



# College of Policing Annual Report and Accounts

for the year ended 31 March 2018

Accounts presented to the House of Commons pursuant to Section 7  
of the Government Resources and Accounts Act 2000

Annual Report presented to the House of Commons by Command of Her Majesty

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# 1. Chair's foreword

The College of Policing has continued to support police officers and staff in their work to protect the public. This has been a period of change for the College, with the appointment of Mike Cunningham as permanent Chief Executive and my own appointment as permanent Independent Chair of the College's Board. I am grateful for the work of College staff, particularly the Director of Knowledge, Research and Education, Rachel Tuffin, who undertook the duties of interim CEO, and the support of our stakeholders as we progressed through this period of transition.

Despite the changes, the College has continued to deliver for its objectives in support of policing and has taken significant steps towards establishing itself as a professional body. A clear indicator of this progress is the increase in the number of officers and staff signed up to our membership platform, which has grown to over 26,000 in the last year.

We have seen significant development in each of the College's current areas of work.

## Knowledge

The College, as the 'What Works Centre for Crime Reduction', has continued to refine and add to a publicly available online toolkit which shows the evidence base and cost of a range of crime reduction strategies. The toolkit helps ensure decisions in policing are made with the understanding of what works. We continue to support officers and staff with developing the knowledge base in policing through practical support and financial assistance such as our successful bursary scheme.

## Education

Work to develop the Policing Education Qualifications Framework (PEQF) has continued. Taking into account stakeholders' views, we have moved towards delivering a range of new entry routes into policing, including a Police Constable Degree Apprenticeship. These routes will be adopted by forces over the coming years and the apprenticeship route will ensure that new entrants can earn a salary, develop practical policing skills, and gain recognition for their skills and experience. More widely, we continue to support policing in critical areas. For example, we have quickly produced new learning materials to ensure officers and staff are able to deliver better outcomes in the challenging area of disclosure for criminal cases.

## Standards

We have developed evidence-based standards in high-profile and sensitive areas of policing. These include developing and publishing the first ever practice guidelines for policing. These guidelines, in the area of neighbourhood policing, replicate the standards set in other sectors and provide officers, staff and the public with clear principles of policing practice. Complementing this has been the successful development and piloting of a licence to practise for the highest-risk areas in policing. The pilot focused on those responsible for child sexual abuse investigations and aimed to support them to make difficult decisions in this challenging area of policing. The lessons from the pilots will inform further work on licence to practise.

It has been another busy year for everyone in policing and for those in the College who are supporting them to develop and improve. I am grateful for the efforts of all of those involved. While the achievements outlined above are encouraging, there is still work to be done and this is outlined by Mike Cunningham in the following section. I look forward to working with the Board, CEO and wider colleagues as the College builds on its past work and looks to best support policing into the future.



**Millie Banerjee CBE**

**Independent Non-Executive Chair of the Board of Directors**

## 2. CEO's foreword

As the new Chief Executive Officer at the College, I am proud of the achievements of the last year as outlined by the Chair in her foreword. The College delivered support to policing in a wide range of areas, while also finding efficiencies in its expenditure over 2017/18. All of this means the organisation is in a strong position to develop its service to policing and the public in the next year and beyond.

Our ambitions for the year ahead will be shaped by the changing context in which policing must be delivered. Difficult resourcing decisions and the changing nature of demand for police services are testing officers and staff. All forces face challenges in ensuring officers, staff and volunteers are equipped with the skills they need for the future; can work in a fair and positive culture; and that their wellbeing is supported so they can deliver the best possible service to the public.

To ensure we do all we can in helping policing meet these challenges, I want to clarify how we will work with our partners to set priorities and put our resources where they are most required. I have therefore initiated an important piece of work so that, during the early part of 2018/19, we revisit our mission and vision. This will help ensure there is clarity regarding our contribution to policing and our energies are focused where we can have most impact.

In addition to the work we do every day providing selection and assessment services, training and development opportunities, and evidence of what works in policing, the next 12 months will see the progression of crucial initiatives with the potential to transform policing in England and Wales. One example is officer and staff wellbeing.

Aided by £7.5 million of Police Transformation Fund (PTF) funding, we are developing a new national police wellbeing provision that will be informed by and focused on the needs of frontline personnel.

We will continue to embed the capabilities, structures and standards that will support professionals working in policing, aided by our work to introduce better and more diverse entry routes. This will include developing work on advanced practitioners, supporting professional development within forces and testing a licence to practise for high-risk areas of policing. We will also develop tools and materials which support leadership and management across all areas of policing.

We will further develop the working arrangements of the College itself so we make greater impact as an independent and authoritative professional body, responsive to the needs of our members.

I am grateful to our staff who, through their dedication and talent, will continue to deliver this work for the benefit of our members and the public they serve. We should be proud of what we have achieved so far and excited about our future.



**Mike Cunningham QPM**  
**Chief Executive and Accounting Officer**

# 3. Strategic report

## 3.1 Status

The College of Policing Limited (the College of Policing, also referred to as the College) is the professional body for police officers and staff of all grades and ranks across England and Wales. It became operational on 1 December 2012, is a company limited by guarantee, and its member (owner) is the Home Secretary. It is also an arm's-length body of the Home Office. The College is a national policing body established in the public interest for all in policing.

## 3.2 Principal objectives and priorities

The College of Policing works to provide everyone in policing with the skills and knowledge to prevent crime, protect the public and secure public trust.

Our four areas of focus are:

- developing and communicating knowledge of what works in policing, helping members do their jobs effectively
- supporting individual members' educational development by making it easier to gain recognition for their expertise and progress their careers
- setting standards so there is clarity on what is expected of individuals working in the profession and forces
- building the College so we make a greater impact as an independent and authoritative professional body, responsive to members' needs.

We have set measurable objectives to ensure that, by 2020, there will be:

- more effective policing in England and Wales based on research and an evidence base informed by members, forces and the public
- independently validated frameworks for continuing professional development (CPD) for everyone working in policing
- a framework for developing visible, responsive and principled leadership
- a growing professional body of members who recognise the benefits of membership and act as advocates for the College
- evidence-based practice and standards that assist everyone working in policing in managing threat, risk and harm and protecting the public.

All of the College's work is in line with its five-year strategy, contributing to its objectives and helping build the College as the professional membership body for all in policing.



### 3.3 Review of performance

During 2017/18, the College developed a performance scorecard to manage performance. The scorecard focused on four key domains:

- customers/members
- people
- finance
- processes.

Each key performance indicator was assigned a target and a red, amber or green rating. End of year performance is summarised in the following table.

A	Customer/members	YTD	Target	RAG
	Member acquisition	26,365	20,845	G
	Member acquisition to policing population	11.9%	9.4%	G
	Contact centre resolution at first point of contact	67%	75%	R

A	Financials	YTD	Target	RAG
	Revenue spend to budget	93%	100%	A
	Capital spend to budget	100%	100%	G
	Delivered training contribution (UK and international)	-£3,963k	-£2,962k	G
	Selection and assessment contribution	-£151k	£290k	G
	Cost per contact centre interaction	£6.64	£6.42	A
	Cost per member	£1.4k	£1.8k	G

A	Processes/efficiency	YTD	Target	RAG
	Business Plan deliverables on track	87.4%	90%	A
	Business Plan Programme Management Unit (PMU) managed projects on track	92.1%	90%	G
	Planned trainer days delivered	97%	80%	G
	Overnight occupancy rate	60%	65%	A
	Non-availability core IT systems	7	12	G
	Complaints – average response time*	90%	85%	G

G	People	YTD	Target	RAG
	Staff sickness	6.6	7.0	G
	Staff turnover	10%	15%	G
	Vacancy rate (net)	8%	10%	G
	Recruitment timescales	4.9	6.0	G

\* Where  $\frac{\text{Agreed Response Time}}{\text{Actual number of days taken}} \times 100 = \text{Performance measure (\%)}$

Key areas of progress during the period include:

- continued increase in registered members: 26,365 at the end of March, a gain of over 16,000 since April 2017
- the vacancy rate end of year of position was 8 per cent, compared to almost 16 per cent in April 2017
- March saw the capital spend come in on budget with a spend of approximately £6.1 million against a recently increased budget of approximately £6.1 million.

With regard to our delivery against the 2017/18 Business Plan, a small number of activities have revised delivery dates which are now in the 2018/19 year. This is in part due to external delays and decisions that affected our ability to deliver to the original dates.

For further detail on our Business Plan delivery, please see section 7.15.

### **3.4 Principal risks and uncertainties**

The College maintains a register of strategic risks. It manages them through a framework cascaded through business units, projects and programmes. The risks which have an impact on the College's medium to long-term goals and objectives are overseen by the executive directors, the Audit and Risk Committee (ARC) and the Board. They have ensured that risks are being managed within the Board's risk appetite. This increasing focus, underpinned by strengthened capabilities within the College, has resulted in progress being made in risk management during the year.

The strategic risks as described within the risk register reflect the College's development, since its inception in 2012, in building its capacity and capability to act as an independent voice to better support

policing in England and Wales. The College will continue to improve the service it provides to police forces, and it is expected that the strategic risks will evolve to reflect that position as the College builds on its achievements to date.

During 2017/18 the Board identified the following strategic risks and mitigations:

Strategic risks	Likelihood (L)	Impact (I)	Risk appetite	Mitigations
<p><b>SR01 Purpose and vision</b> We do not establish and communicate a compelling purpose and vision, along with our added value in the policing landscape.</p>	Medium	High	Cautious	<ul style="list-style-type: none"> <li>■ 2018/19 Business Plan agreed by the Board</li> <li>■ consultants procured to review the College purpose and priorities</li> <li>■ stakeholder engagement proposals drafted for Executive review</li> <li>■ Professional Committee held every two months</li> <li>■ regular meetings held with key stakeholder bodies – Home Office; National Police Chiefs’ Council (NPCC); Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS); and the Independent Office for Police Conduct (IOPC) national consultation undertaken engagement with chief constables and PCCs including Chiefs Constables’ Council and NPCC/Association of Police and Crime Commissioners (APCC)</li> <li>■ regional meetings</li> <li>■ senior managers day held to communicate plans and enable staff to cascade our purpose and vision</li> <li>■ permanent CEO, chair and PCC board member appointed.</li> </ul>

Strategic risks	Likelihood (L)	Impact (I)	Risk appetite	Mitigations
<p><b>SR02 Connection with the profession</b> We do not connect with the profession, resulting in a lack of engagement with and uptake of College products, services and membership.</p>	Medium	High	Cautious	<ul style="list-style-type: none"> <li>▪ Membership system, services and product development plans in place</li> <li>▪ membership marketing and rollout plan and membership numbers monitored</li> <li>▪ Members Committee</li> <li>▪ college ambassadors</li> <li>▪ force engagement events</li> <li>▪ coaching, mentoring and shadowing opportunities</li> <li>▪ College survey 2017 conducted</li> <li>▪ dashboard developed to measure success criteria for membership</li> <li>▪ Membership team increased providing greater capacity for engagement activity</li> <li>▪ jobs board live as of mid-December 2017insight analyst producing updated data into member requirements to inform development of products and services (data is available via membership toolkit).</li> </ul>
<p><b>SR03 International activity</b> Overseas relationships negatively affect the College's reputation.</p>	Low	Medium	Cautious	<ul style="list-style-type: none"> <li>▪ International decision-making model, working with Foreign and Commonwealth Office to meet Overseas Security and Justice Assistance Guidance</li> <li>▪ approval for international work obtained from International Police Assistance Board</li> <li>▪ policies and procedures in place for international assistance request approval process.</li> </ul>
<p><b>SR04 Board turnover</b> A lack of decision making and leadership caused by failure to secure key permanent appointments in a timely manner.</p>	Medium	Medium	Minimal	<ul style="list-style-type: none"> <li>▪ Nominations and Remuneration Committee</li> <li>▪ Board appointments approved by Home Office</li> <li>▪ governance manager appointed to provide support to the Board</li> <li>▪ headhunters used for Board appointments to ensure a mix of skill sets.</li> </ul>

Strategic risks	Likelihood (L)	Impact (I)	Risk appetite	Mitigations
<p><b>SR05 Evidencing our impact</b> We are unable to evidence the impact we are having and the difference we are making.</p>	High	Medium	Cautious	<ul style="list-style-type: none"> <li>▪ Benefits management agenda developing via the new head of business improvement</li> <li>▪ Centre for Crime Reduction toolkit, unit plans developed with emphasis on benefits and measures of success</li> <li>▪ performance scorecard</li> <li>▪ product evaluation agenda via KRE</li> <li>▪ benefits management training undertaken by project improvement managers</li> <li>▪ senior leaders meeting held in September 2017.</li> </ul>
<p><b>SR06 Standards</b> Use of untested legacy information has a negative impact on policing practice and/or public wellbeing.</p>	Medium	High	Cautious	<ul style="list-style-type: none"> <li>▪ Using the best available evidence of 'what works' to set standards</li> <li>▪ managed programme of updating curriculum</li> <li>▪ profession actively engaged in the pilot development of evidence-based guidelines</li> <li>▪ engagement with HMICFRS pre/post-publication of standards</li> <li>▪ approach on future standards has been agreed: work has commenced to identify common issues where guidelines may be needed, through a review of HMICFRS thematic reports, force reports, and interviews with chief officer teams.</li> </ul>

Strategic risks	Likelihood (L)	Impact (I)	Risk appetite	Mitigations
<p><b>SR07 Capacity and capability</b> Lack of resource restricts our ability to deliver the Business Plan and achieve our vision.</p>	High	High	Minimal	<ul style="list-style-type: none"> <li>▪ Recruitment guidelines provide managers with discretion on starting salaries, and external recruitment can be requested as long as it falls within the minsub quota (managers have discretion to request a risk-managed entry) workforce MI database in use</li> <li>▪ Professional Committee held every two months</li> <li>▪ Solutions Panel</li> <li>▪ Board meetings</li> <li>▪ new associates policy developed and work has commenced to create the new resource pools</li> <li>▪ vetting arrangements reviewed</li> <li>▪ gender pay gap report published and the equal pay review is being analysed for next steps.</li> </ul>
<p><b>SR08 Our route to independence</b> We commit to greater independence but do not achieve it.</p>	High	Medium	Cautious	<ul style="list-style-type: none"> <li>▪ Developing income in line with Managing public money commercial rates used for all non-public service customers attended Home Office senior sponsor meeting to discuss greater freedom for the College to operate within guidelinesconsultants procured to clarify the College's purpose and priorities</li> <li>▪ new chair and CEO appointed.</li> </ul>
<p><b>SR09 Inability to bring about transformation of the profession</b> Capacity issues within the profession hinder adoption of College products and services.</p>	High	Medium	Cautious	<ul style="list-style-type: none"> <li>▪ Professional Committee</li> <li>▪ Members Committee</li> <li>▪ Solutions Panel</li> <li>▪ working with HMICFRS to encourage its inspections to refer to and correspond to standards set by the College</li> <li>▪ engagement with APCC, NPCC, and Chief Constables' Council</li> <li>▪ projects managed by PMU</li> <li>▪ Business Plan monitored through the monthly scorecardCollege Regulatory Consultative Group, Business Plan 2018/19 agreed</li> <li>▪ presentation given to Professional Committee on how we consult with stakeholders.</li> </ul>

Strategic risks	Likelihood (L)	Impact (I)	Risk appetite	Mitigations
<p><b>SR10 Adoption of College products by forces in Wales</b> Forces in Wales are unable to access the apprenticeship levy which leads to College products not being adopted and potential inequality amongst forces in England and Wales.</p>	High	High	Cautious	<ul style="list-style-type: none"> <li>▪ Liaising with the Home Office and Welsh Government discussions with chief constables and PCCs on how to influence Welsh Government</li> <li>▪ use of Police Transformation Fund</li> <li>▪ meeting held with representatives from the Welsh Government, Home Office, Welsh police and the College.</li> </ul>
<p><b>SR11 Reduction in grant-in-aid (GIA) funding</b> Due to the continuation of austerity or the need for the Home Office to manage financial pressures elsewhere, they may reduce the College's GIA allocation significantly in the short to medium-term, resulting in the College scaling back on business-critical activity and minimising our effectiveness.</p>	Medium	High	Cautious	<ul style="list-style-type: none"> <li>▪ Ongoing long-term financial planning.</li> </ul>

The College control systems and monitoring work have been supported by independent internal audits, the schedule for which was based on risk profile.

The 2017/18 internal audit schedule was undertaken and five audits and one consultancy report were completed. The Policing Education Qualifications audit was given a substantial assurance audit opinion, which means that the framework of governance, risk management and control was considered to be adequate and effective. The remaining audits achieved moderate assurance which means that some improvement is required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Audits and consultancy reports completed were:

- infrastructure, digital services and shared services
- vulnerability
- Policing Education Qualifications
- capacity and capability follow up
- pensions administration
- benefits management consultancy.

### 3.5 Future developments

To ensure we do all we can to help policing meet the challenges it faces, we will clarify how we work with our partners to set priorities and put our resources where they are needed most. During the early part of 2018/19, we will revisit our mission and vision. This will help clarify our contribution to policing and ensure our energies are focussed where we can have most impact. With this in mind, the 2018/19 Business Plan represents a set of priorities which we expect to refine and clarify over the coming months. We will keep the commitments under review and set out more detail as that thinking develops.

Our everyday work already includes providing selection and assessment services, training and development opportunities, and evidence of what works in policing. In addition to this, over the next 12 months we will keep moving towards transforming policing in England and Wales. One example is officer and staff wellbeing. Aided by £7.5 million of Police Reform and Transformation Board funding, we are developing a new national police wellbeing provision that will be informed by and focused on the needs of frontline personnel.

We will continue to embed the capabilities, structures and standards that will support professionals working in policing. This will be aided by our work to introduce better and more diverse entry routes. This will include developing a form of licence to practise for high-risk areas of policing, as well as tools and materials which support leadership and management development.

We will further develop the College's working arrangements to make a greater impact as an authoritative professional body, responsive to the needs of our members.

By the end of the year, our services and products for our members will provide:

- ready access to a knowledge base of what works in policing, helping our members serve the public and progress their careers
- opportunity to gain accreditation for skills and learning
- clarity on career progression and support access to training and learning opportunities
- improved training environments
- improved access to development opportunities.

We will maintain sound working relationships with partner agencies such as:

- NPCC
- National Crime Agency



- HMICFRS
- IOPC
- APCC.

Our work will also be guided by the invaluable input of our Professional Committee, our Members' Committee, and our Equality, Diversity and Inclusion Advisory Panel.

### 3.6 Review of financial performance

The College's financial performance for 2017/18 has been strong, particularly in the context of continuing budget reductions

across government. The College's revenue budget, excluding depreciation, has decreased by £0.8 million (2.0 per cent) compared to the previous financial year – and has decreased by over £10 million since 2014. The College has continued to deliver its objectives in this challenging environment, through prioritising resources and identifying efficiencies. Since the College was established, efficiencies have centred on rationalising the size and cost of our estate and reducing staff costs in non-priority areas.

The table below compares the College's financial outturn for 2017/18 with its budget.

	Net budget	2017/18 spend	Over/(under) spend
	£ million	£ million	£ million
Total resource	40.7	39.1	(1.6)
Total capital	6.1	6.0	(0.1)
Resource and capital	46.8	45.1	(1.8)

The resource expenditure outturn for the year to 31 March 2018 was £39.1 million. This underspend of £1.6 million results from increased trading income for the year, predominantly from the College's training services and the selection and assessment services it provides to its customers.

Capital expenditure for the year to 31 March 2018 was £6.0 million. The College invested this into maintaining and enhancing its physical estate and IT infrastructure.

Funding for the College's activities comes predominantly from the Home Office via an annual grant-in-aid settlement to support the College's delivery costs. This is supplemented by additional direct grants received by the Home Office for delivering specific and defined work programmes. The remaining funding is derived from trading activities, for which it charges customers directly.

	2017/18 funding
	£ million
Grant-in-aid	46.8
Direct grants	8.6
Trading income	16.7

The cash balance for the year has decreased from £9.7 million, as of 31 March 2017, to £3 million at 31 March 2018. The significant reduction in this year-end balance represents the closer cash management in the College to reduce excess balances held in its bank accounts. This allows for cash to be returned to the Exchequer, in turn achieving greater rates of return for tax payers, and still allows the College to meet its immediate cash requirements.

### 3.7 Sustainability performance summary

The Greening Government Commitment targets set firm goals for departments to reduce the impact they have on the environment. The goals include reducing carbon emissions, water use, waste and supply chain across the whole government estate, as measured against a baseline year of 2009/10.

These commitments apply to the office and non-office estate of central government departments and their executive agencies, non-ministerial departments and executive non-departmental public bodies. All must report in line with the commitments using financial and non-financial information. As the College is funded by the Home Office, it must also comply with these requirements.

The College’s energy usage is outlined in the summary table below.

Area	Year to March 2017	Year to March 2018
Greenhouse gas emissions – scopes 1, 2 and 3 business travel, including air and rail (tCO <sub>2</sub> e)	619	817
Energy consumption – gas and electricity (kWh)	6,721,186	7,249,190
Energy expenditure – gas and electricity (£)	448,681	473,396
LPG consumption (litres)	143,605	121,940
LPG expenditure (£)	47,111	54,077
Estate waste amount (tonnes)	111	106.4
Estate water consumption (m <sup>3</sup> )	22,748	22,309
Estate water expenditure (£)	30,835	30,093

### 3.8 The estate

The College estate as of 31 March 2018 consisted of:

- two freehold sites (Ryton near Coventry; and Harperley Hall, County Durham)
- two leasehold sites (Central House, Harrogate; and Riverside House, London)
- a site governed by a Civil Estate Occupancy Agreement at Basingstoke
- a site governed by a licence at Old Queen Street, London.

During 2017/18, the College continued to rationalise its estate by moving to a new office in Basingstoke, opening on 3 April 2017, and closing the Sunningdale site by 5 May 2017. The College also closed the Hendon site owned by the Metropolitan Police Service, moving into a new office at 1-7 Old Queen Street, London, in late November 2017.

We have continued to implement agile working across the estate, with the conversion of the main reception at Ryton to a more identifiable reception office. This includes:

- meeting rooms
- informal working spaces
- an exhibition transition area linking the reception to the conference area
- a coffee bar area where delegates, trainers and staff can promote collaborative working practices across the College.

The College continues to improve the customer experience by:

- improving residential accommodation at Ryton by upgrading washrooms and carpeting
- providing two additional classrooms and five meeting/breakout rooms in Matlock block at Ryton

- converting two laboratories into multifunctional classroom/office space at Harperley Hall
- making alterations to the Practical Training block at Harperley Hall so the building can be used for assessments.

### **3.9 Going concern**

The financial statements are prepared on the basis of going concern. The directors have a reasonable expectation that the College will continue operations for the foreseeable future.

This opinion is based on the legislative and policy commitments made by the Home Secretary as a member of the company in the Anti-social Behaviour, Crime and Policing Act 2014 and the government's current police and crime policies.

In addition, the College's activities are primarily financed by the Home Office. The College has received a budgetary delegation from the Home Office for 2018/19 that is sufficient to meet its liabilities in that year. It is in discussions with the Home Office regarding funding requirements for future years. There is no reason to believe that adequate levels of grant-in-aid will not be forthcoming from the Home Office.

Having considered the circumstances described above, and from discussion with the Home Office, the College of Policing's directors consider it appropriate to adopt a going concern basis for the preparation of the financial statements.

By order of the Board,

**Mike Cunningham**

**Chief Executive and  
Accounting Officer**

**5 December 2018**

# 4. Directors' report

## 4.1 Introduction

The College Board is led by an independent Chair and is comprised of:

- the Chief Executive of the College
- a chief police officer
- a police superintendent
- a member of the police federated ranks
- a member of police staff
- a police and crime commissioner
- four independent people.

All are non-executive directors, apart from the Chief Executive. The names and tenures of all Board directors are set out in the Remuneration and staff report (see Section 4.1).

There have been a number of changes to the Board membership during the year, including changes to both the Chair, Chief Executive and the cover for both these roles on an interim basis before permanent appointments were made. The announcement of Millie Banerjee as permanent Chair was made in November 2017. Mike Cunningham took up his post as Chief Executive in January 2018.

There were also changes to the chief officer and federated ranks seats, with both new directors taking up their posts in June 2017. Two independent directors retired from the Board at the end of December 2017 and the College launched a recruitment campaign to fill the three vacant independent director seats. The selection panel submitted its report to the Home Secretary, in accordance with the Governance Code on Public Appointments. The panel comprised: the Board chair; Chair of the Nominations and

Remuneration Committee; a representative from the Home Office; and an independent panel member. The Home Secretary confirmed the new appointments in June 2018.

The Board is guardian of the public interest and all directors voice their professional judgement on matters of strategy, performance, resources and the conduct of College staff. The Board sets the College's strategic direction and oversees the management of performance and risk, financial management, planning, and overall governance. It is supported by a Professional Committee, a Members' Committee, an Audit and Risk Committee, and a Nominations and Remuneration Committee.

## 4.2 Directors' attendance at board meetings

### Board meeting attendance

Member	26 Apr 2017	28 Jun 2017	25 Sep 2017	26 Sep 2017	29 Nov 2017	13 Mar 2018
Millie Banerjee Chair	✓	✓	✓	✓	✓	PA
Katy Bourne	X	✓	NA	NA	NA	NA
Suzette Davenport	✓	X	NA	NA	NA	NA
Christine Elliott	✓	✓	✓	✓	✓	✓
Alex Marshall	✓	✓	NA	NA	NA	NA
Victoria Martin	✓	X	NA	NA	NA	NA
Sir Denis O'Connor	✓	✓	✓	✓	✓	NA
Professor Lawrence Sherman	✓	✓	✓	✓	X	NA
Gavin Thomas	✓	✓	✓	✓	X	✓
Robin Wilkinson	X	✓	✓	✓	✓	✓
Ian Hopkins	NA	NA	✓	✓	✓	X
David Bamber	NA	NA	✓	✓	✓	X
Stephen Mold	NA	NA	NA	NA	NA	✓
Rachel Tuffin Interim CEO	NA	NA	✓	✓	✓	NA
Mike Cunningham	NA	NA	NA	NA	NA	✓

Key: ✓ = attended X = did not attend PA = part attendance NA = not applicable

Attendance at committees is shown in Appendix B.

## 4.3 Conflicts of interest

Procedures are in place to ensure directors comply with their duties in relation to conflicts of interest. Board directors are obliged to provide details of any direct or indirect interests that conflict with, or may conflict with, the College's interests. These are recorded on a register of interests,

published on the College's website and updated regularly. See Annex A for the register of members' interests.

At the start of every Board and committee meeting, the Chair asks for any interests to be declared. The meeting minutes include the details of any interest, or state if none were declared. The Board is permitted to authorise a conflict of interest in line with

company law, according to its terms of reference. The Board's authorisation is only valid if the relevant director does not count in the quorum, or vote on a resolution relating to their interest. The approach is included in the Board's Ways of Working document.

## 4.4 Auditors

The College is included in the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2017, creating a statutory requirement for the Comptroller and Auditor General to be the external auditor to the College.

The estimated total amount of the external audit fee for the period to 31 March 2018 was £60,000 (31 March 2017 £64,000 including VAT). The National Audit Office was not paid for any work of a non-audit nature during the period.

The College used internal audit services provided free of charge by the Home Office for the period to 31 March 2018.

## 4.5 Information assurance

The three strands of information governance – legal compliance, information handling, and records management – were brought together as a single business unit in April 2018. We are currently reviewing our processes and approaches to make sure we encourage proportionate and efficient information assurance practice.

In the next year, we will also review our information governance culture, as we move away from tick box compliance towards empowered innovation underpinned by robust knowledge. Any information or security breaches will be brought together

into one incident management process to ensure we support staff, identify patterns, and learn lessons from mistakes.

We have external e-learning, mandated for all staff, on: information security, the General Data Protection Regulation (GDPR) 2018, and the Freedom of Information Act 2000.

Over the last 12 months, we have been preparing for the changes to personal data handling required by the GDPR. This increases the rights of individuals and the obligations on organisations and levels of sanctions for non-compliance. We are confident that we have taken the required steps to mitigate high risks.

Committing to deliver against a realistic and agreed plan when rectifying compliance issues is an acceptable demonstration for the Information Commissioner's Office (ICO) as regulator. We have updated all relevant terms and conditions and privacy notices.

We continue to work in partnership and regularly liaise with the ICO on matters of information law. The regulator recently agreed with how we applied the law in response to a long-running complaint. As the legal services team grows with experience, so our outcomes and how we apply the law will also improve.

We are seeking inclusion in the provisions of the Public Records Act 1958, which would enable us to send the legacy information, inherited from our predecessor organisations, to the National Archive. We have the agreement in principle and are awaiting the required legislation.

The governance statement includes the key controls to manage and assure information (see section 7).

## 4.6 Compliance with public sector prompt payment policy

The College's policy is to pay valid invoices within 30 days of receipt. In the case of small and medium-sized enterprises, this 30-day payment period has been a legal duty of the public sector since the publication of Lord Young's 'Report on Small Firms 2010 to 2015' in February 2015.

During the year to March 2018, the following levels of payment to supplier were achieved:

- 23 per cent of invoices paid within 5 days
- 69 per cent of invoices paid within 30 days.

At 31 March 2018, the College had trade creditors of £781,000 which amounted to 5.5 days, as measured against all payments to suppliers during the month of March.

## 4.7 Political and charitable donations

The College made no political or charitable donations and incurred no political expenditure during the period.

## 4.8 Disclosure of information to auditors

The directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware. Each director took all the steps they ought to have taken as director to make themselves aware of relevant audit information and to establish that the College's auditors are aware of that information.

## 4.9 Compliance with cost allocation and charging requirements

The College has worked with the Home Office and HM Treasury to achieve compliance with the cost allocation and charging requirements set out in HM Treasury guidance.

## 4.10 Financial risk management

The Board is continually reviewing the exposure to credit, liquidity and cash flow risk. For the period ended 31 March 2018, the College's risk management controls operated well and the College was not exposed to any significant risk in these areas.

## 4.11 Other material issues

There have been no material events that have or are expected to affect the College since the end of this report period. The details of future developments in the College's business are set out in the strategic report (see section 2 above). This includes work on developing the membership offering, a number of public protection initiatives, and the continual development of standards to support policing practice.

The College conducts social research to inform the standards it develops across policing practice and does not invest in technical research and development.

By order of the Board,

**Mike Cunningham Chief Executive  
and Accounting Officer**

**5 December 2018**



# 5. Remuneration and staff report

## Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk)

## 5.1 Board directors' tenures as at 31 March 2018

Name	Initial appointment	End date of tenure or current appointment as at 31 March 2018
Millie Banerjee (Independent)	28 May 2013	14 November 2020
Christine Elliott (Independent)	01 June 2015	01 June 2018
Robin Wilkinson	03 December 2014	02 December 2018
Gavin Thomas	26 April 2016	25 April 2019
Ian Hopkins	30 May 2017	29 May 2020
David Bamber	30 May 2017	29 May 2020
Stephen Mold	22 November 2017	22 November 2020
Mike Cunningham	15 January 2018	15 January 2023
Katy Bourne	28 May 2013	30 April 2017
Suzette Davenport	24 February 2016	30 April 2017
Victoria Martin	22 July 2015	30 April 2017
Alex Marshall	27 November 2012	02 September 2017
Sir Denis O'Connor (Independent)	19 February 2013	31 December 2017
Professor Lawrence Sherman (independent)	19 February 2013	31 December 2017

Independent members of the Board are remunerated, as agreed by the Board in March 2016. The daily rate is £250 for members and its committees and £300 for Chairs of Board committees. Board members

are permitted to claim reasonable expenses, including travel and subsistence when attending Board meetings.



## 5.2 Salaries and emoluments of the chair of the College Board (audited)

Name and date appointed	Salary and allowances Year to 31 March 2018 (full year equivalent)	Bonus payments Year to 31 March 2018	Benefits in kind Year to 31 March 2018 (to nearest £100)	Pension benefits Year to 31 March 2018	Total Year to 31 March 2018	Total Year to 31 March 2017 (full year equivalent)
	£000	£000	£00	£000	£000	£000
<b>Millie Banerjee</b> Interim Chair from 15 October 2016 Chair from 15 November 2017	40-45	-	-	-	40-45	25-30 (45-50)

## 5.3 Salaries and emoluments of the senior management team (audited)

Name and date appointed	Salary and allowances Year to 31 March 2018 (full year equivalent)	Bonus payments Year to 31 March 2018	Benefits in kind Year to 31 March 2018 (to nearest £100)	Pension benefits Year to 31 March 2018	Total Year to 31 March 2018 (full year equivalent)	Total Year to 31 March 2017
	£000	£000	£00	£000	£000	£000
<b>Mike Cunningham**</b> Chief Executive Officer From 15 January 2018	35-40 (170-175)	N/A N/A	0-5 (0-5)	N/A	35-40 (170-175)	N/A (N/A)
<b>Alex Marshall QPM*</b> Chief Executive Officer To 2 September 2017	80-85 (185-190)	-	-	N/A	80-85 (185-190)	185-190
<b>Rachel Tuffin</b> Director of Knowledge, Research, and Education Interim Chief Executive Officer 2 September 2017 – 14 January 2018	135-140	-	-	155	290-295	150-155
<b>David Buckle</b> Director of Membership and Business Development	115-120	-	-	46	160-165	160-165
<b>Malcolm Cornberg</b> Director of Corporate Services To 30 April 2017	5-10 (115-120)	-	-	5	10-15 (120-125)	160-165
<b>Kate Husselbee</b> Director of Corporate Services	110-115	-	-	45	155-160	35-40 (160-165)

\* Alex Marshall did not participate in any pension scheme while employed by the College.

\*\* Mike Cunningham is seconded from the Metropolitan Police on a 5 year contract commencing 15 January 2018. Mr Cunningham has not participated in any pension scheme since joining the College.

## Salary and allowances

Salary includes:

- gross salary
- overtime
- reserved rights to London weighting or London allowances
- recruitment and retention allowances
- private office allowances
- any other allowances to the extent that they were subject to UK taxation.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the College and treated by HM Revenue and Customs as a taxable emolument.

## Bonuses

Bonuses are declared, if agreed, in the period to which they relate. No bonuses were paid in the year ended 31 March 2018.

## 5.4 Pension entitlements of the senior management team (audited)

Name and date appointed	Real increase in pension	Real increase in lump sum	Total accrued pension at pension age at 31/3/18	Total lump sum at pension age at 31/03/18	CETV at 01/04/17 (see below)	CETV at 31/03/18	Real increase in CETV	Pension scheme (Civil Service or as shown)
	£000	£000	£000	£000	£000	£000	£000	
<b>Mike Cunningham**</b> Chief Executive Officer From 15 January 2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Alex Marshall QPM *</b> Chief Executive Officer From 27 November 2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Rachel Tuffin</b> Director of Knowledge, Research, and Education From 17 February 2014	7.5-10	-	45-50	-	560	712	97	Alpha
<b>David Buckle</b> Director of Membership and Business Development From 2 June 2014	2.5-5	-	10-15	-	92	127	24	Alpha
<b>Malcolm Cornberg</b> Director of Corporate Services From 2 June 2014	0-2.5	-	5-10	-	133	139	4	Nuvos
<b>Kate Husselbee</b> From 12 January 2017	2.5-5	-	0-5	-	6	32	18	Alpha

\* Alex Marshall has not participated in any pension scheme since becoming an employee of the College.

\*\* Mike Cunningham has not participated in any College or Metropolitan Police pension scheme since being seconded to the College.

## Civil Service pensions

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for the Nuvos and Alpha schemes.

Nuvos is a defined benefit 'whole career' scheme in which a member builds up a pension based on pensionable earnings during the period of membership. At the end of the scheme year (31 March), the members' earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with pensions increase legislation.

Alpha is a defined benefit scheme (career average – CARE). The pension builds up at 2.32 per cent of actual pensionable earnings each scheme year. Introduced on 1 April 2015, most new entrants will join this scheme. The majority of Principal Civil Service Pension Scheme members (including Classic, Classic Plus, Premium and Nuvos) have moved into Alpha. The exceptions are those nearing their normal retirement age.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 65 for members of Nuvos and the higher of 65 and state pension age for Alpha. Members of both schemes can exchange some of their pension for a tax-free lump sum on retirement.

Further details on Civil Service pensions can be found in the 'Civil Service: Superannuation' accounts on [GOV.UK](http://GOV.UK).

## Cash equivalent transfer values

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or an arrangement to secure pension benefits in another pension scheme or arrangement, when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of the total years as a member of the pension scheme, not just service in the senior capacity to which the disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement that the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchase of additional pension benefits at their own cost.

CETVs are calculated according to the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from lifetime allowance tax which may be due when pension benefits are taken.

### Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and it uses common market valuation factors for the start and end of the period.

## 5.5 Employee pay (audited)

The remuneration of the College's employees was in the range £15-£20,000 per annum to £170-£175,000 per annum (previous year £16,352 to £198,506), these figures are for a full year. The College's median employee pay at 31 March 2018 was £33,798 (£33,924 at 31 March 2017). The mid-point of the banded remuneration of the highest paid director (the Chief Executive) was £172,500. The ratio between the median employee pay and the

banded mid-point of the remuneration of the highest paid director was 1:5.1 (1:5.5 at 31 March 2017).

The median employee pay has been calculated using full-time equivalent salary information for staff, secondees and contractors working for the College in March 2018.

Spend on consultancy amounted to £1,684,000. There were no off-payroll arrangements.

## 5.6 College workforce representation

The table below summarises the makeup of the College at 31 March 2018. This includes secondees and contractors in addition to College staff.

Age	31 March 2018		31 March 2017	
	Volume	% total	Volume	% total
20 and under	4	0.6	0	0
21-30	53	8.2	39	6.4
31-40	145	22.6	144	23.5
41-50	196	30.5	192	31.4
51-60	205	31.9	195	31.9
61 and over	40	6.2	42	6.9
<b>Total</b>	<b>643</b>	<b>100</b>	<b>612</b>	<b>100</b>
Gender	31 March 2018		31 March 2017	
	Volume	% total	Volume	% total
Female	375	58.3	336	54.9
Male	268	41.7	276	45.1
<b>Total</b>	<b>643</b>	<b>100</b>	<b>612</b>	<b>100</b>
Senior management (tier 2/tier 3 grade +)	31 March 2018		31 March 2017	
	Volume	% total	Volume	% total
Female	49	62.8	40	58.8
Male	29	37.2	28	41.2
<b>Total</b>	<b>78</b>	<b>100</b>	<b>68</b>	<b>100</b>
Other employees				
Female	326	57.7	296	54.4
Male	239	42.3	248	45.6
<b>Total</b>	<b>565</b>	<b>100</b>	<b>544</b>	<b>100</b>

Disability	31 March 2018		31 March 2017	
	Volume	% total	Volume	% total
Disability declared	20	3.1	25	4.1
No disability	301	46.8	368	60.1
Prefer not to say	15	2.3	17	2.8
Unknown/blank	307	47.7	202	33
<b>Total</b>	<b>643</b>	<b>100</b>	<b>612</b>	<b>100</b>

## 5.7 Headcount and staff sickness

As of 31 March 2018, the College's full-time equivalent (FTE) headcount was 520.8, across a total of 535 directly employed staff. Additionally, the College had 25 agency/contract staff and 83 inward secondees. Sickness absence figures are shown below.

### College permanent FTE headcount and staff sickness data

Average monthly data April 2017 – March 2018			
FTE permanent Staff	All FTE staff working days in month	Working days sickness	% working days lost to sickness
496.5	10,386.6	280.6	2.70%

## 5.8 Statement of College's policy on employees with disabilities

Applications from people with disabilities are given full and fair consideration against the essential criteria of qualifications, skills, knowledge and experience as specified in the job description and required of all candidates for the vacancy. The College observes the Civil Service guaranteed interview scheme for internal and external applicants who declare a disability.

In the event of employees becoming disabled, every effort is made to retain them within the College. Appropriate adjustments are made to work and facilities where reasonably practicable. The College offers training, career development and promotion opportunities to all employees, irrespective of any disability.

## 5.9 Staff numbers and related running costs (audited)

The majority of College employees are members of the Civil Service pension arrangements, which are multi-employer defined benefit schemes. These are not included in the College's accounts and contributions are recognised as expenditure incurred, as the College is unable to identify its share of the underlying assets and liabilities. Contributions to Civil Service pension schemes for the period totalled £3.666 million (£3.354 million in 2016-17). The remaining contributions were made to partnership pension plans.

During the year, three employees exercised their right to opt out of the pension arrangements. A total of eight current employees have opted out. Further details on Civil Service pensions can be found in the

‘Civil Service: Superannuation’ accounts on GOV.UK. All police officers (except outgoing CEO Alex Marshall) were seconded and their seconding force remains responsible for their pension benefits. Full details of pension

schemes are shown in the remuneration report. The seconding force is also responsible for staff leave and so they do not feature in the College’s staff leave accrual.

## Average number of persons employed

The average number of persons employed by the College during the period was as follows:

	Year ended 31 March 2018		Year ended 31 March 2017	
	Average number of staff employed	Total £000	Average number of staff employed	Total £000
Directly employed	497	23,815	481	22,926
Seconded in	81	6,028	87	6,740
Temporary/casual	20	7,775	28	6,522
<b>Total</b>	<b>598</b>	<b>37,618</b>	<b>596</b>	<b>36,188</b>

The cost above for Temporary/casual includes £6,455k for Associates. These are individuals or corporate entities, who are not employees of the College nor classed as Contractors and Contingent labour and who are engaged by the College to perform specific, discrete tasks.

During the year the College engaged a total of 786 Associates at various times.

Staff costs comprise:	Year ended 31 March 2018				Year ended 31 March 2017
	Permanent	Secondees	Temporary or casual	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	18,200	6,028	7,775	32,003	30,937
Social security costs	1,949	–	–	1,949	1,808
Other pension costs	3,666	–	–	3,666	3,443
Staff leave accrual	–	–	–	–	–
<b>Subtotal</b>	<b>23,815</b>	<b>6,028</b>	<b>7,775</b>	<b>37,618</b>	<b>36,188</b>
Less recoveries in respect of outward secondments	–	–	–	–	–
Less capitalised pay costs	–	–	–	–	–
Other pay costs capitalised	–	–	–	–	–
<b>Total net costs</b>	<b>23,815</b>	<b>6,028</b>	<b>7,775</b>	<b>37,618</b>	<b>36,188</b>

Information on the number of hours and associated cost to the College of employees who were relevant union officials during 2017/18 is disclosed in Annex C.

## Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Year ended 31 March 2018			Year ended 31 March 2017
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
<£10,000	–	2	2	5
£10,000-£25,000	–	3	3	19
£25,000-£50,000	–	4	4	5
£50,000-£95,000	–	2	2	2
£95,000-£150,000	–	–	–	–
£150,000-£200,000	–	–	–	–
£200,000-£250,000	–	–	–	–
£250,000 and over	–	–	–	–
Total number of exit packages	0	11	11	31
Total cost of exit packages (£000)	0	330	330	646

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs, are accounted for in full in the year the exit package is confirmed.

Where the College has agreed on an early retirement, any additional costs on top of the retiree taking their pension at the usual retirement date are met by the College and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Any amounts paid in lieu of contracted notice periods are included in the table.

**Mike Cunningham**

**Chief Executive and Accounting Officer  
College of Policing**

**5 December 2018**



# 6. Statement of directors' and accounting officer's responsibilities

Company law requires the directors to prepare financial statements for each financial year. Directors are required to follow the principles of the Companies Act 2006 and International Financial Reporting Standards (IFRS) with additional, voluntary disclosures added under HM Treasury's financial reporting manual (FReM), where this would improve understanding. Under company law, the directors must not approve the financial statements unless they are satisfied that they are prepared on an accrual basis and give a true and fair view of the company's state of affairs and of the College's surplus or deficit, application of resources, changes in equity and cash flows for that period.

In preparing financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards as set under IFRS have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the College will continue in operation.

The directors are responsible for keeping proper accounting records that disclose at any time and with reasonable accuracy the financial position of the company and enable them to

ensure that the financial statements comply with the Companies Act 2006 and the IFRS. They are also responsible for safeguarding the company's assets and for taking reasonable steps to prevent and detect fraud and other irregularities.

The accounting officer for the Home Office has designated the Chief Executive as accounting officer for the College. The College's accounting officer is personally responsible for:

- safeguarding the public funds for which they have charge
- ensuring propriety and regularity in the handling of those public funds
- the day-to-day operations and management of the College
- satisfying themselves that the Annual Report and Accounts are fair and balanced
- taking responsibility for the judgements used in the accounts
- the Accounting Officer is responsible for confirming that the Annual Report & Accounts as a whole give a fair, balanced and understandable view of the College's activities for the year ended 31 March 2018 and its financial position as at 31 March 2018.

So far as the directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the College's auditors are unaware. Each director has also taken the necessary steps to make themselves aware of any relevant audit information and to establish that the College's auditors are aware of that information.



# 7. Governance statement

## 7.1 Corporate governance

The College's governance structures and processes have been developed to comply with good practice, including:

- HM Treasury's 'Corporate governance in central government departments: Code of good practice April 2017'
- the Companies Act 2006
- HM Treasury's Managing Public Money framework 2014
- the IFAC/CIPFA International Framework – Good Governance in the Public Sector (2014)
- the Code of Ethics for Policing in England and Wales.

The Governance Manager works with the Board and Executive to develop good governance across the College. The College, with the Home Office, has signed and published a protocol which sets out the two parties' respective roles and responsibilities. College staff also have regular meetings with Home Office ministers and officials.

The College has access to legal advice from the government legal department and independent lawyers.

The following paragraphs report on the main elements of corporate governance.

## 7.2 The Board of Directors

In this period, the College Board has embedded the recommendations and actions drawn from the effectiveness reviews carried out in 2014/15 and 2016. These included the Home Secretary's agreement to create a smaller Board, with more independent

members. This has led to the recruitment of new independent members in June 2018. We look forward to the addition of their valuable skills, experience and knowledge to the College's governance.

Further Board development and consideration of its effectiveness is planned for 2018/19, together with a review of the Protocol with the Home Office. This work will build on and evaluate the quality of Board papers and management data; put greater focus on performance and risk at Board meetings; and ultimately strengthen relationships with internal and external stakeholders. A formal induction programme has been introduced for new Board members, including both spending time with the Executive and College staff in order to learn about the College's work and spending time on the front line, so that the independent members can increase their knowledge of day-to-day policing issues. It will also ensure all Board members can form a connection with serving officers and police staff. A review of the Board committees' membership will be undertaken, to ensure the most effective deployment of skills and experience for the College's benefit.

The Board met six times in this period. Its standing items included:

- updates from the Chair and the CEO
- reports from the Professional Committee; the Audit and Risk Committee; the Nominations and Remuneration Committee; the Members' Committee; and the College Regulatory Consultancy Group
- reports on progress against the Business Plan, the management of corporate risks, budgetary and financial matters.

The Board continues to give strategic direction to a number of priorities, including the Business Plan, the marketing strategy and the development of the College's offer to its members. During the year, work continued on the Policing Education Qualifications Framework (PEQF) and the College's role in building diversity and valuing difference across policing.

The Board provided valuable direction to those proposals, as well as those relating to license to practice and the delivery of new entry routes into policing, including a Police Constable Degree Apprenticeship.

In November 2017, Millie Banerjee, previously the Senior Independent Director and interim Chair, was confirmed as the substantive Chair of the College. She will lead the Board development work described above, including a first external review of the Board in 2019, and also the review of the Protocol between the College and the Home Office. Millie was succeeded as Senior Independent Director by Christine Elliot who has served on the Board since 2015.

Every new non-executive director is briefed by the governance manager on their duties and responsibilities leading an arm's-length body of the Home Office and a company limited by guarantee. A more detailed induction programme is being introduced for new Board members, with specific focus on the context and issues facing policing today.

Board member details, meeting minutes, ways of working and terms of reference of its committees are published on the College website. Details of Board and Committee attendance can be found in Annex B below. Other published transparency data includes: the details of gifts and hospitality given, received or declined by directors; the travel costs; other expenses they receive; and their business interests.

### **7.3 The Nominations and Remuneration Committee report**

The Nominations and Remuneration Committee (NRC) supports the Board by discharging its responsibilities for the composition and effectiveness of the Board and its committees, the remuneration of the college chair, chief executive officer, other executive directors and the principles and policy relating to the remuneration of all College staff. The committee has maintained a majority of independent members, as is good practice. It met six times in this period and also conducted business between meetings as needed. Issues included:

- the recruitment of the College Chair, Chief Executive and independent Board members
- wider succession planning for the Board
- the College pay award and pay policy
- the statutory gender pay gap report
- the equal pay audit
- the salary review for the executive directors.

The NRC will lead on the Board effectiveness plans for the coming period and will continue to monitor the implementation of actions to improve drawn from previous reviews, as well as other areas of development. These include the lessons learned from the recent recruitment activities.

The NRC has taken the lead to ensure that the appointment of a new Board member to the PCC seat and the recruitment of the independent members has been undertaken in accordance with the public sector appointments guidelines. It has also ensured that the whole Board has been informed of progress at all stages.

## 7.4 The Audit and Risk Committee (ARC) report

The Board is responsible for the management of risk, control and overall governance and is supported in the discharge of this responsibility by the Audit and Risk Committee. It also supports the Board in the management of performance. It is comprised of four Board members and an independent co-optee. ARC meetings are attended by a member of the Home Office sponsorship team, along with members of the Executive and internal and external audit. The committee formally met four times in this period and conducted other business outside these meetings. Standing items of business include:

- updates from the ARC Chair and the CEO
- a review of the corporate risk register
- discussion on risk management and mitigation
- internal and external audits reports and related actions,
- relevant policy updates.

The Government Internal Audit Agency conducted six audits during the period. Four were rated 'moderate', one was rated 'substantial' and the sixth was amended to a consultancy review and not given a formal assurance rating. Overall, the College was given a moderate internal audit rating, with the report stating:

"The College of Policing has a sound system of internal control that is designed to meet the organisation's strategic objectives. Good governance structures are evident, although some improvements are required to enhance the management and oversight of corporate and operational risks."

An action plan is in place to address this position and progress is being made.

## 7.5 The Professional Committee report

The Professional Committee is chaired by the CEO and its membership comprises: representatives of officers and staff of all ranks and grades; the Special Constabulary; and police and crime commissioners. It has limited delegated authority from the Board to make evidence-based decisions on the police service's capability needs and the development of national standards and practice.

In this period, the committee has considered the development of a range of programmes aimed at supporting professional development and workforce transformation, including:

- introducing new entry routes into the service
- consultation on introducing qualifications for senior ranks
- developing a new licence to practise in high-risk areas of policing
- developing professional role profiles across policing
- reviewing proposals for direct entry for chief constables
- reviewing senior leadership and assessment processes
- the police response to failures in the criminal justice system related to disclosure
- a national policing response to various HMICFRS reports and independent reviews, including the Henriques report covering non-recent sexual offence investigations.

## **7.6 The Members' Committee report**

The Members' Committee was established in June 2015 as an advisory committee to the Board. Its purpose is to promote and support the development of membership and members' services. It works with the membership team and other College staff to improve current member services and programmes, initiate new ones and increase the value of membership. All serving officers and members of police staff from forces in England and Wales were invited to apply to serve on the committee. There are currently reserved seats for nominees from UNISON, the Police Federation of England and Wales, the Police Superintendents' Association, and the Chief Police Officers' Staff Association. The committee sought to increase its diversity by introducing a range of reserved seats for women and for officers or staff from a range of minority groups. These are not representative roles and all committee members act in the best interests of the College and its members. The committee is chaired by a non-executive Board director who provides a report to each Board meeting.

The committee meets three times a year. It has considered a range of issues, including: the membership communication strategy; the College's work on valuing difference and inclusion; professional development; the PEQF; and the challenges of establishing a licence to practise for those in high-risk roles. Committee members also take an active part in College business and have assisted with staff interviews and at staff development days to connect with our frontline members.

At 31 March 2018, membership stood at over 26,000 individuals from organisations across England, Wales and Northern Ireland. Over the course of the next year, it will review the role and purpose of the committee. It intends to refresh committee membership with the maximum term for any single member set at two years.

## **7.7 The Equality, Diversity and Inclusion Advisory Panel report**

The Equality, Diversity and Inclusion Advisory Panel (EDIAP) is a volunteer panel that provides support, advice, expertise and feedback to the Executive. By providing external objectivity it helps to embed equality, diversity and inclusion in College products, services and ways of working. There are seven standing members, four of whom were recruited early in 2016 to broaden the knowledge and experience on the panel.

The panel was renamed the EDIAP in July 2017 (formerly the Independent College Advisory Panel), to reflect its role in supporting delivery of the College's equality, diversity and inclusion strategies. Revised terms of reference emphasise effectiveness and ways of working. The corporate services director represents the College Executive and meetings are attended by senior managers and subject matter experts who present key topics for consideration and feedback. College Board members also share attendance at meetings to support the panel's aims.

In the last 12 months, the EDIAP has considered topics such as the College's internal valuing equality, diversity and inclusion strategy. It has also provided external perspectives for policing delivery, with a review of recruitment on the SCC, licence to practise considerations, and the College's Business Plan.

## **7.8 Executive governance**

The executive governance structure supports the achievement of the College's ambitions by ensuring effective decision making. This is informed by consultation, engagement and constructive challenge. The executive directors meet weekly to share updates and discuss any immediate

risks, and monthly to consider strategic and policy decisions. Other senior managers are invited to attend as required. The senior leaders meet with the executive directors every two months to discuss and shape the direction of the College. The monthly Executive Meeting has assessed: performance against plans and the management of risk; finance; people; programmes and projects; commissioning; security; and information. The quarterly Performance Management Group which is chaired by the CEO also provides an opportunity for the Executive to consider performance issues in depth. Strategic leadership in the management of investments, investment decisions and the setup of major programmes is provided by the Capital Investment Group, led by the director of corporate services.

## 7.9 Risk management

The accounting officer is the overall risk champion and chairs the Executive monthly meeting. Risk management and the strategic risk register are considered prior to tabling at ARC and the Board. Operational responsibility for risk management rests with the director of corporate services.

The College's overall risk appetite is 'cautious'. This means safe options with a low risk and possible limited reward potential are preferred.

The College's principal risks are detailed in section 3.4.

The Executive reviews the strategic risks regularly at Executive meetings and with the ARC and the Board. The Board agreed there was a moderate level of assurance in relation to risk management and the ARC worked with the Executive to manage risk throughout the year.

In 2018/19, a priority for the new year is to embed good practice in risk management at the corporate level and ensure it is cascaded throughout the College. This will ease escalating and de-escalating risks and enable all staff to play a part in identifying and mitigating risk. It will also help permeate the College's workings in a more positive manner. A new risk management policy and guidance has been developed which outlines our approach. The following sections summarise the assurance and controls across the College. The highest-level strategic risks and the planned mitigation are set out in section 3.4.

## 7.10 Performance management

Our interim Business Plan for 2018/19 was agreed by the Executive and the Board in March and has received ministerial approval. Programme and project management methods and enhanced governance structures have aided the College in developing an effective way to measure progress.

We have adopted a performance scorecard approach, capturing monthly performance against key metrics including the Business Plan and project deliverables. Further detail on the end of year performance can be found in sections 3.3 and 7.15.

The main forum for overseeing performance is the monthly Executive meeting, where the Executive receives a performance and risk report. This report is also presented to the Board so it can support and challenge the Executive on delivery. The Board is supported in its work by ARC.

The reports to the Board and ARC provide updates on key programmes and analysis of the risks and mitigating actions. Progress is managed and monitored through the PMU, with regular reports being considered by the executive directors.



There are regular meetings with policing bodies and the College hosts a fortnightly Solutions Panel audio conference, chaired by an executive director. This provides the opportunity to raise and discuss policing issues which may require a national response. This includes NPCC leads, the APCC, HMICFRS, the Home Office, Ministry of Justice and other government departments. Many of these external stakeholders worked with the College to develop the 2018/19 Business Plan.

## 7.11 Financial management

The internal audit provides assurance to the accounting officer on the risk management, governance and control arrangements relating to the College's core financial systems and other areas. Senior managers are improving the internal control environment and building resilience. Their aim is to retain appropriate levels of professional financial staff and ensure process improvements and efficiencies.

A budget management process is now in place. As an arm's-length body, the College is required to make monthly financial returns and forecasts to the Home Office, which scrutinises any variances to budget and financial forecast. The College Board receive a financial report and forecast at each meeting. A scheme of delegation is in place, alongside profiled budgets, and budget holders are aware of their authority levels. Finance business partners support and challenge the financial forecasts (for which budget holders are responsible) and evaluate the level of financial risk and volatility in each budget area. The College's Capital Investment Group ensures governance over proposals relating to use of the capital grant from the Home Office by evaluating business cases and monitoring the progress of approved projects.

The College complies with Cabinet Office requirements for public sector bodies to procure common goods and services through: the government procurement service; HM Treasury's guidance on procurement (Managing Public Money, July 2013); and other public procurement regulations and legislation. The College submitted costed scenarios to the Home Office in August 2015 as part of the Government Spending Review. This evidenced the ability of the College to look at its priorities in depth and how the cost base of the College could be adjusted to cope with potential reductions in future grant-in-aid.

## 7.12 People management

The College's budgeted staff establishment is linked to its Five-Year Strategy and annual Business Plan. The 'approval to recruit' process has been streamlined for efficiency to back-fill vacancies. All vacant posts require budget holder approval and new posts require Executive approval prior to recruitment. Much emphasis has been put on the time it takes to recruit staff and we have updated recruitment processes and policy. The vacancy rate has in turn decreased by over 50 per cent, and the recruitment process is much quicker. Selection and recruitment workshops for staff on recruitment panels are well developed.

All redeployment and redundancy processes are carried out in line with College policy and Cabinet Office and Home Office protocols. The College also uses Civil Service Local to mitigate potential redundancies and accept redeployees from other government departments. We have updated core HR policies and shared these with all staff through the guides available on the intranet. All new HR policies and processes are built with the Code of Ethics at their core. The people and OD team runs workshops for managers to enhance managerial skills.

We continuously reviewed induction and exit processes throughout the year with the introduction of a one-day induction event for new starters. This will be run on a quarterly basis. Exit processes now inform recruitment processes and identify areas of good practice or development at a local level.

The focus in 2018/19 will be equality and diversity across a number of HR strands. These will include continuing to work to reduce our gender pay gap, removing and minimising any disadvantages. Specific and measurable equality objectives will be set which will measure our performance through our People Strategy.

The PDR performance appraisal process continues with a review of practices and potential improvements. Principles of the College's Leadership Review for policing will be applied internally, including evidence from individuals of their own commitment to CPD.

All College staff are expected to comply with the College's Code of Ethics. All current staff have attained the required non-police personnel vetting level for their individual roles, which has been updated with a more proportionate risk-based approach.

The College undertook a health, wellbeing and engagement survey during the latter part of the year. Overall results were positive and the ensuing action plan will maintain these positive results and enhance areas which could improve. The Health, Wellbeing and Self-Care Strategy will build on current good practice and identify additional improvements based on current evidence-based thinking. We have continued to update our diversity data and have improved management information collection and reporting mechanisms.

## 7.13 Information assurance and security

The Information Governance Committee – chaired by the College's director of corporate services who is also SIRO – considered issues, opportunities and risks around data protection, information and record management, and information assurance. The SIRO is currently reviewing the overall approach to risk management and security in this area.

The College has previously undergone an annual assessment of its information handling policies and practises – One3M assessment – and has achieved an overall Level 2. The College is reviewing the approach to assessment for future years. We continue to provide evidence on an ongoing basis to Government Digital Services in order to maintain our access to the Public Service Network (PSN). We also provide evidence to the National Police Information Risk Management Team to remain on the PSN Protect for Police. This is pivotal to our development of the membership platform and other national policing systems.

We have developed the information management programme to include published guidance on standards and best practice. We have also made significant progress in identification and ownership of active information. We review and make decisions around legacy information.

In response to the heightened security risk and continuing terrorist incidents, we continue to ensure that all staff and others representing the College who are travelling to high and medium-risk countries are briefed and have access to relevant information. We assess overseas delegates visiting College sites and undertake checks with the Home Office Departmental Security Unit as required.

The departmental security officer collates, acts on and reports all physical and information security breaches.

## 7.14 Programme and project management

The Programme Management unit provides professional support to deliver essential initiatives such as the PEQF and the Vulnerability Project. The team's prime focus is on delivering the key projects detailed in the College's Business Plan. It applies a flexible project management framework, consistent with the principles of Managing Successful Programmes and PRINCE 2.

During March, work began to transition to the business change and assurance team, comprising project improvement managers and a project management unit. Training to enhance the team's knowledge of risk management and benefits management has taken place.

All programmes and projects have appropriate governance, such as senior responsible owners, project boards, project initiation documentation and project plans. There has been a robust reporting framework in place to keep the College Executive informed of highlights, risks and issues. The College Board receives a report at each meeting detailing progress and how issues are being addressed.

## 7.15 Areas of success and concern

Examples of the College's successes are highlighted below, organised per the priorities in the 2017/18 Business Plan.

### Knowledge

- Maximising use of the What Works Toolkit with research surgeries and masterclasses to communicate the evidence base in policing.

- Criminal Justice Review – e-learning for disclosure is available on the managed learning environment. Scoping for the next phase of work is underway.
- Leadership – the virtual learning environment for the level 6 leadership and management qualifications was launched in April 2018.
- The Competency and Values Framework and guidance was published.
- Systematic review on electronic monitoring of offenders was published.
- Delivered the College's annual conference focused on creativity and innovation in policing.

### Education

- PEQF initial entry routes documentation was published, including national degree apprenticeship scheme, a national pre-join policing degree qualification, and degree-holder entry programme.
- A one-day vulnerability training course has been developed and rolled out in seven volunteer forces to approximately 9,500 frontline officers and staff. Train the Trainer events have also been held.
- National job board and recruiters' hub was developed and is now available on the Membership site.
- The PDP digital platform was launched on 30 April 2018, with trial draft role profiles being loaded as they go live.
- Continuing the work to equip the next generation of senior police leaders. This includes the Strategic Command Course and national promotion, and selection assessments such as Fast Track/Direct Entry and the Senior Police National Assessment Centre.
- PCSO apprenticeship is approved and ready for use.
- The Day One assessment centre pilot to become a police constable has begun.



## Standards

- A full programme of licensing activities was completed for firearms and public order.
- An interim solution for the Barred and Advisory Lists was implemented.
- Neighbourhood policing guidelines were issued to all PCCs and chief constables.
- Psychological risk management guidance was published.
- The Blue Light Wellbeing Framework was launched.

## Building the College

- Over 26,000 registered members are benefitting from products and services such as one-to-one development support, CPD advice, and information and support through the mentoring scheme.
- The College Bursary Scheme is exclusive to members undertaking higher education academic study, with grants of up to £6,000.
- The College Ambassadors' programme launched, aiding the College's connection with frontline policing, and we will use feedback to inform our future.
- The 2017 College survey was completed and provided valuable insight to the needs and requirements of the profession.
- Associates policy was consulted fully and launched to all College managers and associates.
- Staff survey improvement planning to address the identified issues and maximise the many positives.

## Areas of concern include:

- CEO, Chair and Board appointments were an area of concern during 2017. This was mitigated through interim CEO and chair appointments, which have now been successfully recruited.

- Forces in Wales are unable to access the apprenticeship levy. Meetings with representatives from the Welsh Government, Home Office, Welsh police forces and the College have been held and there have been positive developments in resolving the issue.
- Capacity and capability in the College restricts our ability to achieve the Business Plan deliverables. Improvements to recruitment processes and timescales and a review of vetting procedures have been successful. Further work is required in developing our People Strategy.

## 7.16 Overall statement of assurance

I was not the Accounting Officer during the whole period covered in this report, having only taken up my role on 15 January 2018. I have received a handover letter of assurance from the interim CEO Rachel Tuffin, who has returned to her substantive post of Director of Knowledge, Research and Education. I have reviewed the contents of this report with Executive and Board colleagues.

Taking these findings into account, together with consideration of the achievement of objectives in this period, I can provide moderate assurance regarding the internal control system. I am confident that the work carried out in this period has enabled the College to improve its structure, processes, governance and control arrangements to build the future professional body, as well as develop its products and services.

Signed:



**Mike Cunningham**

**Chief Executive and  
Accounting Officer**

**5 December 2018**

# 8. The Certificate and Report of the Comptroller and Auditor General to the Members of College of Policing Ltd.

## Opinion on financial statements

I have audited the financial statements of College of Policing for the year ended 31 March 2018 under the Government Resources and Accounts Act 2000. The financial statements comprise the statement of comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Companies Act 2006 and the International Financial Reporting Standards as adopted by the European Union. I have also audited the information in the Remuneration and Staff Report that is described in that report as having been audited.

In my opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of the loss for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by European Union; and
- have been prepared in accordance with the Companies Act 2006.

## Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the

financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the College of Policing in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' and accounting officer's responsibilities, the directors are responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view.
- such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- assessing the company's ability to continue as a going concern, disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College of Policing's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College of Policing's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Other Information

Directors are responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Remuneration and Staff Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## Opinion on other matters

In my opinion:

- the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual;

- in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Strategic Report or the Directors' Report; and
- the information given in the Strategic and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

## Matters on which I report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

**Sir Amyas C E Morse Comptroller and Auditor General**

**11 December 2018**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria London SW1W 9SP

# 9. Financial statements for the period ended 31 March 2018

## 9.1 Statement of comprehensive income for the year ended 31 March 2018

		Year ended 31 March 2018	Year ended 31 March 2017
	Note	£000	£000
<b>Income</b>			
Income from activities	2	25,315	21,771
		25,315	21,771
<b>Expenditure</b>			
Staff costs	3	(37,618)	(36,188)
Running Costs	4	(23,658)	(22,592)
Other expenditure	4	(3,138)	(2,913)
		(64,414)	(61,693)
Loss before taxation		(39,099)	(39,922)
Taxation	5	-	-
Loss after taxation		(39,099)	(39,922)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Net gain/(loss) on revaluation of property, plant and equipment	6	2,897	796
Net gain/(loss) on revaluation of intangibles	7	39	39
Other comprehensive income/(expense)		2,936	835
<b>Total comprehensive income/(expense) for the period</b>		<b>(36,163)</b>	<b>(39,087)</b>

The accounting policies and notes in section 9.5 form part of these accounts.

## 9.2 Statement of financial position as at 31 March 2018

		Year ended 31 March 2018	Year ended 31 March 2017
	Note	£000	£000
<b>Non-current assets:</b>			
Property, plant and equipment	6	32,324	26,581
Intangible assets	7	3,368	3,343
<b>Total non-current assets</b>		<b>35,692</b>	<b>29,924</b>
<b>Current assets:</b>			
Trade and other receivables	8	7,872	6,134
Cash and cash equivalents	9	2,958	9,741
<b>Total current assets</b>		<b>10,830</b>	<b>15,875</b>
<b>Total assets</b>		<b>46,522</b>	<b>45,799</b>
<b>Current liabilities</b>			
Trade and other payables	10	(25,226)	(16,736)
Provisions	11	(18)	(122)
<b>Total current liabilities</b>		<b>(25,244)</b>	<b>(16,858)</b>
<b>Assets less liabilities</b>		<b>21,278</b>	<b>28,941</b>
<b>Reserves</b>			
Revaluation reserve		9,511	6,575
General reserve		11,767	22,366
<b>Total</b>		<b>21,278</b>	<b>28,941</b>

The accounting policies and notes in section 9.5 form part of these accounts.

These accounts have been audited under the Government Resources and Accounts Act 2000 and are therefore exempt from the requirements of section 475 of the Companies Act 2006.

These financial statements were approved by the Board on 19/09/18, and were signed on its behalf by:

**Mike Cunningham**

**Chief Executive and  
Accounting Officer**

**5 December 2018**

**Company registered number: 08235199**

### 9.3 Statement of cash flows for year ended 31 March 2018

		Year ended 31 March 2018	Year ended 31 March 2017
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Loss after taxation		(39,099)	(39,922)
<b>Adjustments for non-cash transactions:</b>			
Depreciation	6	2,416	2,550
Amortisation	7	762	366
Impairment and asset write off	6		
Provisions movement	11	(104)	16
Loss/(profit) on disposal of asset	4	(40)	
Contributions from equity participants		-	-
(Increase)/decrease in trade and other receivables	8	(1,738)	2,464
Increase/(decrease) in trade payables	10	8,490	3,245
Net cash outflow from operating activities		(29,313)	(31,281)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(5,317)	(4,641)
Purchase of intangible assets	7	(694)	(381)
Disposal of property, plant and equipment	4	41	3
Net cash outflow from investing activities		(5,970)	(5,019)
<b>Cash flows from financing activities</b>			
Grants from parent department	15	28,500	37,500
Net financing		28,500	37,500
Net increase/(decrease) in cash and cash equivalents in the period		(6,783)	1,200
Cash and cash equivalents at the beginning of the period	9	9,741	8,541
Cash and cash equivalents at the end of the period	9	2,958	9,741
Increase/(decrease) in cash		(6,783)	1,200

The accounting policies and notes in section 9.5 form part of these accounts.



## 9.4 Statement of changes in equity for the year ending 31 March 2018

		Revaluation reserve	General reserve	Total equity
	Note	£000	£000	£000
Balance at 31 March 2016		5,739	24,788	30,527
Loss after taxation		–	(39,922)	(39,922)
Grant from Home Office – resource	15	–	37,500	37,500
– capital		–	–	–
Revaluation of non-current assets		836	–	836
Balance at 31 March 2017		6,575	22,366	28,941
Loss after taxation		–	(39,099)	(39,099)
Grant from Home Office - resource	15	–	28,500	28,500
– capital		–	–	–
Revaluation of non-current assets		2,936	–	2,936
Balance at 31 March 2018		9,511	11,767	21,278

The accounting policies and notes in section 9.5 form part of these accounts.

## 9.5 Notes to the statement of accounts

### 1. Accounting policies

College of Policing Limited (the College) is a company limited by guarantee, incorporated and domiciled in the UK.

These financial statements have been prepared in accordance with applicable IFRS, as adopted by the European Union, the Companies Act 2006 and the FReM. The College has adopted and interpreted the FReM, as issued by HM Treasury, to the extent that the FReM is consistent with the requirements of the Companies Act 2006.

Where there is a choice of accounting policy, the one judged to be most appropriate to the particular circumstances of the College for the purpose of giving a true and fair view has

been selected. The particular policies adopted by the College are described below. They have been applied consistently to items that are considered material to the accounts.

Judgements made by the directors when applying the accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

#### a) Going concern

The directors have a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. The basis of this is continued support from the Home Office. Therefore, the College has adopted the going concern basis of accounting in preparing these financial statements.

The going concern basis of preparation is discussed in more detail in the strategic report (see section 3 above).



## b) Grants and grant-in-aid

The College receives the majority of its funding by way of grant-in-aid from the Home Office, from a top slice of the total funds available for policing, including grants to policing. The grants received are used to finance expenditure that supports the College's objectives. These grants are treated as a capital contribution and credited to the general reserve because they are regarded as contributions from a controlling party. Other grants, such as European Union grants, are received from time to time. These are recorded under income.

## c) Revenue

The College recognises income, net of VAT, on an accruals basis at the transaction amount or the amount which the customer is committed to pay. Where fees have been invoiced and the service has not been completed by the year end, fees are treated as deferred income. The amount deferred is calculated by reference to the proportion of work undertaken at the end of the year, relative to the expected time to complete the work, and is released to the statement of comprehensive income as the work is completed. Where fees have not been invoiced but the service has been provided or partly provided by the year end, fees will be included as accrued income. The amount held in accrued income is calculated in reference to the proportion of work undertaken at the year end and not invoiced.

## d) Property, plant and equipment

Assets that have physical substance and are held for use in supplying goods and services or for administrative purposes, and are expected to be used during more than one financial year, are classified as property, plant and equipment. Expenditure of £5,000 and

above on acquiring, creating or enhancing property, plant and equipment is capitalised on the accruals basis, provided it is probable that the future economic benefits or service potential associated with the item will flow to the College and the cost of the item can be reliably measured.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

## Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent professionals at least every five years. In the intervening years, land and buildings are revalued by the use of published indices appropriate to the type of land or building. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross-carrying amount of the asset.

The net amount is then restated to the revalued amount of the asset. Land and buildings are not revalued in either the year of addition or disposal. College buildings are viewed as not being specialised assets and are therefore valued at market value rather than depreciated replacement cost.

## Non-property assets

All other items of property, plant and equipment are initially recognised at cost, which comprises the purchase price and any costs attributable to bringing the asset to the

location and condition necessary for it to be capable of operating in the manner intended. Subsequently, carrying value is recognised at market value in existing use less accumulated depreciation and impairment losses, where market value is calculated either by: valuation; where an active market exists; or by the use of indices to the lower of depreciated replacement cost or value in use.

Increases in carrying amounts arising from revaluation are recognised in other comprehensive income and accumulated in equity under the heading revaluation surplus. This is unless they offset previous decreases in the carrying amounts of the same asset which had been recognised in profit or loss. In this case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income, to the extent of any credit balance exceeding the revaluation surplus in respect of that asset. All other decreases in carrying amounts are recognised in profit or loss.

## Depreciation

Land and assets under construction (AUC) are not depreciated.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	5 to 50 years
Plant and machinery	5 years
Computer hardware	3 to 7 years
Furniture and fittings	5 to 10 years
Transport equipment	5 to 7 years

Depreciation methods, useful lives and residual values are reviewed and adjusted

as appropriate at each balance sheet date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

## e) Intangibles

Intangible assets are non-monetary assets without physical substance, which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to the College and where the cost of the asset can be measured reliably.

Development costs with a reasonable expectation of commercial exploitation are capitalised as intangible, provided all of the following have been demonstrated:

- the technical feasibility of developing the product so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally generated intangible asset can be recognised, the expenditure is charged in the period in which it is incurred.

Subsequent to initial recognition, the carrying value is at market value in existing use less accumulated depreciation and impairment losses, where market value is calculated

either by valuation, where an active market exists, or by the use of indices to the lower of depreciated replacement cost or value in use.

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of the intangible asset. The estimated useful life is:

Software	3 to 7 years
----------	--------------

Intangible AUC are not amortised.

## f) Assets under construction

AUC include any property, plant and equipment or intangibles that are under construction at the balance sheet date. During the construction phase they are initially recognised at cost. This comprises the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. When completed, AUC are reclassified and carrying value is recognised in line with the appropriate non-current asset category and depreciated from the date on which they are brought into service. AUC and assets in their first year of use are carried at historical cost. After that, they are revalued in line with the policy for that asset group.

## g) Impairments

### Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence shows a loss event has occurred after the initial recognition of the asset,

with a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

## Non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Where the loss is determined for a previously revalued asset, it is written off against any revaluation gains held for the relevant asset in the revaluation reserve. Any excess is charged to the statement of comprehensive income. Where an impairment loss is subsequently reversed, the reversal is credited to the relevant expenditure lines in the statement of comprehensive income (up to the amount of the original loss), adjusted for depreciation that would have been charged if the loss had not been recognised.

## h) Operating leases

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives

received are recognised in the statement of comprehensive income as an integral part of the total lease expense.

## **i) Foreign currency**

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate on the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling on that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate on the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling on the dates the fair value was determined.

## **j) Employee benefits**

### **Short-term employee benefits**

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. Where considered material, the cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

## **Pensions**

The College's employees are members of the Civil Service pension arrangements, which is an unfunded multi-employer defined benefit scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as required by International Accounting Standard (IAS) 19, it accounts for the scheme as if it were a defined contribution scheme. The scheme actuary revalues the scheme centrally and reassesses contributions every four years. Further detail is available in the civil superannuation accounts prepared by the Cabinet Office.

## **Termination benefits**

Termination benefits are amounts payable as a result of a decision by the College to terminate employment before the normal retirement date, or a decision by an employee to accept voluntary redundancy. Amounts payable are charged on an accruals basis to the staff cost line in the statement of comprehensive income. This occurs when the College is demonstrably committed to terminating the employment of an employee or group of employees or when an employee accepts an offer of voluntary redundancy. Redundancy costs will be provided for when the College has a present obligation and it is probable that there will be an outflow of resource and this outflow can be measured reliably.

## **k) Reserves**

Reserves constitute:

- revaluation reserve – the upward revaluation amounts relate to property and any future valuations of plant and equipment

- general reserve – balances accumulated by the usual operation of the business and grants-in-aid received from the Home Office.

## **l) Provisions**

A provision is recognised in the statement of financial position when the College has a present legal or constructive obligation as a result of a past event that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability, if the effect of discounting is material.

Provisions are charged as an expense to the appropriate expenditure line in the statement of comprehensive income in the year that the College becomes aware of the obligation. They are measured at the best estimate on the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position. Estimated settlements are reviewed at the end of each financial year. Where it becomes less probable that a transfer of economic benefits will not be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

## **m) Contingent liability**

A contingent liability arises where an event has taken place that gives the College a possible obligation that will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the College's control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not

probable that an outflow of resources will be required or the amount of the obligation cannot be measured. Contingent liabilities are not recognised in the statement of financial position, but disclosed in a note to the accounts.

## **n) Contingent asset**

A contingent asset arises where an event has taken place that gives the College a possible asset that will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the College's control.

Contingent assets are not recognised in the statement of financial position. They are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits.

## **o) Taxation**

The College has registered for corporation tax, which is payable on property and interest income, chargeable gains and adjusted trading profit less any losses carried forward when this produces a positive taxable total profit. All bank interest is remitted to the consolidated fund for extra receipts but is also taxed as trading income.

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year. It uses tax rates enacted or substantively enacted on the balance sheet date, and any adjustment to tax payable in respect of previous years.



Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### **p) Value added tax (VAT)**

As an eligible body as defined in Note (1) Group 6 Schedule 9 of the Value Added Tax Act 1994, the College has the right to make exempt supplies, i.e. sales without a VAT charge being made, predominately on education and other related services. The College is registered for VAT and can partially recover some input VAT using the Standard Method, as laid down by Her Majesty's Revenue and Customs (HMRC).

#### **q) Financing expenses and income**

Financing expenses comprise interest payable, unwinding of the discount on provisions and net foreign exchange losses recognised in the statement of comprehensive income (see foreign currency accounting policy). Financing income comprises net foreign exchange gains.

Foreign currency gains and losses are reported on a net basis.

#### **r) Accounting standards adopted in the period**

The College has reviewed HM Treasury guidance on accounting standards that have been adopted or are emerging, and have not adopted any additional standards, amendments or interpretations in the year.

#### **s) New IFRS and amendments to IAS and interpretations**

A number of standards and interpretations issued by the International Accounting Standards (ISA) Board are effective for financial statements after this reporting period and have been endorsed by the European Union. These include IFRS 9 (Financial Instruments), IFRS 15 (Revenue recognition) and IFRS 16. The College has not opted to adopt these early. Their adoption is not expected to have a material impact on the financial statements. The College will further assess the impact of IFRS 16 in 2018/19, in preparation for the implementation of this new standard in 2019/20.

## 2. Income

	Year ended March 2018	Year ended March 2017
	£000	£000
Income source		
Income and funding		
Trading income (training, delivery, assessment, exams)	15,310	14,707
Home Office non grant in aid funding	8,628	5,455
Other Income	1,377	1,609
<b>Total income and funding</b>	<b>25,315</b>	<b>21,771</b>
Interest received	3	7
Interest to be paid to consolidated fund for extra receipts	(3)	(7)
<b>Total income</b>	<b>25,315</b>	<b>21,771</b>

All Income for 2017/2018 was derived from continuing operations.

## 3. Staff costs

	Year ended March 2018	Year ended March 2017
	£000	£000
Employee salaries and wages	18,200	17,675
Pension costs	3,666	3,443
Social security costs	1,949	1,808
Seconded in officers	6,028	6,740
Temporary and contractors	7,775	6,522
<b>Total net costs</b>	<b>37,618</b>	<b>36,188</b>

Average staff numbers can be found in the remuneration and staff report, section 5.9.

## 4. Running costs and other expenditure

		Year ended 31 March 2018	Year ended 31 March 2017
	Note	£000	£000
<b>Running costs</b>			
Accommodation costs (including light and heat)		1,438	1,151
External audit fees		60	64
Consultancy*		1,684	365
Estates costs		5,053	8,157
General running costs**		3,185	2,013
Information technology costs		2,698	1,651
IT managed services		1,294	1,099
Professional fees		400	513
Telecommunications		(90)	437
Travel/vehicles costs		2,512	3,042
Rentals under operating leases		687	894
Grants given***		2,952	1,746
Staff and customer training		1,890	1,815
Cost of capital charges		-	-
Increase in provisions		(105)	(355)
Less: capitalised non-pay costs		-	-
<b>Running costs</b>		<b>23,658</b>	<b>22,592</b>
Depreciation	6	2,416	2,550
Amortisation	7	762	366
Loss/(profit) on disposal of asset		(40)	(3)
Loss on disposal of property, plant and equipment		-	-
Impairment and write offs		-	-
Indexation		-	-
<b>Other expenditure</b>		<b>3,138</b>	<b>2,913</b>
<b>Total</b>		<b>26,796</b>	<b>25,505</b>

\* Consultancy consists of ad hoc advisory services provided to management. It excludes outsourced ICT and professional services which support the College of Policing's usual business.

\*\* General running costs include hospitality, stationery and photocopying charges, miscellaneous expenses, recruitment fees, publication costs, conference costs, payroll services and various smaller cost lines.

\*\*\* Grants given consist of payments to Police Authorities in support of Direct Entry schemes and grants and bursaries to fund educational and development programmes.

The analysis of external auditor remuneration is disclosed in the directors' report.



## 5. Tax

Following a review by HMRC, the College has revised its approach to calculating Corporation Tax liabilities, and settled liabilities since the start of the College of £1.1 million.

For corporation tax purposes, the money which the College draws down from the Home Office in the form of Grant-in Aid is

treated as income. As the College follows the principles of accrual accounting the amount of cash drawn down from the Home Office in a year does not always match the net expenditure of the College in any period. This can lead to the College making a profit for tax purposes (where cash has been drawn down to pay historical invoices) or a loss as is the case in this year (where liabilities in trade payables have increased in the year and cash holdings have gone down).

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
Loss before tax	(39,099)	(39,922)
Cash draw down of grant-in-aid attributable to trading activity	28,500	37,500
Less non-current asset additions	6,012	(5,021)
Adjusted profit/(loss)	(4,587)	(7,443)
Disallowable expenses	–	–
Depreciation and amortisation	3,179	2,916
Non-trade loan relationship profit (interest received)	3	7
Chargeable gain (proceeds of sales of non-current assets)	12	3
Chargeable profit/(loss) for current period	(1,393)	(4,517)
Profits chargeable to corporation tax	–	–
Current tax charge	–	–
Profit/(loss) brought forward from prior periods	(8,514)	(3,997)
Profit/(loss) carried forward to future periods	(9,907)	(8,514)

The tax rate used for the 2018 reconciliation above is the corporate tax rate of 20 per cent (20 per cent in 2017), applicable in the United Kingdom on the taxable profits for this period under tax law in that jurisdiction.

## 6. Property, plant and equipment

	Land	Buildings	Transport equipment	Plant and machinery	Information technology	Furniture and fittings	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 31 March 2017	1,101	41,554	1,395	782	4,235	1,441	4,671	55,179
Reclassification	–	1,540	–	911	740	1,032	(4,277)	(54)
Additions	–	151	222	57	636	9	4,242	5,317
Disposals	–		(141)	–	–	–	–	(141)
Revaluations	170	6,117	(7)	16	62	10	–	6,368
At 31 March 2018	1,271	49,362	1,469	1,766	5,673	2,492	4,636	66,669
Depreciation								
At 31 March 2017	–	23,265	1,144	307	3,217	665	–	28,598
Charged in year		984	79	333	647	373		2,416
Depreciation on disposals	–	–	(140)	–	–	–	–	(140)
Revaluations	–	3,418	(14)	8	52	7	–	3,471
At 31 March 2018	–	27,667	1,069	648	3,916	1,045	–	34,345
Net book value at 31 March 2016	1,057	17,563	169	527	1,823	812	2,183	24,134
Net book value at 31 March 2017	1,101	18,289	251	475	1,018	776	4,671	26,581
Net book value at 31 March 2018	1,271	21,695	400	1,118	1,757	1,447	4,636	32,324

Transfers include the movement of completed projects out of AUC, reclassifications between property, plant and equipment categories and transfers to or from intangibles.

All property, plant and equipment is owned by the College of Policing Ltd.

A desktop valuation of land and buildings was undertaken as at 31 March 2016, in accordance with the provision of the Royal Institution of Chartered Surveyors (RICS) valuation standards by Cushman and Wakefield, who are appropriately qualified valuers for the purpose of the RICS valuation standards.

All property, plant and equipment has been revalued by the use of indices as at 31 March 2018. Increases in value have been charged to the revaluation reserve. Decreases in carrying amounts that offset previous increases of the same asset have been recognised in other comprehensive income to the extent of any credit balance exceeding the revaluation surplus in respect of that asset.

Assets under construction consist chiefly (£2.786 million) of works to improve facilities at the College's freehold sites (principally Ryton). The remainder relates mainly to improvements in IT infrastructure.

## 7. Intangibles

Intangible assets					
	Intangibles AUC	Software licences	Membership system	Other intangible software	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 31 March 2017	423	242	1,937	1,327	3,929
Additions	602	–	–	92	694
Indexation	–	4	35	24	63
Transfer	(198)	66	–	186	54
At 31 March 2018	827	312	1,972	1,629	4,740
Amortisation					
At 31 March 2017	–	(100)	(97)	(389)	(586)
Charge in period	–	(48)	(387)	(327)	(762)
Indexation	–	(3)	(9)	(12)	(24)
At 31 March 2018	–	(151)	(493)	(728)	(1,372)
Net book value at 31 March 2016	2,056	112	–	682	2,850
Net book value at 31 March 2017	423	142	1,840	938	3,343
Net book value at 31 March 2018	827	161	1,479	901	3,368

Transfers include the movement of completed projects out of AUC, reclassifications between Intangibles categories and transfers to or from property, plant and equipment.

Assets under construction consist chiefly (£450,000) of digital e-learning products. The remainder relates to phase two of the membership system.

All intangible assets have been revalued by the use of indices as at 31 March 2018. The increase in value has been charged to the revaluation reserve.

## 8. Trade and other receivables

	31 March 2018	31 March 2017
	£000	£000
Amounts falling due within one year:		
Trade receivables	2,821	3,105
Less: Impairment for trade receivables	–	–
Deposits and advances	208	221
Asset transfers	–	–
Other receivables	3	4
VAT	–	3
Accrued charges	3,975	1,900
Prepayments	865	901
	<b>7,872</b>	<b>6,134</b>

## 9. Cash and cash equivalents

	31 March 2018	31 March 2017
	£000	£000
Balance brought forward	9,741	8,541
Net change in cash and cash equivalent balances	(6,783)	1,200
Balance carried forward	2,958	9,741
The following balances were held at:		
Commercial banks and cash in hand	2,958	9,741
Short term investments	–	–
Total	<b>2,958</b>	<b>9,741</b>

## 10. Trade and other payables

	31 March 2018	31 March 2017
	£000	£000
Amounts falling due within one year		
VAT	60	–
Other taxation and social security	1,168	884
Trade and other payables	969	1,005
Accruals and deferred Income	22,558	14,453
Staff leave accrual	468	394
Other	3	–
	25,226	16,736

## 11. Provisions for liabilities and charges

	Provision for compensation	Provision for redundancy	Total
	£000	£000	£000
Balance at 31 March 2016	63	43	106
Provided in the period	59		59
Provisions released in the period	–	(43)	(43)
Provisions utilised in the period	–	–	–
Balance at 31 March 2017	122	–	122
Provided in the period	–	–	–
Provisions released in the period	(104)	–	(104)
Provisions utilised in the period	–	–	–
Balance at 31 March 2018	18	–	18
Analysis of expected timing of flows			
Not later than one year	18	–	18
Current liability	18	–	18
Later than one year and not later than five years	–	–	–
Thereafter	–	–	–
Non-current liability	–	–	–

All provisions are expected to be utilised within one year of the balance sheet date.

## Provision for compensation claims

The College had six outstanding personal injury claims at 31 March 2018 and two outstanding employment tribunal cases. Provision has been made for anticipated legal costs.

## 12. Capital commitments

The outstanding commitments at 31 March 2018 in respect of contracted capital

expenditure not provided for amounted approximately to £1,749,000. These relate primarily to building works at Ryton and a range of IT projects.

## 13. Commitments under operating leases

The totals of future minimum lease payments under non-cancellable operating leases due to expire within the relevant periods are shown in the table below:

	31 March 2018	31 March 2017
	£000	£000
Obligations under operating leases due to expire within the relevant period comprise:		
Not later than one year	718	266
Later than one year and not later than five years	21	239
Later than five years	–	–
Total	739	505

## 14. Contingent assets and liabilities disclosed under IAS37

The College had a contingent liability relating to compensation and additional legal fees in six ongoing personal injury claims and two employment tribunal cases of £179,000 within the meaning of IAS37, where the anticipated legal fees and most likely compensation have been provided for (31 March 2017 – £63,000).

## 15. Related party transactions

The Home Office is regarded as a related party of the company. During this period, the company has had a significant number of material transactions with the Home Office and other entities for which the Home Office is regarded as the parent entity.

The College of Policing is a limited company financed primarily by grant-in-aid from the Home Office. Home Office grant-in-aid has been recognised in the general reserve.

The Home Office provides internal audit services to the College free of charge as a benefit in kind.

The College also recognises PCCs and other organisations as related parties if their commissioner or board member/s sits on the College Board of Directors. These relationships are shown in annex A.

Below are listed all significant transactions entered with related parties:

	12 months ended 31 March 2018			
	Transactions		Outstanding balance	
	£000's		£000's	
	Income	Expenditure	Income	Expenditure
Name of related party				
Secretary of state for the Home Department				
Home Office (grant-in-aid)	28500	-	-	-
National Crime Agency	975	(380)	178	-
Serious Fraud Office	384	-	21	-
Home Office	534	(827)	111	(2)
Mayor's Office for Policing and Crime	1361	(1853)	216	-
Sussex PCC	224	(255)	62	(3)
Gloucestershire PCC	85	(73)	3	-
Durham PCC	130	(14)	1	-
Cheshire PCC	160	-	43	-
Greater Manchester PCC	192	(476)	31	-
Northamptonshire	82	-	21	-

## 16. Financial instruments

The book and fair value of the College's financial instruments are as follows:

	Amortised cost		Total book value	Fair value
	£000	£000	£000	£000
<b>31 March 2018</b>				
<b>Financial assets</b>				
Cash	2,958	-	2,958	2,958
Trade and Other receivables	7,872	-	7,872	7,872
<b>Financial liabilities</b>				
Trade and other payables	-	(25,226)	(25,226)	(25,226)
Net assets	10,830	(25,266)	(14,396)	(14,396)
<b>31 March 2017</b>				
<b>Financial assets</b>				
Cash	9,741	-	9,741	9,741
Trade and other receivables	6,134	-	6,134	6,134
<b>Financial liabilities</b>				
Trade and other payables	-	(16,736)	(16,736)	(16,736)
Net Assets	15,875	(16,736)	(861)	(861)
<b>Ageing of trade receivables</b>				
	Gross	Impairment	Gross	Impairment
	31 March 2018		31 March 2017	
	£'000	£'000	£'000	£'000
Not past due	732	-	1,495	-
Past due 0-30 days	453	-	316	-
Past due 31-120 days	891	-	476	-
More than 120 days	745	-	818	-
Total	2,821	-	3,105	-

### a) Liquidity risk

The College receives funding from the Home Office. There are no requirements to maintain commercial borrowing facilities and therefore the College is not exposed to liquidity risks. The Home Office's resource requirements are voted annually by Parliament.

### b) Market risk

#### Interest rate risk

The financial assets held by the College are trade and other receivables (note 8) and cash and cash equivalents (note 9). The assets are not subject to interest rate risk.



The financial liabilities held by the College are trade and other payables (note 10). These liabilities are not subject to interest rate risk.

## Currency risk

The College's transactions are primarily undertaken in sterling and therefore it has limited exposure to foreign exchange risk. There were no significant balances in foreign currencies at the period end.

### c) Credit risk

The College is subject to some credit risk. The carrying amount of receivables represents the College's maximum exposure to credit risk. Receivables are impaired where there is sufficient knowledge to indicate that recovery is improbable, for example, when an entity has entered administration. Receivables are written off when all means of recovery have been exhausted and the debt cannot be recovered.

## 17. Statement of losses and special payments

At 31 March 2018, the College had no qualifying losses or special payments that warrant disclosure (31 March 2017 – £0).

## 18. Accounting estimates and judgements

The financial statements and notes contain some estimated figures that are based on assumptions made by the College about the future or are otherwise uncertain. Estimates take into account historical experience, current trends and other relevant factors. However, because all accounting balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

There are a number of areas in the accounts subject to estimates and judgements about the future that have a material effect.

Accounting entries for non-current assets valuations are externally assessed by suitably qualified professional organisations. Other areas, such as non-current asset accounting treatments, accruals and prepayments of income and expenditure, are subject to estimates and judgements made internally by the College's professionally qualified accountants. Key accounting judgements include debt impairment and the valuation of intangible assets.

## 19. Ultimate controlling party

The ultimate controlling party of the company is the secretary of state for the Home Office.

## 20. Events after the reporting period

No significant events have taken place since the period end that have not been accounted for in the financial statements that require further disclosure.

In accordance with the requirements of IAS10 'Events after the reporting period', events are considered up to the date on which the financial statements are authorised for issue, which is interpreted as the date of the certificate and report of the Comptroller and Auditor General. There were no events after the reporting period that require disclosure.

# Annex A – Register of members’ interests

As at March 2018

Millie Banerjee CBE

- Non-Executive Director, College of Policing Board
- Board Member, East London Foundation Trust
- External Examiner, University College London Telecoms MSC
- Non-Executive Chair, NHS Blood and Transplant

Katy Bourne

Non-Executive Director, College of Policing Board  
Police and Crime Commissioner, Sussex  
Chair, Police ICT Company

Suzette Davenport

Non-Executive Director, College of Policing Board  
Chief Constable, Gloucestershire Police  
Director, Road Safety Trust

Christine Elliott

Non-Executive Director, College of Policing Board  
Member, College of Policing Nominations and Remuneration Committee  
Interim Chair, College of Policing Audit and Risk Committee  
Chair, College Regulatory Consultative Group  
Lay Member, Editors’ Code of Practice Committee  
Special Advisor, Hadlow Group  
Special Adviser, Collaborate C.I.C.  
Company Director, Claig Company Ltd. (consulting vehicle)

Victoria Martin

Non-Executive Director, College of Policing Board  
Chief Inspector, Durham Constabulary

Alex Marshall QPM

Non-Executive Director, College of Policing Board to 2 September 2017  
CEO College of Policing to 2 September 2017

Sir Denis O’Connor CBE, QPM

Non-Executive Director, College of Policing Board  
Chair, College of Policing Audit and Risk Committee  
Affiliated Lecturer, University of Cambridge, Institute of Criminology  
Consultant (Policing and Security Matters), City Forum  
Consultant to Advisory Board, Cresta Advisory  
Trustee, Migraine Trust  
Trustee, Surrey Care Trust

<b>Professor Lawrence Sherman</b>
<p>Non-Executive Director, College of Policing Board          Director, Institute of Criminology and Chair of the MSt Programme in Applied Criminology and Police Management, University of Cambridge, Institute of Criminology, Faculty of Law          Owner and CEO, Cambridge Centre for Evidence-Based Policing Ltd. (UK)          Owner and CEO, Crime Control Research Corporation (US)          Editor in Chief of the Cambridge Journal of Evidence-Based Policing</p>
<b>Robin Wilkinson</b>
<p>Non-Executive Director, College of Policing Board          Director, People and Change, Metropolitan Police Service</p>
<b>Gavin Thomas</b>
<p>Non-Executive Director, College of Policing Board          Chair, College of Policing Nominations and Remuneration Committee          President and Executive Director, Police Superintendent's Association Ltd.</p>
<b>Ian Hopkins</b>
<p>Non-Executive Director, College of Policing Board          Trustee, Key 103 Cash for Kids          Trustee, Michael Carrick Foundation          Trustee, Police Treatment Centre          Trustee, We Love Manchester Emergency Fund          Chief Constable, Greater Manchester Police</p>
<b>David Bamber</b>
<p>Non-Executive Director, College of Policing Board          Police Sergeant, Cheshire Constabulary</p>
<b>Mike Cunningham</b>
<p>Non-Executive Director, College of Policing Board          Chief Executive, College of Policing          Chair, British Police Symphony Orchestra          Vice President, Police Mutual Assurance Society</p>
<b>Stephen Mold</b>
<p>Non-Executive Director, College of Policing Board          Police and Crime Commissioner, Northamptonshire          Board Member, National Enabling Programme          Director, Police ICT Company          Director, Voice for Victims and Witnesses Ltd.</p>

# Annex B – Committee attendance record

1 April 2017 – 31 March 2018

## Audit and Risk Committee attendance

Meeting date	20 Jun 2017	01 Sep 2017	20 Nov 2017	26 Feb 2018
<b>Member</b>				
Sir Denis O'Connor	✓	✓	✓	-
Christine Elliot	✓	✓	✓	✓
Ian Hopkins	-	-	-	X
David Bamber	-	-	-	✓
Stephen Mold	-	-	-	X
Stephen Mann	✓	X	✓	✓

Key: ✓ = attended X = did not attend - = not a member at that time PA = part attendance

## Nominations and Remuneration Committee attendance

Meeting date	04 May 2017	22 May 2017	09 Jun 2017	09 Aug 2017	12 Sep 2017	05 Oct 2017	13 Mar 2018
<b>Member</b>							
Gavin Thomas	✓	✓	✓	✓	✓	✓	✓
Millie Banerjee	✓	✓	✓	✓	✓	✓	✓
Christine Elliot	✓	✓	✓	✓	✓	✓	✓
Professor Lawrence Sherman	✓	X	✓	✓	X	✓	-

Key: ✓ = attended X = did not attend - = not a member at that time PA = part attendance

# Annex C – Trade Union

## (Facility Time Publication Requirements)

### 1 April 2017 – 31 March 2018

The College is required, by the Trade Union (Facility Time Publication Requirements) Regulations 2017 which came into force on 1 April 2017, to disclose the number of hours spent on facility time by employees who are a relevant union official during the reporting period, which are paid by the College.

Facility time is recognised as the time an employee has spent on paid trade union activities where the employee has received wages from the College.

Total number of employees who were TU representatives during the relevant period.

Number of employees who were relevant union officials during the relevant period	FTE employee number
3	3

### Percentage of time spent on facility time

% of time	Number of employees
0	2
1-50	1
51-99	0
100	0

### Percentage of pay bill spent on facility time

First column	Figures
Total cost of facility time	£1,228
Total pay bill	£25,968,529
% of the total pay bill spent on facility time	0.005

Paid TU activities – As a percentage of total paid facility time hours, how many hours were spent by employees who were TU representatives during the relevant period on paid TU activities.

Time spent on paid TU activities as a percentage of total paid facility time	Not applicable
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