

Summary of Changes from Draft Accounts to Final, Audited Accounts for the year ended 31st March 2018

The Draft Accounts for the Kent Police Group were published on the PCC for Kent's and the Kent Police websites on 30th April 2018. Since that date the Force's external auditors, Ernst & Young LLP, have audited the Accounts and the following main changes have been agreed and made to the Kent Police Group Final Accounts:

Comprehensive Income & Expenditure Statement

Kent Police Group	2017/18 (Draft)	Creditor control account reversal	Long term debtors	Pension liability valuation	2017/18 (Revised)
	Note	1	2	3	
	£'000's	£'000's	£'000's	£'000's	£'000's
Net Cost of Services	367,151	-961	0	129	366,319
CIES items	-230,230	0	0	-1	-230,231
Deficit for the Year	136,921	-961	0	128	136,088
(Surplus) / Deficit on Revaluation of Non - Current Assets	3,662	0	0	0	3,662
Deficit in FV of property and Other Investment funds	284	0	0	0	284
Remeasurement of the net defined benefit liability	171,321	0	0	34,026	205,347
Total CIES	312,188	-961	0	34,154	345,381

Balance Sheet

Kent Police Group	2017/18 (Draft)	Creditor control account reversal	Long term debtors	Pension liability valuation	2017/18 (Revised)
	£'000's	£'000's	£'000's	£'000's	£'000's
Total Long term Assets	224,084	0	5,012	0	229,096
Total Current Assets	73,385	0	-5,012	0	68,373
Total Current Liabilities	-31,478	961	0	0	-30,517
Total Long Term Liabilities	-3,761,166	0	0	-34,153	-3,795,319
Net Assets	-3,495,175	961	0	-34,153	-3,528,367
Usable Reserves	50,125	961	0	0	51,086
Unusable Reserves	-3,545,300	0	0	-34,153	-3,579,453
- Pensions Reserve	-3,717,439	0	0	-34,153	-3,751,592
- Other Unusable Reserves	172,139	0	0	0	172,139
Total Reserves	-3,495,175	961	0	-34,153	-3,528,367

Notes:

1). The reversal of a creditor balance accrued since 2011/12 following corrected maintenance of a control account that is part of the goods receipting and invoice payment process in the Force's purchase ledger system. This error was discovered and corrected by a member of the Finance team following a routine sample selection provided by the auditor. Although the auditors agreed this amount is technically immaterial given its size relative to the annual expenditure for the force, the Chief Constable and Commissioner agreed it was appropriate and transparent to reflect the change in the 2017/18 Statement of Accounts given that this affects the underspend and therefore reserves available to the Commissioner for future investment in transformation. This underspend was transferred to reserves for use in supporting the delivery of future capital / revenue investment.

2). £5.012m was misclassified as short term investments but had maturity dates in excess of 1 year so are in fact long term debtors. This is a movement between asset classes and has no overall impact on the Balance Sheet value.

3). The draft Accounts were published based on the agreed use of estimates from the Pension Schemes' actuaries. Comparisons made in July between estimates and a final valuation as at 31st March 2018 at a national level revealed material differences in the overall value of the pension liability for all pension schemes which also affected Kent Police. The change to the Accounts was made reflecting the actual valuation as at the Balance Sheet date.