets in the Falkirk Council Pension Fund are valued at fair value, principally market value for investments, and consist of the following categories by proportion of the total assets held by the Fund:

	Long Term Return	31 March 2006	31 March 2005
Equity Investments	7.4%	73.3%	74.0%
Bonds	4.6%	13.1%	11.0%
Property	5.5%	10.4%	10.7%
Cash	4.6%	3.2%	4.3%
		<b>100%</b>	<b>100%</b>

The movement in the net pension liability for the year to 31 March 2006 is as follows:

	Local Government Pension Scheme £000	Police Pension Scheme £000
<b>Net pensions asset/(liability) at 1 April 2005</b>	<b>(5,477)</b>	<b>(276,900)</b>
<i>Movements in the year:</i>		
◆ current service cost	(1,076)	(10,800)
◆ employer's contributions payable to scheme	824	5,500
◆ transfers in from other authorities		(200)
◆ transfers out to other authorities		100
◆ contributions in respect of unfunded benefits	16	
◆ pensions and lump sum expenditure		
◆ past service costs	(4)	
◆ interest cost	(1,026)	(15,100)
◆ net return on assets in the scheme	996	
◆ actuarial gains / (losses)	(371)	(32,900)
<b>Net pension asset/(liability) at 31 March 2006</b>	<b>(6,118)</b>	<b>(330,300)</b>

The actuarial gains can be analysed into the following categories, measured as absolute amounts and as a percentage of estimated assets and liabilities at 31 March 2006.

Local Government Pension Scheme	31 March 2006		31 March 2005		31 March 2004		31 March 2003	
	£000	%	£000	%	£000	%	£000	%
Differences between the expected and actual return on assets	2,406	13.4% of assets	382	2.9% of assets	1,618	14.6% of assets	(4,006)	48.7% of assets
Differences between actuarial assumptions about liabilities and actual experience	464	1.9% of liabilities	(7)	0.0% of liabilities	35	0.3% of liabilities	(660)	5.8% of liabilities
Changes in the demographic and financial assumptions used to estimate liabilities	0	0	0	0	0	0	0	0
Changes in the Financial Assumptions underlying the present value of the Scheme Liabilities	(3,241)	0	(3,653)	0	0	0	0	0
<b>Actuarial Gain/(Loss)</b>	<b>(371)</b>	-	<b>(3,278)</b>	-	<b>1,653</b>	-	<b>(4,666)</b>	-

Police Pension Scheme	31 March 2006		31 March 2005		31 March 2004		31 March 2003	
	£000	%	£000	%	£000	%	£000	%
Differences between the expected and actual return on assets	2,700	0.8% of assets	1,800	0.7% of assets	(200)	(0.1)% of assets	0	0
Differences between actuarial assumptions about liabilities and actual experience	(35,600)	(10.8)% of liabilities	(52,458)	(18.9)% of liabilities	0	0	11,968	6.15% of liabilities
Changes in the demographic and financial assumptions used to estimate liabilities	0	0	0	0	0	0	(16,000)	(8.22)% of liabilities
<b>Actuarial Gain/(Loss)</b>	<b>(32,900)</b>	<b>-</b>	<b>(50,658)</b>	<b>-</b>	<b>(200)</b>	<b>-</b>	<b>(4,032)</b>	<b>-</b>

#### 10. GOVERNMENT GRANTS – DEFERRED ACCOUNT

Since the financial year 2004/05 capital expenditure is supported by a capital grant from the Scottish Executive. The amount of grant is settled during the budgeting process, and paid by the Executive in twelve monthly instalments to the Joint Police Board.

The capital grant is held in the Balance Sheet, and is amortised over the useful life of the asset with which it is associated.

During 2005/06, the Board received a capital grant of £1.5 million. This grant was fully utilised, along with other capital funding (see Balance Sheet Note 4 above) to support capital expenditure.

Details of the amounts received and amortised are as follows:

	<b>2005/06</b>
	<b>£000</b>
Opening balance at 01.04.05	4,317
Grant received	1,494
Amortisation for the year	(798)
<b>Closing balance at 31.03.06</b>	<b>5,013</b>

#### 11. LONG TERM BORROWING – STIRLING COUNCIL

The debt to Stirling Council is repayable over the following periods:

	<b>2004/05</b>	<b>2005/06</b>
	<b>£000</b>	<b>£000</b>
Loans due within 1 year	1,022	857
Loans due 1 – 2 years	857	636
Loans due 2 – 5 years	1,723	1,622
Loans due 5 – 10 years	1,361	952
Loans due over 10 years	8,419	8,293
<b>Total due 31 March</b>	<b>13,382</b>	<b>12,360</b>

## 12. INSURANCE RESERVE

During the 2005/06 financial year, revenue accounts were charged with an amount which reflected the self insured element of insurance costs. This amount was credited to an Insurance Account in line with the guidelines issued by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) in December 2005. The Insurance Account would then pay out against the self-insured element (i.e. the excess) of any claims. In addition, £27K was provided in respect of the self-funded elements of liability and motor claims which were unsettled at 31 March 2006.

At the end of the year, any surplus or deficit on the Insurance Account is dealt with by appropriation to or from the Insurance Reserve. The movement on the Reserve during 2005/06 is shown in the following table.

	<b>2004/05</b>	<b>2005/06</b>	<b>Movement</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Insurance Reserve	81	66	15

## 13. SURPLUS REVENUE RESERVE

The surplus of requisitions paid plus police grant due over the actual net expenditure is taken to reserves to provide a working balance and to provide against material unforeseen circumstances.

Also included in the Revenue Reserve figure is the amount of funding which is required to be set aside to meet future commuted sums of police officers who were at the year end eligible to retire but chose to remain in service.

As at 31 March 2006 the amount included in the Revenue Reserve but required to provide for future commuted sums was £1,352K (as at 31 March 2005 - £997K).

## 14. PENSION RESERVE

In compliance with FRS 17, a Pension Reserve has been established in the Balance Sheet to represent the accumulated assets / liabilities resulting from processing the entries required for full compliance with FRS 17.

The movement in the Pension Reserve for the year is as follows:

	<b>2004/05</b>	<b>2005/06</b>
	<b>£000</b>	<b>£000</b>
<b>Opening Balance</b>	211,049	282,377
Unfunded Discretionary Benefits	0	(16)
Net Actuarial (Gains) / Losses	53,936	33,271
Adjustment for Employer's Contributions Paid	(5,127)	(6,324)
Reversal of Revenue Account Entries	21,777	27,010
Transfer to Other Authority		(100)
Transfer from Other Authority	742	200
<b>Closing Balance</b>	<b>282,377</b>	<b>336,418</b>

## 15. STATEMENT OF MOVEMENT IN CAPITAL ACCOUNTS

	<b>Fixed Asset Restatement Account</b>	<b>Capital Financing Account</b>	<b>Usable Capital Receipts Account</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance as at 1/4/05</b>	(19,679)	(240)	(270)	(20,189)
Revaluation of assets	428			428
2005/2006 expenditure not increasing value of assets	186			186
Effects of disposals of fixed assets	490			490
Financing of fixed assets		(515)		(515)
Capital Financed from Current Revenue		(91)		(91)
Proceeds of disposal			(495)	(495)
Difference between loan principal repayment and depreciation		1,029		1,029
Applied capital receipts		(183)	183	0
Amortisation of capital grant		(798)		(797)
<b>Balance as at 31/3/06</b>	<b>(18,575)</b>	<b>(798)</b>	<b>(582)</b>	<b>(19,954)</b>

### **Fixed Asset Restatement Account**

The Fixed Asset Restatement Account represents the difference between the valuation of assets under the previous system of capital accounting and the revaluation as at 1 April 1994. The account is adjusted on an accruals basis to reflect the disposal of assets and the effect of revaluations and restatement of asset values. The account cannot be called upon to support expenditure.

### **Capital Financing Account**

The Capital Financing Account contains the amount of Capital Funded from Current Revenue. It also contains the difference between depreciation of assets and the amounts required to be charged to revenue to repay the principal element of external loans. The account cannot be called upon to support expenditure.

### **Usable Capital Receipts Account**

The Usable Capital Receipts Account contains capital receipts from the disposal of assets which can be utilised to finance capital expenditure.

## 16. POST BALANCE SHEET EVENT

Since the balance sheet date a major criminal operation has been conducted which has potentially significant financial implications for the Joint Board. In order to mitigate any such impact, negotiations have taken place to secure additional funding and it is anticipated that confirmation of a positive outcome will follow shortly.

**CENTRAL SCOTLAND JOINT POLICE BOARD**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006**

<b>2004/05</b>		<b>2005/06</b>	<b>2005/06</b>
<b>£000</b>	<b><u>REVENUE ACTIVITIES</u></b>	<b>£000</b>	<b>£000</b>
	<b>Expenditure</b>		
43,231	Cash Paid to and on Behalf of Employees	47,589	
4,362	Other Operating Costs	5,128	52,717
	<b>Income</b>		
(4,731)	General	(6,282)	
(22,741)	Requisitions from Constituent Authorities	(23,863)	
(23,050)	Government Grants (Note 4)	(24,717)	(54,862)
<b>(2,929)</b>	<b><i>NET CASH (INFLOW) / OUTFLOW FROM REVENUE ACTIVITIES (Note 1)</i></b>		<b>(2,145)</b>
	<b><u>SERVICING OF FINANCE</u></b>		
	<b>Expenditure</b>		
932	Interest Paid	860	
	<b>Income</b>		
(100)	Interest on Revenue Balances	(31)	
<b>832</b>	<b><i>NET CASH (INFLOW) / OUTFLOW FROM SERVICING OF FINANCE</i></b>		<b>829</b>
	<b><u>CAPITAL ACTIVITIES</u></b>		
	<b>Expenditure</b>		
4,634	Purchase of Fixed Assets	1,846	
	<b>Income</b>		
(55)	Sale of Fixed Assets	(495)	
(4,712)	Capital Grant Received	(1,494)	
<b>(133)</b>	<b><i>NET CASH (INFLOW) / OUTFLOW FROM CAPITAL ACTIVITIES</i></b>		<b>(143)</b>
<b>(2,230)</b>	<b><i>NET CASH (INFLOW) / OUTFLOW BEFORE FINANCING</i></b>		<b>(1,459)</b>
	<b><u>MANAGEMENT OF LIQUID RESOURCES</u></b>		
1,236	Net Increase / (Decrease) in Temporary Advances (Note 3)		437
	<b><u>FINANCING</u></b>		
	<b>Expenditure</b>		
1,181	Repayment of Amounts Borrowed	1,022	
	<b>Income</b>		
(187)	New Loans Raised	0	
<b>994</b>	<b><i>NET CASH (INFLOW) / OUTFLOW FROM FINANCING</i></b>		<b>1,022</b>
<b>0</b>	<b><i>NET (INCREASE) / DECREASE IN CASH (Note 2)</i></b>		<b>0</b>

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2006**

**1. RECONCILIATION OF REVENUE ACCOUNT BALANCES TO NET CASH FLOW FROM REVENUE ACTIVITIES**

	<b>£000</b>	<b>£000</b>
Revenue Account Balance		(183)
Interest paid		(860)
Interest received		31
Repayment of Amounts Borrowed		(1,022)
Capital finances from current revenue		(91)
<b>Non-Cash Transactions:-</b>		
Insurance Fund		(15)
<b>Items on an Accruals Basis:-</b>		
Decrease in Stocks	(1)	
Increase in Debtors	167	
Increase in Creditors	(171)	
	(5)	(5)
<b>Cash Inflow from Revenue Activities</b>		<b>(2,145)</b>

**2. ANALYSIS OF CASH BALANCES**

	<b>01-Apr-05</b>	<b>31-Mar-06</b>	<b>Movement</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash in Hand	5	5	0
Bank	0	0	0
	<b>5</b>	<b>5</b>	<b>0</b>

**3. MANAGEMENT OF LIQUID RESOURCES**

	<b>01-Apr-05</b>	<b>31-Mar-06</b>	<b>Movement</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Temporary Advances to Stirling Council Loans Fund	2,782	3,219	437

**4. ANALYSIS OF GOVERNMENT GRANTS**

	<b>£000</b>
Police Specific Grant	24,322
Other Government Grants	394
<b>TOTAL</b>	<b>24,716</b>

## **CENTRAL SCOTLAND JOINT POLICE BOARD**

### **STATEMENT OF RESPONSIBILITIES FOR THE ABSTRACT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006**

#### **The Joint Police Board's Responsibilities**

The Joint Police Board is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its Officers has the responsibility for the administration of those affairs. In this Joint Police Board that Officer is the Treasurer
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- To ensure that the requirements of Corporate Governance are met

#### **The Treasurer's Responsibilities**

The Treasurer is responsible for the preparation of the Joint Police Board's Abstract of Accounts which, in terms of the CIPFA / LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the SORP'), is required to present fairly the financial position of the Joint Police Board at the accounting date and its income and expenditure for the year ended 31 March 2006.

In preparing this statement of accounts, the Treasurer has:

- ◆ selected suitable accounting policies and applied them consistently
- ◆ made judgements and estimates that were reasonable and prudent
- ◆ complied with the Code of Practice

#### **The Treasurer has also:**

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

## CENTRAL SCOTLAND JOINT POLICE BOARD

### STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 MARCH 2006

1. This statement is given in respect of the statement of accounts for Central Scotland Joint Police Board. The Board acknowledges responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.
2. The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.
3. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Managers within the Board undertake development and maintenance of the system. In particular, the system includes:
  - comprehensive budgeting systems;
  - regular reviews of periodic and annual financial reports which indicate financial performance against forecasts;
  - setting targets to measure financial and other performance;
  - the preparation of regular financial reports which indicate actual expenditure against the forecasts;
  - clearly-defined capital expenditure guidelines; and
  - formal project management disciplines as appropriate.
4. The Board also employs a comprehensive system of risk management which applies to all key areas of the organisation. For example, the application of the National Intelligence Model in the operational sphere and the use of PRINCE2 project management methodology, incorporating risk management. To further enhance this, the Force has developed an over-arching Risk Management Framework, Risk Management Procedures and Risk Register.
5. The Force has instigated a comprehensive Business Continuity project using PRINCE2 project management methodology. The result will be the creation of a Business Continuity Strategy encompassing disaster recovery plans for all key risks which could potentially impact upon the operational capability of the Force.
6. The Internal Audit Unit of Stirling Council provides the Internal Audit function for the Board. It primarily covers System and Probity Audits across the Board, although the work undertaken is more varied and also includes:-
  - Advice and Consultancy
  - Fraud Prevention and Investigation
  - Review of Financial Procedures and Systems
  - Specific tasks requested by the Board

The Unit operates a five-year rolling audit plan based on the risk assessment methodology prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA). This incorporates any major local risk areas together with audit priorities and concerns raised by senior officials. The plan identifies all areas that require to be reviewed together with an estimate of resources required to implement the plan. The plan is reviewed and revised each year to take account of operational and/or legislative changes with resources being allocated to areas of highest priority.

Audit reports are issued by the Audit Manager to the Chief Constable with copies provided to the Treasurer, the Director of Finance and Resources, External Audit, and significant issues are reported to the Central Scotland Joint Police Board Best Value and Audit Sub-committee.

The audit work must meet the standards laid down in the CIPFA Code of Practice for Internal Auditors. This is confirmed each year by External Audit in order to place reliance upon the work of the Unit in relation to

the core financial systems. The Internal Audit Unit is required to meet a number of internal performance indicators.

From the work performed as part of the annual audit plan for 2005/06, the Internal Audit Manager has concluded that after considering officers' responses and implementation of recommendations made, reasonable assurance can be placed upon the internal controls in operation throughout the Board.

7. The review of the effectiveness of the system of internal financial control is informed by:
  - The work of managers within the Board;
  - The work of the internal auditors as described above, and
  - The external auditors in their annual audit letter and other reports.
8. From the work carried out by Internal Audit in 2005/06 it can be confirmed that other than the issues highlighted in audit reports as recommendations, the system controls were found to be operating as required. Internal Audit carry out a planned programme of follow-up reviews to ensure that all material recommendations from audit reports are implemented. Where agreed actions remain outstanding, these are reported to the Chief Constable, the Treasurer, the Director of Finance and Resources and Central Scotland Joint Police Board Best Value and Audit Sub-committee.
9. For 2005/06 it can be confirmed that all material recommendations were acted upon by the Board. The Internal Audit Annual Report 2005/06, as presented to the Best Value & Audit Sub-Committee of the Joint Police Board, outlined the following key areas, in this regard :
  - Controls will be strengthened when Overtime Validation sheets are properly signed off to evidence the check
  - Addressing the administration of attendance management has resulted in ensuring there is appropriate evidence to support the operation of the policy bringing cost savings and improved welfare
  - Written income and banking procedures will provide a consistent approach on security and recording of income
  - The stores system requires to be replaced to provide appropriate support to this function
  - Outstanding issues relating to Debtors Invoicing require to be addressed including the updating and formal approval of procedures and the introduction of Invoice Writer to improve efficiency
  - Prudential Borrowing Indicators have been established
  - The Service Level Agreement with Stirling Council on Treasury Management requires to be updated
10. In response to breaches of the controls in place in Fleet Management, a comprehensive review of all processes in this area has been instigated. After implementation of the appropriate recommendations which are expected to follow from this review, Internal Audit will be requested to review the implementation, soundness and application of the controls.
11. As part of the Board's responsibilities for corporate governance, the Best Value and Audit sub-committee is now firmly established. In terms of corporate governance, this group fulfils the requirements of an audit committee and has a schedule of quarterly meetings arranged to address pertinent issues. With regard to anti fraud and corruption, policies and regulations developed provide a robust process for preventing and/or detecting wrongdoing. Also, the Professional Standards Department published the Central Scotland Police Professional Standards Policy and the Central Scotland Police Ethics Policy which incorporate the requirements of an anti fraud and corruption strategy. The Force has continued the availability of "Safecall" which is an independent confidential reporting facility for staff to report wrongdoing, and the Workplace Contact Scheme for staff to seek advice from contact advisors on coping with harassment, discrimination and / or bullying. These are both important tools which clearly demonstrate the Force's commitment to identify and deal effectively with wrongdoing. Furthermore, there is an ongoing review designed to ensure that a comprehensive library of up to date financial procedures exists.

*W. R. Watson*

William Watson CPFA  
Treasurer

## **Independent Auditor's Report**

### **To the members of Central Scotland Joint Police Board and the Accounts Commission for Scotland**

We certify that we have audited the financial statements of Central Scotland Joint Police Board for the year ended 31<sup>st</sup> March 2006 under Part VII of the Local Government (Scotland) Act 1973. These comprise the Revenue Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the parties to whom it is addressed in accordance with the Local Government (Scotland) Act 1973 and the Code of Audit Practice approved by the Accounts Commission and for no other purpose as set out in paragraph 43 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by Audit Scotland, dated July 2001.

### **Respective responsibilities of the Treasurer and auditor**

The Treasurer's responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Code of Practice on Local Authority Accounting in the United Kingdom 2005 - A Statement of Recommended Practice (the 2005 SORP) are set out in the Statement of Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission.

We report our opinion as to whether the financial statements present fairly the financial position of the local authority in accordance with applicable laws and regulations and the 2005 SORP, and have been properly prepared in accordance with the Local Government (Scotland) Act 1973. We also report if, in our opinion, the Foreword is not consistent with the financial statements, if the local authority has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We review whether the Statement on the System of Internal Financial Control reflects the authority's compliance with the SORP. We report if, in our opinion, it does not comply with the SORP or if it is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the statement covers all risk and controls. Neither are we required to form an opinion on the effectiveness of the local authority's corporate governance procedures or its risk and control procedures.

We read the other information published with the financial statements, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**


We conducted our audit in accordance with Part VII of the Local Government (Scotland) Act 1973 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Accounts Commission. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Treasurer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the local authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion

- the financial statements present fairly, in accordance with applicable laws and regulations and the 2005 SORP, the financial position of Central Scotland Joint Police Board as at 31<sup>st</sup> March 2006 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Scotland) Act 1973.



Scott-Moncrieff  
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22 September 2006

# CENTRAL SCOTLAND JOINT POLICE BOARD

## STATUTORY PERFORMANCE INDICATORS 2005/2006

The Local Government Act 1992 requires the Force to publish Statutory Performance Indicators relating to activities that will facilitate the making of appropriate comparisons by reference to the criteria of cost, economy, efficiency and effectiveness. The indicators for Central Scotland Police for the financial year ending 31<sup>st</sup> March 2006 are detailed under the headings shown below. The 2004/05 figures are also displayed to allow comparisons to be made between years.

### INDICATOR 1

	<b>2004/2005</b>	<b>2005/2006</b>
The percentage of crimes cleared up	62.5%	64.9%

### INDICATOR 2

	<b>2004/2005</b>	<b>2005/2006</b>
The percentage of serious violent crime cleared up	96.3%	96.3%

### INDICATOR 3

	<b>2004/2005</b>	<b>2005/2006</b>
The percentage of housebreakings cleared up	37.8%	43.8%

### INDICATOR 4

	<b>2004/2005</b>	<b>2005/2006</b>
The percentage of car crimes cleared up	45.6%	48.0%

### INDICATOR 5

	<b>2004/2005</b>	<b>2005/2006</b>
The proportion of 999 calls answered within 10 seconds	85.0%	86.8%

### INDICATOR 6

	<b>2004/2005</b>	<b>2005/2006</b>
The proportion of working time lost due to sickness absence for:		
(a) Police Officers	4.5%	3.6%
(b) Support Staff	3.7%	3.7%

**INDICATOR 7**

	<b>2004/2005</b>	<b>2005/2006</b>
The number of complaints per 100 members of the police force	10.7	10.2

**INDICATOR 8**

	<b>2004/2005</b>	<b>2005/2006</b>
The number of racist incidents per 1,000 population	1.08	1.23

**INDICATOR 9**

	<b>2004/2005</b>	<b>2005/2006</b>
The percentage of racially aggravated crimes cleared up	83.1%	84.5%

**INDICATOR 10**

		<b>2004/2005</b>	<b>2005/2006</b>
The number of Class A drug seizures and percentage change compared with 2000-2003	Weight	-61.1%	72.3%
	No. of Doses/Tablets	-82.1%	53.6%
	Volume	57.6%	337%
The number of offences for supply and possession with intent to supply Class A drugs and percentage change compared with 2000-2003		103.1%	197.9%

**INDICATOR 11**

	<b>2004/2005</b>	<b>2005/2006</b>
The number of people killed or injured as a result of road accidents and percentage change compared with the 5 year average 1994 to 1998 :		
(a) All people killed or seriously injured	-40.7%	-33.1%
(b) Children killed or seriously injured	-62.3%	-59.0%
(c) All people with slight injuries	-25.1%	-12.0%

**INDICATOR 12**

	<b>2004/2005</b>	<b>2005/2006</b>
The percentage of police reports sent to the Children's Reporter within 10 days of caution/charge	51.9%	69.1%
The percentage of police reports sent to the Procurator Fiscal within 28 days of caution/charge	57.5%	63.8%

**INDICATOR 13**

	<b>2004/2005</b>	<b>2005/2006</b>
The main reason contact was made with the police :		
To report a crime	-	64.9%
To report a disturbance or nuisance	-	16.2%
To report a road accident	-	4.9%
To report a missing person	-	1.2%
To report lost / found property	-	3.8%
Other	-	8.9%

**INDICATOR 14**

	<b>2004/2005</b>	<b>2005/2006</b>
The public's level of satisfaction or dissatisfaction with their initial contact with the police :		
Very satisfied	-	49.4%
Fairly satisfied	-	25.5%
Neither satisfied nor dissatisfied	-	10.8%
Fairly dissatisfied	-	9.6%
Very dissatisfied	-	4.6%

**INDICATOR 15**

	<b>2004/2005</b>	<b>2005/2006</b>
The public's level of satisfaction or dissatisfaction with the way the police dealt with their matter :		
Very satisfied	-	46.8%
Fairly satisfied	-	31.9%
Neither satisfied nor dissatisfied	-	9.9%
Fairly dissatisfied	-	7.4%
Very dissatisfied	-	4.0%