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Date: 8 December 2021

Dear Member

JOINT INDEPENDENT AUDIT COMMITTEE

You are requested to attend the Joint Independent Audit Committee meeting on Friday 17 December 2021 at 1030hrs in the CCMT Meeting Room or by way of MS Teams for those that are unable to attend.

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Conference ID: 683 540 410#

Yours sincerely

A handwritten signature in black ink, appearing to read "Paul Hammond".

Paul Hammond
Chief Executive

To: Members of the Joint Independent Audit Committee

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Date of next meeting: Friday 18 March 2022 at 1030hrs to be held in the Conference Hall, TVP HQ South/MS Teams



**MINUTES OF JOINT INDEPENDENT AUDIT COMMITTEE MEETING
HELD ON 1 OCTOBER 2021 COMMENCING AT 1030 HRS AND CONCLUDING AT 1307 HRS**

Committee Members Present via MS Teams:

M Day, S Page, A Rehman, M Strange, G A Woods

Present and via MS Teams:

J Hogg (Deputy Chief Constable, TVP)
 M Barber (Police & Crime Commissioner)
 I Thompson (Chief Finance Officer, OPCC)
 P Hammond (Chief Executive, OPCC)
 C Loble (Project Manager, Governance & Service Improvement, TVP)
 A Brittain (Associate Partner, EY)
 A Kennett (Manager, EY)
 P Paling (Head of Health & Safety, TVP)
 L Haynes (Business Partner, People Directorate, TVP)
 E Baillie (Supt, Local Policing, TVP)
 S South (Senior Management Team, ICT, TVP)
 J Kidman (Chief Supt, Governance & Service Improvement, TVP)
 J Faux (Systems Supervisor, ICT, TVP)
 N Shovell (Chief Internal Auditor, TVP, & OPCC)
 A Shearn (Principal Auditor, TVP & OPCC)
 C Roberts (Executive Assistant to the PCC, OPCC)

Observers:

None

Apologies:

L Waters (Director of Finance TVP), M Lattanzio (Head of ICT TVP), C Kirby (Assistant Director of People TVP)

Meeting Management

1. Election of JIAC Chair & Apologies

Paul Hammond (PH) asked the Panel for their nominations for the new Chair of JIAC for the coming year. The Committee all agreed to nominate Gordon Woods (GW) to continue as the Chair of the Joint Independent Audit Committee. (GW) accepted the nomination and took the Chair.

(GW) welcomed all to today's meeting and introductions were given. Apologies had been received from Linda Waters (LW), Mike Lattanzio (ML) and Christine Kirby (CK).

2. Minutes of the JIAC meeting held on 18 June (Part I) and 22 September 2021

There were no issues or matters to raise in relation to the minutes, which were agreed.

3. Outstanding Actions from the JIAC meeting on 18 June 2021

Stephen Page (SP) referred to the outstanding actions for agenda items 7 and 8. It is important to ensure the organisation remains current on Microsoft 365 checks.

Action 1: Mike Lattanzio (ML) to report back at next meeting with confirmation that TVP are using the latest NCSC guidance for M365 security.

Agenda item 8 referred to Ransomware and (SP) asked whether TVP ought to be carrying out more than just a paper exercise. He noted that major UK businesses are conducting exercises involving their board and top management, to prepare for this very current risk. Claire Widdison (CW) confirmed that a lot of work had been carried out with ICT and that a cyber-exercise would be taking place at Hampshire on 5 October 2021. TVP had planned their detailed exercise later in the year. Deputy Chief Constable Jason Hogg (JH) noted that TVP currently dealt with cyber-attacks and ransomware operationally, but agreed the challenges are different when TVP itself is the target. He welcomed this approach in being involved in the planned exercise. (NS) noted there was a cyber-security board which would start next week and an additional audit Q4 on incident management was currently being scoped. (GW) asked to keep agenda item 8 on the outstanding actions list in order to monitor progress.

Action 2: (JH) to brief JIAC on ransomware incident readiness at a future meeting.

Action 3: (GW) would contact (LW) as to the procurement plan which had previously been shared.

Annual Focus Areas

4. TVP Wellbeing & Environmental Policy Statement & Annual Report 2020/21

Philip Paling (PP) confirmed to the Committee that the presented paper was an update on the previous policy statement and had consulted with the PCC before obtaining approval from both the PCC and the Chief Constable.

(SP) referred to page 21 and expressed surprise that the environmental targets have quite narrow scope. He noted that most UK organisations are placing sustainability in the centre of their commitments to stakeholders; they are expected to report on progress against a clear target state and a range of metrics (eg scope 2 and 3 emissions, biodiversity, influence on the wider community) in their annual report. While it is not JIAC's role to comment on the CC/PCC's ambitions/stretch in this area, the absence of robust targets across a broad front does stand out, particularly in the year of COP26 and increasing government and societal focus on the climate emergency.

The policy was a ten year strategy for TVP with a reduction in carbon emissions by 37% and was pleased that progress was being made. (JH) felt that TVP had not gone far enough and had tasked Chief Supt. Joe Kidman (JK) to lead on this piece of work. TVP were due to have a new plan ready by April next year but this would involve a five year strategy and was currently in the early stages. The strategy being developed was to identify a small number of items that need to land practically by 2025 with milestones and governance in place but it was currently unknown when the policy would be signed off. The Committee looks forward to seeing the policy once it is complete.

Action 4: (JK) to bring updated sustainability strategy and associated metrics back to JIAC when it had been agreed (c. April 2022).

The Committee felt that it may be sensible in future to view the Wellbeing & Environment and Health & Safety report as one document. Lucy Haynes (LH) went through the restructure of the Report on everything the Force dealt with and it was important to recognise the provisions that were now in place as well as in the future. The People Strategy was now in place to ensure there was real focus and emphasis on wellbeing. The five strands in the strategy were:

- Physical Wellbeing
- Mental Wellbeing
- Financial Wellbeing
- Health, Safety, Environmental Wellbeing
- Leading Wellbeing

The Wellbeing, Health Safety and Environment dashboard had now been implemented and presented to CCMT for approval. It was recognised that the dashboard would continue to be monitored.

Melissa Strange (MS) required clarification in the Wellbeing Report set out at 1.3 and the measures put in place. (LH) confirmed that volunteers should also be included in this section. On page 31, second bullet point it sets out key findings of officers' wages and whether this was enough or not enough. 70% of current officers did not feel that their wages were enough.

(GW) noted that active travel for officers and staff should be noted as mode of transport is a key element of a sustainability strategy. (JK) confirmed that this would be part of the new structure.

(MD) confirmed that this was a big step forward in giving the Committee the assurance they required and congratulated the team for putting this together and the progress noted. There was work that was still required and the Committee were interested to see the new operating model and kept updated.

(JH) referred back to the Wellbeing Report. The feedback that had been received was very positive and much better than in previous years. The two areas and challenges for (LH) and her team was to take this to the next level and to provide greater clarity for when people came to work for TVP and what makes Thames Valley Police different from other forces and whether or not this work was making a difference.

5. TVP Health & Safety Policy & Annual Report 2020/21

Emma Baillie (EB) and Colin Loble (CL) presented the key points to the Committee to give assurances. (CL) had to look at what the Force needed and wanted to do in order to give additional restructure and the right management in place around Health & Safety. A 'back to basics' review had been undertaken and there were further improvements put in place. TVP took Health & Safety very seriously whereby the PCC and CC provided their signatures to the Policy. Tighter metrics had been put in place for risk and around the performance framework as to climate issues, which gave the policy a more strategically robust stance.

(EB) went through the current performance in Section 4 around performance, which needed to reflect that TVP had been through, and continued to deal with, the pandemic. TVP were the national lead for PPE for policing and, as a Force, had the ability to provide excellent guidance to the workforce and members of the public.

TVP were demonstrating all the correct processes and linking tactical matters to strategic matters. There was a new Health & Safety Register taking a fresh robust look around the fundamental and operational risks to the business and prioritising that the report was implementing best practice.

Governance Matters

6. EY Progress Report verbal update

Andrew Brittain (AB) provided a verbal update to the Committee. EY had received an update last week from Grant Thornton regarding the audit of the Bucks Council Pension Fund accounts; however, there were errors in this and the letter was re-issued yesterday. Additional work would have to be carried out by EY to conclude matters and this could not yet be signed off and was still ongoing.

Ian Thompson (IT) reported that the information received had been disappointing and what was reported was a material difference between the pension funds based on 31 December 2020 date (using estimates) and the actual figures of 31 March 2021. When the figures had been received there was a difference and it may be that in order to close off, estimates would have to be used. (IT) expected a report from the Fund actuaries, Barnet Waddington, sometime that day but there was a potential that changes would be required which was very frustrating.

EY routinely report back to PSAA and would report that the pension fund audit assurances were not received on time. Regulations were in place and if the accounts were not signed off by 30 September, then a paragraph would need to be added on the OPCC website. (IT) confirmed that this had been carried out.

7. Governance Arrangements for TVP Collaboration

(PH) went through the Governance Arrangements and focussed on key changes and developments. The purpose of this report was to help the Committee discharge its responsibility to consider the adequacy and effectiveness of TVP governance arrangements. As an observation, the governance arrangements themselves were not particularly dynamic or fast moving. In terms of the Committee's assurances, (PH) asked whether the Committee would wish to receive this report each year or prefer to receive the report when there was a fundamental change, e.g. significant changes to TVP collaborative functions and arrangements; legislative changes, changes in Committee membership. The Committee confirmed they would prefer a short one page document for the Committee to review annually but separate from the Annual Governance Statement. (NS) would update the Committee with regard to audit arrangements particularly the national arrangements.

(PH) suggested that if there was a problem in terms of nature or inherent risks of a service or function provided under a collaborative arrangement, any issues would also be flagged up on a Risk Register. In order to assess the robustness of collaboration performance and governance arrangements, the respective PCCs held their CCs to account at Collaboration Board meetings, and it was down to individual PCCs working with their respective forces to set out clearly what information each PCC needed to assess whether the function was operating well. That often came down to the personal characteristics of the PCCs themselves and what advice they were getting from their own senior officers. There was no formal national process adopted and, in practice, this assessment often came down to the local views of the PCCs and their operational staff and local arrangements for how you captured and addressed any concerns. However, any significant concerns would be captured in the Force and the PCC's Risk Registers, as necessary and appropriate. (JH) felt that it would be beneficial to have a conversation with (PH) to discuss this issue further.

Action 5: (PH) to provide a one page document annually for the Committee on Governance Arrangements for TVP Collaboration.

Action 6: (NS) to update the Committee regarding audit arrangements for national collaborations.

Action 7: (PH) and (JH) to have a further discussion as to the Force and OPCC Risk Registers.

8. Arrangements to Secure Value for Money

The PEEL inspection had not yet started and the reports would be received early next year. £112m had been taken out of the TVP revenue budget so far since 2010. It was noted that there was a typo on page 78 in para 1.17. The VFM commentary would be updated shortly and provided to the Committee. The organisation goes for cost and quality and does not always go for the cheapest option but instead, in terms of spending more to receive a better service was always a tricky one and the organisation would always look at tender exercises for scope of original performance and how best to deliver outcomes. The Force clearly looked at the cost but it was not just about costs and there would be some challenging times ahead in order to make further savings. 80% of the annual revenue budget was in relation to 'people' and this reduced the ability of making savings whilst maintaining front-line services. ICT costs were very complicated and the need to understand the ICT work that develops at such a fast pace in order to get the balance of investment right and what the Force are getting back from this. A dedicated fraud team was currently being made to monitor these differences.

(SP) referred to page 80 asking whether there are opportunities to increase Value For Money by looking not just internally but also at TVP's boundaries with other organisations. Are there some process/responsibility tweaks which could improve value delivery? In response, the Committee was advised there was now a joint Collaboration Board with the Fire & Rescue Service in Thames Valley and a lot of work was currently being undertaken with call demands for welfare checks to be carried out. The Violence Reduction Unit (VRU) had proved successful to help partner engagement around education, drug diversion schemes, diverse schemes in hospitals and there were a number of areas that were working well, all of which had been funded by the Home Office. But the challenges would be if this budget from the Home Office reduced or stopped.

The committee asked about apparent duplication on page 81, where it was noted that (for example_ number 32 had been repeated twice, once as a green RAG and the other an Amber RAG. (IT) suggested that headings appeared twice where part of the planned saving had been delivered, but a portion remained at risk.

Action 8: (LW)/(JF) to update the Committee with an explanation on why some headings appeared to have been duplicated, once with a green RAG status and the other amber.

In June this year, the cyber-crime team found that savings could be made with the officers downloading phones, discs by investing in greater technology. There was still a back log in the Forensic Unit and staff would remain there to manage demand more efficiently. Hampshire, Surrey and Sussex were looking to do a review in April next year rather than individual forces.

9. Demonstration Arrangements for Fraud, Bribery and Corruption

(JH) had no involvement in the paper for the arrangements for Fraud, Bribery and Corruption and suggested that this item be deferred and that D/C/Supt Colin Paine (CP), Head of Professional Standards, come to the next meeting in December to present this report. The Committee noted that it would be helpful to know how many pieces of intelligence had been received and what the outcome would be.

Action 9: (CR) to include (CP) on the diary invite for the JIAC meeting on 17 December 2021 to present to the Committee the Arrangements for Fraud, Bribery and Corruption paper.

Governance Matters

10. Progress on 2020/21 Internal Audit Plan

(NS) had no particular concerns to raise to the Committee and was happy to send any previous reports to assist new members of the Panel. (NS) reported on key points and changes made to the 2021/22 plan since the meeting in March. (NS) summarised the Public Sector Internal Audit Standards as well as the Internal Assessments.

(SP) referred to Niche, where the Committee asked whether the organisation is confident this is getting management attention more broadly to capture data and working practices and secondly, was there emerging a broader data strategy for TVP that says what data would be most value to acquire, retain and enhance. Would the Committee see some focus on data strategically? (NS) had scoped the piece of work and agreed with Force Management for the process to go through with lots of data and issues and would update the Committee in Q4 to see if this got off the ground. There was a collaborative approach with ICT and the organisation was now looking to have a joint Niche team which would be led by Hampshire. This audit would be to ensure that the Joint Collaboration Governance board were delivering into TVP for any issues.

Action 10: (NS) to update the Committee in Q4 of capturing data and working practices on Niche and on progress towards a data strategy more generally.

The Committee NOTED the progress and any changes in delivering the 2021/22 Joint Internal Audit Plan and audit service for Thames Valley Police (TVP) and the Office of the Police & Crime Commissioner (OPCC).

11. Progress on Delivery of Agreed Actions in Internal Audit Report

Amy Shearn (AS) gave a brief introduction on the 16 actions that were currently overdue.

Of the 9 Priority 1 overdue actions, one action was from 2019/20 SEROCU ICT Services and Functions audit which was more than 12 months overdue (NS) had been in contact and this was now progressing with no extra risk to the Force and the overdue action was nearly complete.

(MD) referred to page 112 re vetting standard operation procedures noting that due to excessive workloads this had not yet been completed and were awaiting on Sharepoint going live as information was currently on Livelink and unable to make any changes. (JH) confirmed that there was an area of improvement around vetting which was not following the national vetting standards. However, the staff were now fully compliant and this was purely down to systems not talking to other systems and therefore manual input had to be carried out. All staff had now been vetted within Thames Valley and fully complied. (JH) would be reviewing all cases and files that have got off lightly and opposed a risk to sexual misconduct especially due to the recent Sarah Everard case and would be happy to provide a paper to the Committee if this was required.

The Committee asked whether the force was confident that TVP had good controls in place in relation to officers or staff committing offences of a sexual nature. (JH) was confident that officers and staff were confident in reporting inappropriate behaviour. If there were any complaints of a sexual nature TVP would suspend officers and staff. JH noted that vetting was only a snapshot in time and very often would not pick up an officer downloading child pornography and what is required is to create a culture where people ask questions and report changes

(GW) asked how CCMT understood the lived experience of women working in the TVP. The organisation has a Thames Valley Women's Network and most women were very happy although, the Force had received challenges around maternity and changes were being implemented. (JH) meets with Head of Women's Network regularly and was slightly worried about the representation in the workplace for women although, there were more women now joining TVP and the workforce was changing.

(SP) referred to body worn video and its importance in policing. While some important aspects are best reviewed by other panels (e.g. ethical and disclosure issues), JIAC would have an interest in compliance and policies which drive working practice. The Committee would like to see the policies on focusing on measurement. (JH) confirmed that this was not working effectively today, for instance, in relation to the data held of the usage was not accurate because of the process used to record it and secondly, people were allowed to use an online app as well as a form and there had been no geo-fencing capability. (JH) felt that officers and some teams had not been using the app i.e. plain clothed teams or covert teams that have nowhere to put the body worn video so the Force have had to purchase additional clothing/caps etc. These issues are to be addressed by policies currently in development.

There was a new system called 'Pronto' which was a structured way of recording body worn video and this went live in September and would hopefully fix the problem. (JH) felt that it would be good to bring a paper to JIAC in March 2022. The issue is turning the body worn video on. Most officers turn the video on especially in the current climate but do not have the assurance that it works correctly.

Action 11: (JH) to provide to the Committee in March 2022 an update on body worn video and Pronto, with a focus on policies and measurement of compliance.

Regular Reporting

12. TVP Strategic Risk & Business Continuity

(CW) presented the quarterly risk to the Committee and went through key points. Scores were checked as to whether they increased or decreased, with an increase in custody risks shown where temporary measures had been put in place. The Court backlog was out of our control but Thames Valley were not reducing the backlog as other courts had done and this impacted on time and investigations. What was encouraging to see were the five new risks that had gone through CCMT and been adopted and demonstrated the organisation engaging in the risk management process.

(MS) referred to page 121 in particular where CPS were missing files or received late files and this seemed a little bit concerning. (CW) would find out further details on this and update the Committee. This is in part a system of the stress the Criminal Justice System was being put under and as a result of that, there was pressure on officers. CPS and court time was very precious especially with the reduction in court hours over last 5 years and through Covid-19. Colleagues in Criminal Justice were all over this and putting in a great deal of analysis and bringing issues to the Force's attention when needed. The Criminal Justice System was under an exceptional level of pressure and it was harder to get cases through to the CPS from a police perspective. The PCC chaired the Local Criminal Justice Board and was looking at these issues but it was a difficult area to crack locally as well as nationally. HMICFRS had not indicated that this risk was due to TVP and it was felt that on occasions the demand was put back to TVP in relation to file cases although significant improvements had been made.

Strategic Risk 99-CDI showed significant progress that the Force had made in particular to the accuracy and timeliness of crime recording but this would need to be monitored as there were still issues around Niche. The Committee wanted to note that it would be worth noting further and how this is then presented to the Committee.

As to Business Continuity, the feedback had been taken on and TVP were trying to pull out the risks of the impact of the incident that happened and included learning and track trends for the future and anything else that could be monitored in the future.

Stephen South (SS) reiterated that a lot of work had been carried out in the background. 5 priority 1 incidents was a significant reduction and positive as to why these incidents occurred. This had created an opportunity of 'service life cycles' working in the background to refigure the system to be a 'business service' so alerts were given.

In terms of Priority 2's incidents, half of these had actually been failed integration, CMP and feeding systems which gave time to resolve but there were back-up systems to gather this information. ICT had worked with suppliers to ensure timings and without operational impact.

Amna Rehman (AR) referred to page 128 and asked whether the 'call to scale up collaboration' in the face of Data Loss and Cyber Risks was a proposed step, or whether this was now underway. It was clarified that at this stage this was more of an idea; however, given the pressing nature of the risk, the addition of it to future risk registers was proposed to give the Force greater visibility over it.

(AR) referred to page 131 where there was a complete system failure on 7 July 2021 impacting Tasking and Resilience's ability to complete their work. (AR) asked how the DMS system risk was monitored and why it had not been reflected in the Risk Register. Essentially, the mitigation for this risk was called the 'next steps programmed' lifting up from Equip and how to manage that risk. It was a system in its current version but no pathway to uplift the infrastructure.

Performance monitoring and CMP improvement was now dealt with by (SS) but SMT colleague Richard Kelley (RK) also tracks events when they occur in the background and reported to the Joint Operating Unit but unsure whether it was presented to CCMT.

Action 12: (CW) to update the Committee as to why the CPS were missing files or receiving them late.

13. OPCC Risk Register

PH confirmed that risk OPCC 29 (the risk that 'Automated Data Transfer (ADT) includes non-crime incidents') had been removed from the Risk Register after joint work between the OPCC, Victims First Hub and the Force had resolved that issue.

PH summarised the four remaining risks for the OPCC, noting two new risks had been added to the risk register:

OPCC 33 – Inability to recruit professionally qualified finance staff

This is an immediate risk, which also had some medium term issues. The Corporate Accountant post had been vacant since July and now the OPCC were into a third round of recruitment and would be interviewing next Thursday. Furthermore, looking ahead, the Chief Finance Officer was due to retire next July 2022 but when you factor in the stages of the recruitment and vetting process, this needed to be looked at sooner rather than later.

In response to members' questions about 'streamlining' the recruitment process, it was explained that the Corporate Accountant post used to be designated as the 'Senior Accountant' role but (IT) had reviewed the role and aligned this with the Force 'Corporate Accountant' role and job description to facilitate an easier movement between both Force and OPCC if and when necessary. Furthermore, as a general practice, the OPCC utilised Force job descriptions for similar vacant posts and these vacancies were advertised to all 'at risk' Force and OPCC staff members at the outset.

OPCC 34 – Inability to secure staff

The OPCC had appointed new staff to ensure resources and activities were aligned to the PCC's Police & Criminal Justice Plan priorities but were experiencing changes in expectations of recruits, in terms of terms and conditions of employment, e.g. greater expectations of increased working from home rather than in the office.

(MS) referred to OPCC 33 noting that the Committee hoped that a replacement for CFO had started now rather than 'in good time'. (IT), (PH) and the PCC had all been heavily involved in the recruitment for other vacant senior posts rather than the CFO position but (PH) took on board the point made by (MS).

14. AOB

(GW) requested that the next JIAC meeting on 17 December 2021 be face-to-face and (CR) to organise a meeting room.

Action 13: (CR) to organise a face-to-face meeting for the next JIAC meeting on 17 December 2021.

Meeting concluded at 1307hrs

Date of next meeting Friday 17 December at 1030hrs in the CCMT Meeting Room, TVP HQ South



JOINT INDEPENDENT AUDIT COMMITTEE

Actions Arising from 1 October 2021 Meeting

Matters Arising from Minutes dated 1 October 2021	Lead	Action	Update/Action Complete
Agenda Item 3 Outstanding Actions from JIAC members on 18 June 2021	Mike Lattanzio DCC Jason Hogg Gordon Woods	Action 1. (ML) to report back at next meeting with confirmation that TVP are using the latest NCSC guidance for M365 security. Action 2. (JH) to brief JIAC on ransomware incident readiness at a future meeting. Action 3. (GW) would contact (LW) to discuss the Procurement Plan which had been shared with the Committee.	Action 1. In regards to M365 designs, we align ourselves to the NEP blueprint for M365 security and are required to meet a Security & Risk Management (SRM) standards, which is reviewed by NEP. The SRM standards draw on NCSC amongst other guidance, for example NIST 801. There is an internal M365 Audit "pencilled in" for late Jan / Early Feb after rollout is complete. Action 2. Update required – chased and awaited Action 3. We have now studied the policy, guidance and delivery plan carefully, and are happy to close the action without a further meeting. Many thanks to Linda and her team for being willing to meet us ACTIONS 1 & 3 COMPLETE

Agenda Item 4 TVP Wellbeing & Environmental Policy Statement & Annual Report 2020/21	Joe Kidman	Action 4. (JK) to bring updated sustainability strategy and associated metrics back to JIAC when it had been agreed (c. April 2022).	Action 4. To present to JIAC in March 2022 TVP WELLBEING & ENVIRONMENTAL POLICY STATEMENT & ANNUAL REPORT ADDED TO MARCH 2022 AGENDA
Agenda Item 7 Governance Arrangements for TVP Collaboration	Paul Hammond	Action 5. (PH) to provide to the Committee a one page document annually re Governance Arrangements for TVP Collaboration rather than a long report	Action 5. This one page document would next be presented at the JIAC meeting on 7 October 2022 and added to the work Plan as a reminder for (PH) to present to the Committee ACTION COMPLETE
	Neil Shovell	Action 6. (NS) to update the Committee regarding audit arrangements particularly around national arrangements	Action 6. Having spoken to the national leads for each collaboration, those listed are considered for audit, but reviews do not always take place on an annual basis and are based on risk. Where they are completed, copies of the audit reports will be provided. ACTION COMPLETE
	Paul Hammond /Jason Hogg	Action 7. (PH) and (JH) to arrange a further discussion around the Force's and OPCC's Risk Registers.	Action 7. (PH) and (JH) met on 22 Oct 2021 to discuss the robustness of collaboration performance and governance arrangements, and whether any concerns are adequately addressed in the OPCC and Force's respective risk registers. It was noted that the PCC had recently announced that he was undertaking a review of and development of more 'fit-for-purpose' governance arrangements relating to the oversight and scrutiny of 'major projects' (including projects undertaken in collaboration with other forces and private sector partners). The purpose of this review was to improve the ability of the PCC to better discharge his responsibility to monitor - and hold the Chief Constable to account for - the successful management and delivery by the Force of major projects. Within that context, DCC Hogg agreed that for the purpose of the review, the OPCC could have access to and liaise with Andrew Grimley (AG), as

			necessary, with regard to Force internal project management requirements and operational procedures (including project oversight, scrutiny and performance reporting arrangements).
			ACTION COMPLETE
Agenda Item 8 Arrangements to Secure Value for Money	Linda Waters	Action 8. (LW) to update the Committee with an explanation as to why number 32 (ICT Spend Reduction for Licensing set out on page 81 of the Agenda dated 1 October 2021 had been duplicated once as a green RAG status and once as an amber RAG status.	Action 8. We have a green and amber saving in relation to the reduction of IT license cost reflecting the difficulty and hence risk of achieving the savings, for example the green £0.5m is seen as achievable whereas the amber will require additional work to identify the further savings and potentially impacting individuals as we remove software applications / reduce license numbers.
			ACTION COMPLETE
Agenda Item 9 Demonstration Arrangements for Fraud, Bribery & Corruption	Colin Paine/Charlotte Roberts	Action 9. (CR) to include (CP) on the diary invite for the next JIAC meeting on 17 December to present to the Committee the Demonstration Arrangements for Fraud, Bribery & Corruption.	Action 9. (CR) forwarding diary invite to (CP) to attend and present the Demonstration Arrangements paper on 17 December 2021.
			ACTION COMPLETE
Agenda Item 10 Progress on 2020/21 Internal Audit Plan	Neil Shovell	Action 10. (NS) to update the Committee in Q4 re capturing data and working practices on Niche.	Action 10. The next phase of the Niche Data Quality audit is scheduled for Q4, so an update will be provided to the JIAC at either the March or the June 2022 meeting, depending on when the final report is issued.
			ACTION ADDED TO MARCH/JUNE 2022 JIAC AGENDA
Agenda Item 11 Progress on Delivery of Agreed Actions in Internal Audit Report	Jason Hogg	Action 11. (JH) to provide to the Committee in March 2022 an update on body worn video and Pronto, with a focus on policies and measurement of compliance.	Action 11. (CR) adding this agenda item to the Work Plan for the agenda for the JIAC meeting in March 2022
			ACTION COMPLETE
Agenda Item 12 TVP Strategic Risk and Business Continuity	Claire Widdison	Action 12. (CW) to update the Committee as to why the Crown Prosecution Service were missing files or receiving them late.	Action 12. Update awaited and chased.

Agenda Item 14 Any Other Business	Charlotte Roberts	Action 13. The Committee requested a face-to-face meeting at the next JIAC meeting on 17 December and (CR) to source availability	Action 13. (CR) booking the CCMT Meeting Room for 17 December 0900-1330hrs and re-sending updated invite to the Committee and attendees. An MS Teams link has also been provided for those unable to attend in person. ACTION COMPLETE
PART II Agenda Item 15	Jason Hogg/ Andrew Grimley	Action 14. (JH) to forward to the Committee a copy of the TVP Equip Report for lessons learned	Action 14. Andrew Grimley commented: 'We had discussed that we would bring this to JIAC in December because Linda Waters will also be there as the chief officer lead. Can we leave it for then if possible. It's been to Surrey and Sussex JIACs but we need to make a TVP specific version for our JIAC which I can do quite quickly but it is much easier to talk it through with them rather than sending it separately without the context. TO BE DISCUSSED AT THE JIAC MEETING ON 17 DECEMBER 2021 AND ON THE AGENDA FOR PART II

Matters Arising from Minutes dated 18 June 2021	Lead	Action	Update / Action complete
Agenda Item 8 Annual Report of the SIRO	Mike Lattanzio/Jason Hogg	Action 15. (AC) to liaise with Cat Hemmings (CH) in setting up a paper exercise rehearsal in switching off and restoring.re Ransomware attacks with a planned exercise taking place in December 2021 with (JH) being involved in the exercise.	Action 15. BC exercises planned for HC 5 th October with TVP targeted end October-December 2021. ACTION COMPLETE BUT TO REMAIN ON THIS LIST WITH UPDATES PROVIDED AFTER TVP EXERCISE HAS TAKEN PLACE BY (JH)
Agenda Item 11 ICO Audit Report	Melissa Strange (Committee member)	Action 16. (MD) felt that a 'deep dive' meeting to discuss the ICO Audit Report with (AC) & (MP) would be useful to give assurance to the Committee. (MD) to contact (AC) and (MP) to confirm which Committee member would be attending and arrange a suitably convenient date for a meeting to take place (NOTE: Melissa Strange (MS) would lead for the Committee on this.	Action 16. (MS) met with (MP) to discuss and obtain background on ICO Audit Report. Discussion provided context and additional comfort on the audit findings and additional information also supplied and reviewed. (MS) to check in with (MP) post the ICO follow up meeting in January 2022 for further assurances. ACTION COMPLETE

Counter corruption unit (CCU) brief Fraud, Bribery and Corruption Policy.

The Fraud, Bribery and Corruption policy provides clarity around the seriousness of such issues and defines some of the subject matters. These categories fall within the CCU control strategy and feature within the annual strategic threat assessment. These documents link in with the regional and national threat assessments produced around corruption. The 2019 HMIC inspection challenged corruption units to continue to be proactive in seeking information that may identify the threat of corrupt/fraudulent behaviours.

Work conducted to identify corrupt practices:

Since the 2019 HMIC inspection the TVP CCU has taken steps to proactively gather and assess information that assists in identifying corrupt behaviours which includes those linked to corruption and financial gain. Research across a number of information strands on a monthly basis to identify threats. Expense claims, excessive overtime and suspicious booking on activity fall within this process.

Implementation of analytical software and resource to assess the data has enabled the CCU to conduct meaningful call data analysis on force issue devices. Suspicious patterns in contact with members of the public, excessive usage of devices for personal use and contact with the most vulnerable are included with the review period. This work has resulted in several investigations being instigated which resulted in criminal and conduct sanctions.

The deployment of monitoring software across force issue devices has enabled the CCU to prevent and detect forms of system misuse as well as other forms of corrupt/fraudulent behaviour such as those seeking to abuse their position for sexual purpose, inappropriate disclosure of information and sexual misconduct in the workplace.

TVP are one of the few forces in the South East region that will actively seek to capture evidence of those who continue to conduct their business interest which is either unauthorised or withdrawn. These investigations often involve the individual being off sick though still being able to carry out work for themselves or others. Depending in the circumstances of each case this can constitute dishonest/fraudulent behaviour. The use of an executive authority to utilise covert tactics whilst not investigating a crime has identified cases of honesty and integrity which have resulted in misconduct proceedings. The recent HMIC inspection has highlighted that this kind of behaviour is seen as fraudulent by its very nature. The CCU has conducted a number of investigations in this arena in the last three years.

The CCU now has a financial intelligence officer trained within the team. This resource will enable CCU investigations to access a greater degree of financial information when conducting their covert enquiries. This expertise within the unit will allow a more efficient assessment of the suspicious activity reports provided to us via the financial sector.

The unit has also secured an additional post as a secondment. This new post will enable detailed research into those claiming financially from the organisation whether by way of overtime or expenses. The unit currently review the highest overtime claims each month though the additional resource will allow greater analysis of this information and potentially identify those who seek to gain financial gain through unethical practice.

Procurement/Gifts and gratuities:

The procurement process within TVP ensures that all staff receive training around the topic of inducement and sign up to a professional code of conduct. Procurement staff are required to refresh their knowledge around ethics and integrity and are required to declare any conflict of interest whilst assessing those tendering a service. The gifts and gratuities policy provides clear guidance for all staff around this topic. . The gifts and gratuity register is managed within PSD and is reviewed on a regular basis for any unusual occurrences.

Intelligence recording:

The CCU records and handles all kinds of information passed to them via a number of different mean. Much of the information submitted suggests all kinds of corrupt behaviour. The unit will generally only deal with about 3.5% of the submitted reports at the highest level of intervention (arrest) as a vast majority of the units work goes into ensuring a proportionate response to the allegations submitted. The tables below detail the intelligence reports submitted between 2017 and 2020. The new data will be available at the end of the current year.

CCU Categories	Pieces of Intelligence 2017/18	Pieces of Intelligence 2018/19	Pieces of Intelligence 2019/20
Financial	4	5	10
Miscellaneous	5	6	7
Misuse of Force IT systems	9	22	18
Abuse of Authority	13	7	17
Other criminal Acts / Dishonesty	11	14	11
Substance Misuse	29	40	28
Recruitment / Employment / Vetting	52	45	29
Criminal/Inappropriate Association	63	74	47
Discreditable Conduct	81	56	86
Disclosure of Information	76	71	60
Grand Total	343	340	313

Intelligence submissions:

The unit will receive a number of referrals during a calendar year. These reports are submitted via a number of different avenues such as direct referral via phone or email, intelligence submissions and the internal confidential reporting line. The department take every opportunity to ensure that those working within TVP are aware of reporting routes and have the confidence that should they wish to report wrongdoing within the organisation they can safely and without repercussion. The table below shows a constant and healthy percentage of those wishing to utilise the crimestoppers managed integrity line.

Year	2017/18	2018/19	2019/20
Total Number of Enquiries	343	340	313
Total number of i-Line reports	107	80	95

Case Studies:

Abuse of Position for sexual purpose : Police Constable:

In January 2020 following research into suspicious call patterns from a work issued device to a female MOP the TVP CCU commenced an investigation into the PC. The female was identified and further research identified that the PC had been working with the family in the Autumn of 2019 on legitimate police business. The PC was tasked to engage with the family and specifically the activities of one of the children. During the engagement the PC had high volumes of contact with the mother and this pattern continued once the matter had been written off by the PC. The contact with the female continued and was of a high volume including text messages both on and off duty and late at night. It was established that the female had recently separated from her husband and it seemed that the PC was forming a relationship with her. Research conducted into emails sent from the PC's work account showed that he was having an influence on her private life and provided evidence of holidays being planned. Enquiries conducted within his line management showed that the PC intended to marry the female, though he had clearly provided a dishonest account to his supervisors around the circumstances of how he had met his now fiancé. It was established that the PC had continued to carry out reports and assessments into the female's son whilst forming the relationship and had failed to disclose this to any party including his line management. Misconduct proceedings were commenced and the matter referred to the IOPC. PC D was dismissed at a misconduct hearing in January 2021.

Data protection/computer misuse: PCSO

In December 2019 an investigation was commenced into a PCSO following analytical work conducted on her work issue mobile device showing suspicious contact with a person linked to criminality. Research established that the PCSO was in a relationship with an individual who had links to criminality in the police area that she worked. The PCSO had declared the association and had recently been interviewed criminally due to a turbulent domestic situation though that matter was not progressed. The investigation established that the PCSO's partner associates were linked to criminality. A review of all call data established that at there was suspicious access to intelligence held on the TVP computer systems at times when the PCSO was on duty and then in contact with her partner. Further research showed that there was then further contact to those people named with the police information.

The PCSO was arrested on suspicion of MIPO, computer misuse and breaches of data protection. Enquires conducted whilst the officer was in custody suggested that information had been provided to those not authorised to receive it. A forensic download of the personal mobile device attributed to the PCSO confirmed the offending. The PCSO was cautioned for computer misuse and data protection breaches as it was established that the information passed had not impacted on any ongoing police activity and that information was already known to those that had been provided with it. The PCSO resigned and was dismissed in her absence.

Conclusion:

The CCU has over the past two years spent time and finance in upgrading software to assist with the analytical work required by investigators to identify and manage the risk posed by all forms of corrupt practice. The investment in securing more resource will without doubt allow greater analysis of data to identify those acting in a corrupt manner for financial or personal gain.

The continued investment in technology and resource will as the statistic show enable the team to protect those who are subject to malicious information reports.



JOINT INDEPENDENT AUDIT COMMITTEE



Annual Assurance Report 2021 from the Joint Independent Audit Committee to the PCC for Thames Valley and the Chief Constable of Thames Valley Police

Introduction

This Annual Assurance Report 2021 explains how the Committee has complied with each of its specific responsibilities, referred to in Appendix 1, during the last twelve months covering the period December 2020 to December 2021.

The Committee's last annual report, presented to the PCC and Chief Constable at the Joint Independent Audit Committee meeting held on 4th December 2020, provided an assurance opinion that the risk management and internal control environment in Thames Valley Police (TVP) and the Office of the Police and Crime Commissioner (OPCC) was operating efficiently and effectively.

This year has been particularly challenging due to the ongoing impact of Covid-19. All meetings have been held virtually via MS Teams.

In October, Dr Gordon Woods was re-elected Chairman of the Committee.

Financial management and reporting

We received and reviewed the separate Statement of Accounts for 2020/21 for the PCC & Group and the Chief Constable at our meeting on 22nd September 2021, together with the external auditor's 'Draft Audit results report for the year ended 31st March 2021'.

We were pleased to note the excellent progress in concluding the vast majority of the audit plan for 2020/21 but were disappointed to hear that our external auditor, EY, could not sign-off the accounts, and issue an audit certificate, due to delays in receiving appropriate assurance from Grant Thornton regarding their audit of the Buckinghamshire Pension Fund accounts.

We finally received notification from EY, on 19 November, that they had concluded their audit work and issued an unqualified audit opinion on the financial statements. We recognise that this has been an extremely challenging financial closedown and audit period, due to Covid-19, and commend the OPCC and Force Finance staff for their excellent project planning and continued effective working relationship with external audit staff.

We will receive and discuss the Annual Audit Report at our meeting on 17th December, which will include the Auditor's value for money (VFM) commentary.

In December 2020, March and June 2021 we received confidential updates on the Equip (ERP) programme and the ERP Strategic Risk. We noted the conclusion of this difficult project with legacy systems being replaced through the “Next Steps” programme.

In December 2020 we received a draft copy of the Annual Treasury Management Strategy Statement for 2021/22 which we reviewed and scrutinised robustly, before it was formally approved by the PCC in January 2021. We considered and noted the annual treasury report for 2020/21. This report explained how officers had complied with the annual treasury strategy statement. We were reminded of the established governance arrangements, that regular progress reports during the year were presented to the PCC and Chief Constable rather than the Committee.

Having considered all the information available to us we are satisfied that both the PCC’s Chief Finance Officer and the Force Director of Finance have the necessary capability and capacity to ensure the proper administration of the PCC’s and Force’s financial affairs. Indeed, the experience and skills of the two individuals concerned, and the teams they lead, have been of real benefit to the PCC and the Force and we commend their efforts and achievements. We note that the PCC has succession-planning firmly in view, given the planned retirement date of his CFO.

Internal control and governance environment

In March, we received an initial draft of the 2020/21 Annual Governance Statement (AGS) for consideration. Although no significant governance issues had been identified the covering report explained the key issues that had been considered by the Governance Advisory Group before reaching this conclusion. Overall, we were happy to endorse the accuracy of the AGS for inclusion in the annual Statement of Accounts.

We received an updated AGS for consideration and endorsement at our meeting in June. It was pleasing to note that following a review of the effectiveness of the present governance arrangements there were no significant governance issues that required immediate attention nor were there any potential issues that may have an adverse impact on the internal control environment during 2020/21.

In March, we received the updated Framework for Corporate Governance for 2021/22, which included the Statement of Corporate Governance, the Joint Code of Corporate Governance for the PCC and Chief Constable, and the Scheme of Corporate Governance, which included Financial and Contract Regulations. Only minor amendments were required this year to ensure that it remained relevant and fit for purpose.

In June we received an annual report from the Director of Information, as the Senior Information Risk Owner (SIRO), which provided a summary across HC and TVP for the information assurance and information governance during 2020/21, to provide assurance that information risks were being managed effectively and highlighted some of the key decisions that had been escalated to the SIRO during the year.

In June we received a briefing on the Information Commissioners Office (ICO) audit outcome. The ICO is an independent regulator for data protection legislation and they are empowered by law to carry out compliance audits, which usually includes 6-8 police forces each year. Across the three audit scope areas a total of 83 risk controls were assessed. Their overall outcome was that Governance and Accountability was given limited assurance, but Information Risk Management and Personal Data Breach Management were both awarded reasonable assurance. The force were working through the Action Plan and had completed a third of the actions at that time, with the rest due to be delivered over the next six months. We requested a meeting with officers to discuss the areas of limited assurance in more detail.

In October we received a report which highlighted the arrangements in place to secure value for money. We noted the level of cash savings that had been successfully removed from the base revenue budget over the last 9 years and noted that in September 2019 HMICFRS published its Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection report for 2018/19 in which it rated TVP as 'Good' overall.

In December 2020 we received the updated Anti-Fraud, Bribery and Corruption Policy. This policy, which is formally reviewed every two years, sets out a broad systemic approach to creating the right cultures and practices in the organisation. In October we received a written briefing on the work of the TVP Counter Corruption Unit but, due to the presenter being absent, we have deferred consideration of this report until December. In October we received an updated report on the work of the Counter Corruption Unit but consideration of this paper was deferred until December.

In October we received a report and presentation on the governance and assurance arrangements in place for significant partnerships and/or collaborations involving TVP. We are satisfied that these governance and assurances arrangements are adequate and effective for their given purposes. Given that these arrangements are fairly fixed we agreed that reporting should be 'by exception' in future years.

As and when appropriate during the year we attended meetings of the Force Transformation Board to see, for ourselves, the action being taken to ensure that key projects and programmes are being managed effectively. We remain an observer on the joint Hampshire/TVP Bilateral Governance Board.

Throughout 2020 we sought and received regular written and oral updates on Equip, the new Enterprise Resource Planning (ERP) programme, which provided information on the technical progress with development and implementation across the three collaborating forces (Surrey, Sussex and TVP), the tri-force programme governance arrangements and recent programme audit findings. However, in December 2020 we were informed that, in the best interests of all three forces, the programme should draw to a conclusion the arrangement with the external partners. We challenged the Force over this decision, particularly in respect of financial management and the ongoing risks to TVP in terms of service delivery. In March we received a comprehensive update on work to conclude the Equip programme as well as the "Equip Next Steps Detailed Options Analysis" which included information on tactical upgrades to key legacy systems and the management of key

business risks. We continue to monitor implementation of the the Next Steps programme through attendance at the Force Transformation Board. We look forward to receiving the report on lessons learnt at our meeting on 17th December 2021.

We will receive and consider the external auditor's Annual Audit Report at our meeting on 17th December, which will include their VFM commentary for 2020/21.

Based on the information provided to the Committee during the last twelve months we can provide assurance that, to the best of our knowledge, the corporate governance framework within Thames Valley is operating efficiently and effectively.

Corporate risk management

We have reviewed regular quarterly updates from both the Force and the Office of the PCC (OPCC) in terms of their strategic risk management systems and processes. This is an area of business we take very seriously, and question and challenge officers on a regular basis to ensure that we are sighted on all significant corporate risks and are satisfied that these risks are being dealt with in a timely, effective and appropriate manner.

We have received reports and oral updates to support enhanced risk assurance and governance during the Covid-19 period, considering existing and new strategic risks as well as the most significant operational risks. We were informed which risks were being treated, as well as those tolerated. At the start of the year we paid particular attention to the risks and issues around Equip and the Next Steps programme.

Based on the information provided to the Committee during the last twelve months it appears that the organisational risks in both the OPCC and Force are being managed effectively and that there is appropriate capability for their respective published goals and objectives to be achieved efficiently and effectively.

Business continuity management

We have received regular quarterly updates from the Force on business continuity, including incidents and exercises.

We are content that business continuity is treated as a serious issue by senior officers within the Force and that previous learning has been used to good effect during the prolonged Covid-19 period.

We are satisfied that the business continuity management processes are operating efficiently and effectively in identifying issues and capturing organisational learning and there are no significant issues that we need to draw to your attention.

Internal audit

In June we received the annual report from the Chief Internal Auditor. We were pleased to note that, despite the significant challenges posed by Covid-19 pandemic, the 2020/21 Joint Internal Audit Plan had been completed in full. Of the 18 completed audits, 5 (28%) had received substantial assurance, 9 (50%) had received reasonable assurance, and 4 (22%) had received limited assurance. No audit received minimal assurance. It was pleasing to note the results of the additional sources of assurance that had been provided by independent internal functions or external bodies. Of the 7 sources identified 5 (71%) were deemed to provide substantial assurance and 2 (29%) were deemed to provide reasonable assurance. No source of external assurance was deemed to provide limited or minimum assurance. We are pleased that the audit programme continues to return a range of assurance levels, this is a reflection of both the independence of the process and its effectiveness in targeting a cross section of matters within the Force and OPCC.

We received and endorsed the Internal Audit Strategy and Annual Plan 2021/22 at our meeting on 19th March 2021. We noted that the annual plan included all relevant financial systems, as well as other business critical functional areas and activities. We were pleased to note the wide range of audit activity, looking at high-risk functions and operations across both organisations.

Although the resourced audit plan does not include a specific allocation of days for use by the Committee, there is an extant agreement with the CC and PCC that the Committee may, at its discretion, draw on up to 10 audit days for its own specific use. We did not need to use this facility during 2021.

We challenged robustly, with internal auditors and appropriate officers, the reasons for the reported shortcomings in the assurance levels for some reports and the completion of the associated action plans. Based on the reviews completed during the year, the opinion on the organisation's system of internal control was that key controls in place are adequate and effective, such that an assessment of reasonable assurance could be placed on the operation of the organisation's functions. The opinion demonstrates a good awareness and application of effective internal controls necessary to facilitate the achievement of objectives and outcomes. There was, in general, an effective system of risk management, control and governance to address the risk that objectives are not fully achieved.

In March and October 2021 we received updates from the Chief Internal Auditor on progress with delivery of the annual internal audit plan, including a summary of key issues arising from recently completed audits. We continue to receive final audit reports which give us early sight of any key issues arising from completed audits that require management action. This is particularly useful for those few audits where limited or minimal assurance is given. We have also received details of the team's next external Public Sector Internal Audit Standards assessment, which will take place during 2022.

We have received and debated regular update reports each quarter on progress of agreed actions in internal audit reports. We are pleased that the number of outstanding audit actions is on a downward trend, but we believe that the number is still too high. We hope that

management is able to demonstrate that it continues to take the implementation of actions arising from internal audit reports very seriously and we shall continue to monitor this situation rigorously in coming years.

We continue to have confidential access to the Chief Internal Auditor and his team to discuss both specific actions and the context of the Audit programme in TVP/PCC and gain good assurance from these conversations.

We are satisfied that the system of internal audit in Thames Valley is operating efficiently and effectively and there are no specific issues or areas of concern that we would wish to highlight to the PCC and/or Chief Constable.

External audit

In March the external auditor, EY, presented its outline audit plan for the PCC and Chief Constable for the financial year ending 31st March 2021. This explained the context for the audit, as well as outlining the auditor's process and strategy. EY explained that there would be two new areas of audit focus i.e. accounting for Covid-19 related grants and accounting for personal protective equipment (PPE). In terms of VFM risk their main area of focus would be on the arrangements that PCC and CC has in place in relation to financial sustainability in light of the decision to exit the Equip programme. The scale fee for 2020/21 was the same as in 2019/20 (£45,652) but they were unable to agree the total fee level for 2020/21 due to the new areas of audit focus mentioned above.

In June we received an oral update from EY on progress with the audit of the 2020/21 accounts. They received the draft accounts on 7th June and their audit work was progressing well. At the time they planned to complete their work by the end of July, but they did state that this would subject to the timely receipt of information from Grant Thornton in respect of the Local Government Pension Fund as administered by Buckinghamshire Council.

Due to a delay in receiving this information from Grant Thornton, the Committee's meeting on 30th July to receive the Draft Audit Results Report was cancelled and rescheduled for 22nd September. At that meeting we received a report on the Statement of Accounts for 2020/21 and the External Auditor's presented his Draft Audit Results Report which summarised his preliminary audit conclusion in relation to the Group (i.e. PCC and Chief Constable) financial position and results of operations for the year ended 31st March 2020. Subject to completing the outstanding audit matters, as set out in the report, he intended to issue an unqualified audit report before the statutory deadline of 30th September. The outstanding audit matter primarily related to the receipt of the IAS audit assurance letter from Grant Thornton.

This audit was designed to express an opinion on the 2020/21 financial statements for the PCC and Chief Constable, reach a conclusion on the PCC and Chief Constable's arrangements for securing economy, efficiency and effectiveness in the use of resources, and address current statutory and regulatory requirements. We were pleased to note that EY

had not identified any significant errors or misstatements in the accounts and were planning to issue an unqualified audit opinion on the financial statements.

Unfortunately, due a delay in receiving the IAS 19 assurance report from Grant Thornton, which then required a last minute change to the accounts, we finally received notification from EY, on 19th November, that they had concluded their audit work and issued an unqualified audit opinion on the financial statements.

In respect of Value for Money (VFM) EY had identified the exit from Equip (ERP) as a risk of significant weakness. However, in the final Accounts Audit Report they concluded that “No issues were identified on review of how the Authority managed the withdrawal of the Equip contract”. We look forward to receiving their more detailed VFM commentary in the Annual Audit Report.

We will receive and consider the Annual Audit Report on 17th December and will pay particular attention to his comments and conclusions on the PCC (and TVP) arrangements to secure VFM in its use of resources.

In terms of the financial statements and the year-end audit we are very pleased with the final outcome. We welcomed the efforts made by officers to close the accounts early again this year, despite the obvious challenges of Covid-19, which was an excellent achievement. We recognise that the accounts were not signed-off before the statutory deadline of 30th September but this was totally outside our control. As such would like to express our gratitude to the external auditors for their key role in the effective closedown and audit sign-off process.

Both the audit partner and audit manager moved on to new roles during this period, and the committee will continue to maintain focus on the value external audit brings to the force and the PCC.

People Services

In December 2020 we received a short briefing note from the Director of People which provided an overview of performance, year to date, against the Force Delivery Plan (People Directorate led actions) and other key areas of service delivery.

This was followed up by a full overview report at our meeting on 19th March. We were pleased to note the positive outcomes being achieved in terms of additional police officers and the measures being put in place to increase diversity across the workforce, as well as the new initiatives to improve health, safety and wellbeing. We challenged the Director of People robustly on how the People Strategy would be implemented and the impact it would have on the workforce and operational decision making. The Committee recognised that while many aspects of day-to-day people management have been strengthened, there is not yet a longer term business strategy in place. We note that one is under development, and look forward to further detail, including its linkage to multi-year people planning. We will maintain a close interest in this key area of risk for the force.

Health & Safety

In June we received a summary report on the principal activities and outcomes relating to the promotion and management of Health & Safety (H&S) Management in TVP during 2020/21. Irrespective of whether Covid-19 had arisen or not, the paper fell short of what was required to enable the Committee to provide assurances. As such, a more comprehensive and informative report on H&S was requested for the October meeting.

We received this report in October. Having worked with JIAC members in the intervening period we were pleased that the report provided the level of detail and assurance that we requested and required. In particular we noted that a 'back to basics' review had been undertaken and further improvements put in place, and that tighter metrics had been put in place for risk and the performance framework which gave the policy a more strategically robust stance.

We noted the additional work that the force had undertaken in respect of the pandemic, including the fact that TVP were the national lead for PPE for policing which was an excellent achievement.

TVP were demonstrating all the correct processes and linking tactical matters to strategic matters. There was a new Health & Safety Register taking a fresh robust look around the fundamental and operational risks to the business and prioritising that the report was implementing best practice.

We have requested that, in future years, this report is combined with the current reports on wellbeing and environment and will maintain a close interest on the changes proposed.

Wellbeing & Environmental Protection

In June we received an annual report on organisational 'wellbeing' during 2020/21. However, this report did not provide the level of detail and assurance that we required, so we asked for it to be resubmitted in October.

The updated report was very comprehensive and we were pleased to note that TVP was giving increased prominence to the wellbeing of its workforce. The report focussed on the five key strands of wellbeing i.e. physical wellbeing, mental wellbeing, financial wellbeing, health safety and financial wellbeing, and leadership. We noted that a dashboard of key information is now presented to CCMT each month, which is then disseminated to LPA commanders and Heads of Departments so that their leadership teams are fully sighted on what is going on and how they can contribute to the wellbeing of their officers and staff

In respect of environmental issues we were surprised that the targets were so narrow in scope. The absence of robust targets across a broad front does stand out, as an anomaly in light of increasing government and societal focus on the climate change.

We were pleased to hear that DCC had already tasked the Chief Supt (Governance and Service Improvement) to lead this work and develop a comprehensive long-term five year strategy. This would identify a small number of items that need to land practically by 2025 with milestones and governance in place. We look forward to seeing this new strategy when it is ready.

Equality & Diversity

In June we received the 2020/21 annual report on equality, diversity and inclusion which showcased the achievements from the past 12 months and planned activities for 2021/22. The report covered the following areas: strategic governance, attraction recruitment and representation, gender pay gap, disability, leadership and personal development, and providing a service to diverse communities. We were pleased to hear that the Force had established a Positive Engagement Team to encourage applicants from diverse communities to apply through the Police Uplift Programme.

We recognise the ambition of force leadership on this important issue, and look forward to them building on the achievements to date, including development of the new Legitimacy Board.

Inspection and review

Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) independently assesses police forces and policing across activity from neighbourhood teams to serious crime and the fight against crime – in the public interest. HMICFRS decides on the depth, frequency and areas to inspect based on their judgements about what is in the public interest.

We understand that the Chief Constable and his management team considers each report in detail, irrespective of whether it relates directly to Thames Valley Police and, where appropriate, agrees an appropriate action plan. We also understand that the PCC is required to consider and publish a response to each HMICFRS report relevant to Thames Valley Police.

In the previous Assurance Report, the Committee raised the issue of not receiving copies of HMICFRS reports and PCC responses in a timely manner. Accordingly, improvements were made during 2021 with responses to three key reports provided to members, notably:

- Policing in the pandemic - The police response to the coronavirus pandemic during 2020 and Custody services in a COVID-19 environment;
- Report on Hestia's super-complaint on the police response to victims of modern slavery;
- Review of policing domestic abuse during the pandemic

At the time of writing, the force are preparing responses to three recent HMICFRS reports ('Police response to violence against women and girls', 'Police super-complaints: police use of protective measures in cases of violence against women and girls', and 'A Joint Thematic Inspection of the Criminal Justice journey for individuals with mental health needs'). These will be considered by the PCC at his Performance and Accountability Meeting (PAM) with the Chief Constable on 26th November with a corresponding response being published in due course. Notwithstanding the above, as far as we know, HMICFRS has not issued any report during the last twelve months that has specifically referred to assurance on the internal Thames Valley Police control environment and/or highlighted governance issues for the PCC and Chief Constable to consider.

Accountability arrangements

Our operating principles require us to:

- On a timely basis report to the PCC and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
- Report to the PCC and the Chief Constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements and internal and external audit functions.
- On an annual basis to review its performance against its operating principles and report the results of this review to the PCC and the Chief Constable.

We are grateful to the PCC and the Chief Constable for affording us regular discussions as well as for the attendance of the PCC and the Deputy Chief Constable at meetings of the JIAC, enabling a continuous dialogue through the year on matters of interest, which have been described in the main body of this report.

Other issues

Professional & Ethical Standards - Force Oversight arrangements

We continue to attend, as observers, meetings of the Professional & Ethical Standards Panel that assesses whether the Chief Constable's arrangements for, and the PCC's oversight of, the proper handling of complaints made against the Force, and consideration of other integrity, ethics and professional standards issues, are operating effectively in practice. We believe that their current Terms of Reference provide the basis for the Panel to provide effective support to the PCC and Chief Constable. We welcome the contribution the new members of PESP make to the panel.

General

We are pleased to report that the arrangements agreed seven years ago, as set out below, are working effectively:

- Be regularly briefed by the Chief Constable and PCC on the full range of activities falling within our specific responsibilities and attend other relevant internal meetings
- Have direct access to the oversight of professional standards and ethics matters by regularly attending the Professional and Ethical Standards Panel (previously known as the Complaints, Integrity and Ethics Panel) as an observer
- Attend any training and conference events that will ensure members are up to date with the policing landscape and audit requirements
- Attend as an observer the regular Force Performance meetings
- Attend as an observer the Hampshire and Thames Valley Policing Collaboration Governance Board
- Attend as an observer the Force Transformation Board

Some members attended the CIPFA conference for Police Audit Committee members or a similar conference hosted by Grant Thornton, discussing challenges faced by audit committees and proposed legislative changes that will impact on the work of audit committees.

Over the year we had meetings with the Chief Constable, PCC and senior staff for relevant organisational and functional updates between formal JIAC meetings.

These briefings and invitations to attend internal Force meetings, coupled with the sharing of appropriate CCMT reports of interest, continue to raise our awareness and knowledge of legislative, policy or operational initiatives that are relevant to the Committee's remit, such as organisational structural changes, service delivery initiatives, and financial and service planning issues. In turn, this is improving our collective understanding of how the Force and OPCC governance arrangements and control environments are operating in practice.

JIAC operating principles

The Committee's current operating principles are shown in Appendix 1.

Conclusions

The purpose of the Joint Independent Audit Committee is to provide independent assurance to the PCC and Chief Constable regarding the adequacy of the risk management framework and the associated control environment within Thames Valley Police and the Office of the PCC.

Constructive challenges over the past twelve months on a wide range of topics have given us greater access to information and meetings; the positive relationship with the PCC and the Chief Constable and their senior staff has enabled us to contribute to improved audit, risk management and internal controls.

The year ahead (2022) will be a demanding due to the ongoing impact of Covid-19;, reduced national public sector finances and the adverse impact on the nation's macro-economic situation, coupled with the ongoing investment in the development of leading edge digital policing systems. The PCC and the Force also have significant opportunities, with the ongoing increase in policing numbers. No doubt we will continue to seek answers on costs and business benefits. We will continue our scrutiny on Force change management, the delivery of Force financial performance and operational effectiveness. Given the significance of managing the people risks for the success of TVP, we will continue to keep this area in focus in the year to come.

We will remain alert to the extent to which TVP and the OPCC are exposed to risks, from whatever source that might weaken the control environment or otherwise adversely affect overall performance. The coming months will continue to be challenging.

Based on the information that we have seen collectively or know about individually we can assure the PCC and Chief Constable that the risk management and internal control environment in Thames Valley is operating efficiently and effectively.

We hope that this report with the assurances it contains will enhance public trust and confidence in the governance of TVP and the OPCC.

Joint Independent Audit Committee

Members:

Mr Michael Day
Dr Stephen Page
Mrs Amna Rehman
Mrs Melissa Strange
Dr Gordon Woods

17 December 2021

Joint Independent Audit Committee - Operating Principles

Statement of Purpose

- Our Joint Independent Audit Committee is a key component of the PCC and Chief Constable's arrangements for corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- The purpose of the Committee is to provide independent assurance to the PCC and the Chief Constable regarding the adequacy of the risk management framework and the associated control environment within Thames Valley Police and the Office of the PCC. It will consider the internal and external audit reports of both the PCC and Chief Constable and advise both parties according to good governance principles. It has oversight of general governance matters and provides comment on any new or amended PCC policies and strategies with regard to financial risk and probity.
- These operating principles will summarise the core functions of the Committee in relation to the Office of the PCC and the Force and describe the protocols in place to enable it to operate independently, robustly and effectively.

The Committee will report directly to the PCC and the Chief Constable.

Committee Composition and Structure

The Committee will consist of five members who are independent of the PCC and Thames Valley Police. They will be appointed by the Chief Constable and the PCC (or their representatives).

The Chairman will be elected by the Committee on an annual basis.

The Committee will hold four formal meetings a year – in public - although there may be a requirement to hold additional meetings at short notice.

The PCC and Chief Constable will attend or be appropriately represented at formal meetings. Committee meetings will be held at key strategic times of the year to coincide with the budget process and publication of financial management reports and accounts:

1. **March** – to consider the Internal Auditor's Internal Audit Plan and the External Audit Plan
2. **July** – to consider the End of Year Reports, the Annual Governance Statement, Annual Statement of Accounts and to receive the Audit Results report
3. **September** – to consider mid-year progress reports;
4. **December** – to receive the Annual External Audit Letter and agree the Annual Assurance Report of the Committee.

The agenda, reports and minutes of all Committee meetings will be published on the PCC and Force websites. However, members of the press and public shall be excluded from a meeting whenever it is likely that confidential information will be disclosed. Confidential information is defined as:

- a) Information furnished to the Committee by a Government department upon terms (however expressed) which forbid the disclosure of the information to the public; and
- b) Information the disclosure of which to the public is prohibited by or under any enactment or by the order of a Court.

Methods of Working

The Committee will:

- Advise the PCC and Chief Constable on good governance principles
- Adopt appropriate risk management arrangements
- Provide robust and constructive challenge
- Take account of relevant corporate social responsibility factors when challenging and advising the PCC and Chief Constable (such as value for money, diversity, equality and health and safety)
- Be regularly briefed by the Chief Constable and PCC on the full range of activities falling within its specific responsibilities and attend other relevant internal meetings
- Have direct access to the oversight of professional standards and ethics matters by regularly attending the Complaints, Integrity and Ethics Panel as an observer
- Attend any training and conference events that will ensure members are kept up to date with the policing landscape and audit requirements
- Provide an annual assurance report to the PCC and Chief Constable

Specific responsibilities

The Committee has the following specific responsibilities:

Financial Management and Reporting

- Provide assurance to the PCC and Chief Constable regarding the adequacy of the arrangements, capacity and capability available to their respective chief finance officers to ensure the proper administration of the Commissioner's and Force's financial affairs.
- Review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the PCC and/or the Chief Constable.
- Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements, and to give advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Internal Control and Governance Environment

- Consider and endorse the local Code of Corporate Governance
- Consider and endorse the Annual Governance Statement (AGS)
- Monitor implementation and delivery of the AGS Action Plan
- Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements
- Consider and comment upon the adequacy and effectiveness of the assurance framework, and the specific governance and accountability policies, systems and controls in place, such as the Corporate Governance Framework; anti-fraud and corruption; whistle-blowing, declarations of interest and gifts and hospitality.
- Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter fraud strategy, actions and resources
- To consider the governance and assurance arrangements for significant partnerships or collaborations

Corporate Risk Management

- Consider and comment upon the strategic risk management processes; and
- Receive and consider assurances that organisational risks are being managed effectively and that published goals and objectives will be achieved efficiently and economically, making recommendations as necessary

Business Continuity Management

- Consider and comment upon business continuity management processes, and
- Receive and consider assurances that business continuity is being managed effectively and that published goals and objectives will be achieved efficiently and economically, making recommendations as necessary

Internal Audit

- Annually review the internal audit charter and resource
- Receive and consider the adequacy and effectiveness of the arrangements for the provision of the internal audit service
- Consider and comment on the Internal Audit Strategy and Plan
- Receive and review internal audit reports and monitor progress of implementing agreed actions
- To consider the Head of Internal Audit's statement on the level of conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN) and the results of the Quality Assurance & Improvement Programme (QAIP) that support the statement
- Consider and comment upon the annual report of the Head of Internal Audit
- Obtain assurance that an annual review of the effectiveness of the internal audit function takes place

External Audit

- Receive and review reports from the external auditors, including the annual audit letter and audit opinion
- Review the effectiveness of external audit
- Consider and comment upon any proposals affecting the provision of the external audit service
- Consider the level of fees charged, and
- At present TVP participates in the national procurement of external audit services through the Public Sector Audit Appointments (PSAA). However, should the PCC and Chief Constable decide that local procurement would be better the Committee would undertake the role of the Independent Audit Panel, as set out in the Local Audit and Accountability Act 2014, including considering and recommending appropriate arrangements for any future appointment of External Auditors

Health & Safety

- Satisfy itself on behalf of the PCC and the Chief Constable that an adequate and effective policy and practice framework is in place to discharge legal duties in relation to health and safety. In particular, having regard to the safety, health and welfare of police officers and police staff, people in the care and custody of Thames Valley Police and all members of the public on police premises or property

Equality and Diversity

- Satisfy itself on behalf of the PCC and Chief Constable that an adequate policy and practice framework is in place to discharge statutory requirements in relation to equalities and diversity

Inspection and Review

- To consider any HMIC report that provides assurance on the internal control environment and/or highlights governance issues for the PCC and/or Chief Constable

Accountability Arrangements

- On a timely basis report to the PCC and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
- Report to the PCC and the Chief Constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements and internal and external audit functions.
- On an annual basis to review its performance against its operating principles and report the results of this review to the PCC and the Chief Constable.

The Police and Crime
Commissioner for
Thames Valley Group
FINAL Audit Results
Report

Year ended 31 March 2021

14 October 2021



Private and Confidential

14 October 2021

The Office of Police and Crime Commissioner and Chief Constable
Thames Valley Police
Kidlington, OX5 2NX

Dear Matthew and John

2021 Audit Results Report

We are pleased to attach our audit results report, summarising the status of our audit of the Police and Crime Commissioner for Thames Valley Group (the PCC and CC) for the forthcoming meeting of the Joint Independent Audit Committee (JIAC). We will update JIAC at its meeting scheduled for 22 September 2021 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2021 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on the PCC and CC's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process. We have also included an update on our work on value for money arrangements.

This report is intended solely for the information and use of the Joint Independent Audit Committee (JIAC), other members of the PCC and CC, and senior management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the JIAC meeting on 22 September 2021.

Yours faithfully

Andrew Brittain
Associate Partner
For and on behalf of Ernst & Young LLP
Encl

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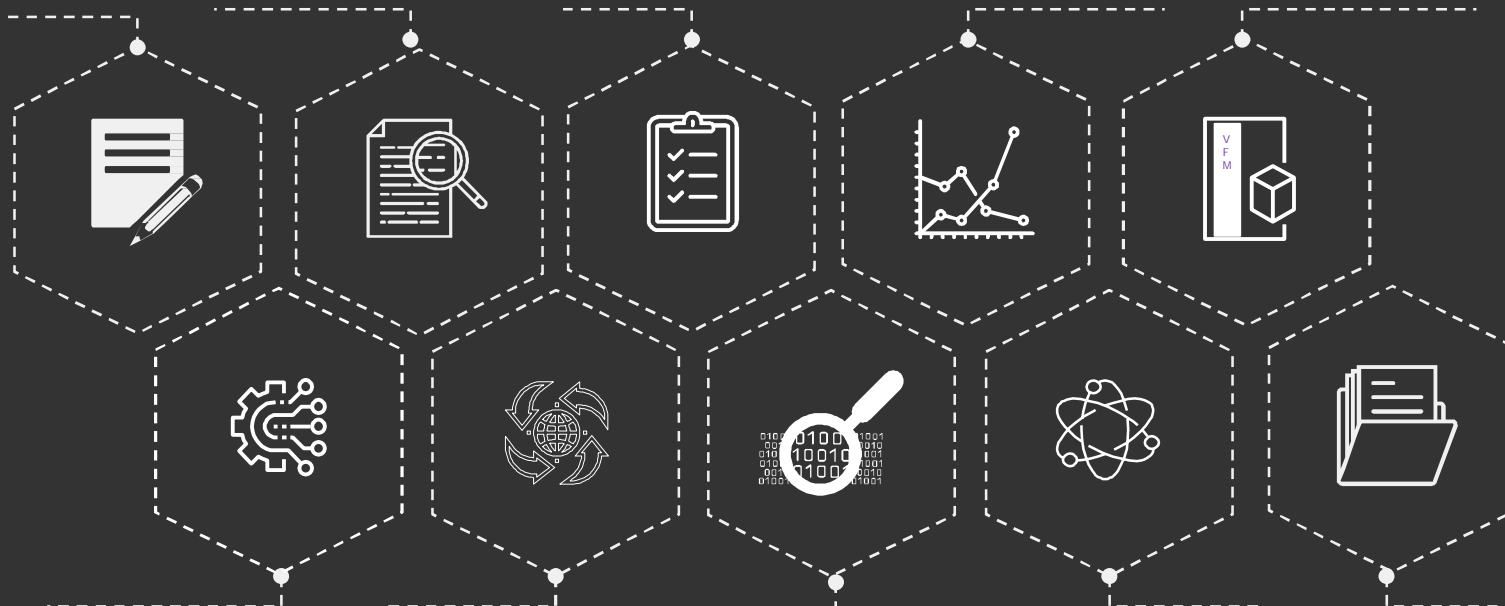
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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the JIAC and management of the PCC and CC in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the JIAC, and management of the PCC and CC those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the JIAC and management of the PCC and CC for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

Executive Summary

Scope update

In our Outline Audit Plan presented to the 19 March 2021 JIAC meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this Plan, with the following exceptions:

Changes in materiality: In our Outline Audit Plan, we communicated that our audit procedures would be performed using a materiality of £11.4 million for the PCC Group; £6.7 million for the Police and Crime Commissioner (PCC) Single Entity and £11.1 million for the Chief Constable (CC) Single Entity. Performance materiality at 75 % of overall materiality and thresholds for reporting misstatements at 5% of performance materiality.

We updated our planning materiality assessment using the draft consolidated accounts and have also reconsidered our risk assessment.

Based on our materiality measurement bases, we have updated our overall materiality assessment to £12.6 million for the PCC Group; £7 million for the PCC Single Entity; and £12.2 million for the CC Single Entity. Performance materiality, at 75% of overall materiality and thresholds for reporting misstatements at 5% of performance materiality have remained unchanged.

Other factors

Change in Audit Partner: Suresh Patel has now left EY and Andrew Brittain will now be signing your audit report.

A summary of our approach to the audit of the balance sheet including any changes to that approach from the prior year audit is included in Appendix A.

Changes to reporting timescales

As a result of COVID-19, new regulations, the Accounts and Audit (Amendment) Regulations 2021 No 263, have been published and came into force on 31 March 2021. This announced a change to publication date for final, audited accounts from 31 July to 30 September 2021 for all relevant authorities.

Additional audit procedures as a result of Covid-19

Other changes in the entity and regulatory environment as a result of Covid-19 that have not resulted in an additional risk, but result in the following impact on our audit strategy:

Information Produced by the Entity (IPE): We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the PCC/CC's systems. We undertook the following to address this risk:

- Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and
- Agreed IPE to scanned documents or other system screenshots.



Executive Summary

Status of the audit

We have completed the audit of Thames Valley Police's financial statements for the year ended 31 March 2020 and have performed the procedures outlined in our Audit Planning Report.

We will issue the audit certificate after the audit opinion once we have completed the Whole of Government Accounts (WGA) procedures and after we have issued the Auditor's Annual Report containing the value for money commentary.

Auditor responsibilities under the new Code of Audit Practice 2020

Under the Code of Audit Practice 2020, we are still required to consider whether the PCC and CC have put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the PCC and CC a commentary against specified reporting criteria (see below) on the arrangements the PCC and CC has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability
How the PCC and CC plans and manages its resources to ensure it can continue to deliver its services;
- Governance
How the PCC and CC ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness:
How the PCC and CC uses information about its costs and performance to improve the way it manages and delivers its services.

Executive Summary

Status of the audit – Value for Money

We have completed our planned VFM procedures and have no matters to report by exception in the auditor's report (see Section 03). We have included the findings from our work on the risk of significant weakness we identified in section 5. We plan to issue the VFM commentary within three months after giving our opinion as part of issuing the Auditor's Annual Report.

Audit differences

Our audit has identified a number of audit differences, some of which which management has chosen not to adjust.

- PCC and Group: The PFI model does not account for contingent rents (as defined by IAS 17), i.e. Amounts not fixed or agreed in advance at inception, for example indexed unitary charges, services and finance lease rental. The impact of this for 2020/21 is £371k which, although not material, is above the reporting threshold for misstatements. This has not been amended in the statement of accounts.
- PCC and Group Note 15: Capital Expenditure and Financing. This incorrectly excludes finance lease additions (prior year £1,338k and current year £5,157k) which although not material is above the reporting threshold for misstatements. This has not been amended in the accounts.
- PCC and Group – Note 15 Capital expenditure and financing: Land and buildings were initially stated as £7,152k and have been corrected to £6,152k.
- CC and Group – Note 15 Capital expenditure and financing: Vehicles, plant and other equipment were initially stated as £4,370k and have now been corrected to £5,370k.
- PCC and Group – Note 17 Financial instruments: In the fair value table, a local authority amount of £7,000k was initially excluded but has now been included and trade creditors were initially stated as £19,577k and have been adjusted to £26,650k.
- CC and Group: There was a reclassification misstatement for the insurance provision, short term provisions were understated by £971k and long term provisions were overstated by the same amount. These differences have now been corrected.
- CC and Group – The defined benefit pension schemes net liability was amended by £10.088 million, as there was a material increase between the estimated asset values used in the initial report received from the actuary and the final asset values at 31 March 2021. As a result, the actuary provided an updated IAS19 report which resulted in a £10.038 million decrease in the pension schemes net liability.
- Some minor adjustments have been identified and actioned in disclosures relating to leases, termination benefits, financial instruments, earmarked reserves, capital expenditure and financing account, property, plant and equipment note and related parties.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the PCC and CC. We have no matters to report as a result of this work.

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission. The NAO (National Audit Office) are currently reviewing the Data Collection Tool and it will not be available until December 2021. We will audit this once your officers have the updated software and have been able to submit their entries.

We have no other matters to report.

Executive Summary

Areas of audit focus

In our Audit Plan we identified a number of key areas of focus for our audit of the financial report of the PCC and CC. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised within the "Areas of Audit Focus" section of this report.

Audit findings and conclusions: Significant risk - Misstatements due to fraud or error – Management override

We have not identified any material misstatements arising from fraud in revenue and expenditure recognition or management override.

Audit findings and conclusions: Significant risk - Misstatements due to fraud or error - Inappropriate capitalisation of revenue expenditure

We have not identified any material misstatements arising from the inappropriate capitalisation of revenue.

Audit findings and conclusions : Area of audit focus - Valuation of land and buildings

We are satisfied with the material accuracy of the valuation of land and buildings.

Audit findings and conclusions : Area of audit focus - Accounting for Covid-19 related government grants

We are satisfied that management have accounted for Covid-19 related government grants correctly for 2020/21.

Audit findings and conclusions : Area of audit focus - Accounting for personal, protective equipment (PPE)

We are satisfied that management have accounting for the personal, protective equipment correctly, in accordance with the CIPFA Code of Practice.

Audit findings and conclusions : Area of audit focus - Pension liability valuation and actuarial assumptions

We have now completed our procedures. EY Pension's believe GAD's CPI inflation assumption is overly optimistic and the methodology used to derive the assumption is not robust and it is inconsistent with the accounting standard. Whilst this does not currently impact scheme liabilities, in their view, in future years it could lead to assumptions outside their acceptable range. As noted on the previous page of this report, there was a material increase of £10.088 million in TVPs share of the LGPS pension fund assets. which has now been corrected in the accounts.

Audit findings and conclusions : Area of audit focus - Going concern disclosure

We have completed our procedures and are satisfied that the PCC/CC have carried out a reasonable assessment and made an appropriate disclosure in their accounts.

We request that you review these and other matters set out in this report to ensure:

- There are no residual further considerations or matters that could impact these issues
- You concur with the resolution of the issue
- There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Joint Internal Audit Committee or Management.



Executive Summary

Control observations

We have adopted a fully substantive approach, and so have not tested the operation of controls. We have, however, updated our understanding of the key processes and the controls which are in place to detect or prevent error. Through this work, we have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements and which is unknown to you.

Independence

We can confirm that we remain independent of the PCC and CC and include an update in Section 9.



02 Areas of Audit Focus



Areas of Audit Focus

Significant risk

Risk of misstatements due to fraud or error – Management override

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

What did we do and what judgements did we focus on?

We:

- ▶ Identified fraud risks during the planning stages.
- ▶ Enquired of management about risks of fraud and the controls put in place to address those risks.
- ▶ Understood the oversight given by those charged with governance of management's processes over fraud.
- ▶ Considered the effectiveness of management's controls designed to address the risk of fraud.
- ▶ Tested journals at year-end to ensure that there were no unexpected or unusual postings.
- ▶ Reviewed accounting estimates for evidence of management bias.
- ▶ Looked for and investigated any unusual transactions.

We used our data analytics capabilities to assist with our work, including journal entry testing. We assessed journal entries for evidence of management bias and evaluated for business rationale. We specifically reviewed any elements where judgement could influence the financial position or performance of the PCC/CC in a more positive or more favourable way.

What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgements being applied or management bias. We did not identify any other transactions during our audit which appeared unusual or outside the normal course of business.



Areas of Audit Focus

Significant risk

Risk of misstatements due to fraud or error – Inappropriate capitalisation of revenue expenditure

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have identified an opportunity and incentive to capitalise expenditure under the accounting framework, to remove it from the general fund. In arriving at this conclusion we have considered the continuing pressure on the revenue budget and the financial value of its annual capital programme which is many times out materiality level.

This could then result in funding of that expenditure, that should properly be defined as revenue, through inappropriate sources such as capital receipts, capital grants, or borrowing.

What judgements are we focused on?

We focus on whether expenditure is properly capitalised in its initial recognition, or whether subsequent expenditure on an asset enhances the asset or extends its useful life.

What are our conclusions?

Our testing of capital additions is complete and has not identified any instances where expenditure had been inappropriately capitalised.

What did we do?

We have:

- ▶ Tested additions to property, plant and equipment to ensure that the expenditure incurred and capitalised is clearly capital in nature; and
- ▶ Sought to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

As there was no expenditure classified as revenue financed from capital under statue (REFCUS in the 2020/21 financial statements, we did not undertake any testing in this area.

We have utilised our data analytics capabilities to assist with our work, including journal entry testing. We assessed journal entries more generally for evidence of management bias and evaluated them for business rationale.

Audit risks

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures.

What is the area of focus?	What did we do?	What are our conclusions?
<p>Valuation of land and buildings</p> <p>At 31 March 2020, the value of PCC/CC's land and buildings, including Police Houses, was £215 million and represents the largest balance in the accounts. It is subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.</p> <p>For 2020/21, PCC/CC will continue to engage an external valuation expert to support the valuation of these assets. As this is one of the largest accounting estimates on the balance sheet and one subject to a high degree of subjectivity we deem the valuation of property, plant and equipment to represent an inherent risk of material misstatement.</p>	<p>We have:</p> <ul style="list-style-type: none"> • Considered the work performed by the PCC/CC's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work; • Sample tested key asset information used by the valuer in performing their valuation (e.g. floor plans to support valuations based on price per square metre); • Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer; • Reviewed assets not subject to valuation in 2020/21 to confirm that the remaining asset base is not materially misstated; • Considered changes to useful economic lives as a result of the most recent valuation; and • Confirmed accounting entries have been correctly processed in the financial statements. 	<p>We noted that in the valuers report, the next planned valuation date/year for some assets were in the past, ie. it had not been updated from when they were fully revalued in previous years. In addition, the 20% valuation yearly split is not conclusive. We would recommend the valuers report is correctly updated and the inspection schedule is recalibrated to 20% a year again.</p> <p>Traffic bases are not currently valued consistently. We would recommend a consistent approach is adopted for the valuation of traffic bases.</p> <p>Overall we are satisfied that the value of land and buildings is materially stated.</p>

Audit risks

Other areas of audit focus (continued)

What is the area of focus?	What did we do?	What are our conclusions?
<p>Accounting for Covid-19 related government grants</p> <p>During 2020/21, TVP has received a significant level of government funding in relation to Covid-19. Whilst there is no change in the CIPFA Code or accounting standard (IFRS 15) in respect of accounting for grant funding, the emergency nature of some of the grants received and in some cases the lack of clarity on any associated restrictions and conditions, means that TVP will need to apply a greater degree of assessment and judgement to determine the appropriate accounting treatment in the 2020/21 statements.</p>	<p>We have considered TVP's judgements on material grants received in relation to whether it is acting as:</p> <ul style="list-style-type: none"> • An Agent, where it has determined that it is acting as an intermediary; or • A Principal, where TVP has determined that it is acting on its own behalf. <p>The finance team had already provided an initial assessment of grant accounting on which gave an indicative view.</p> <p>We also tested a sample of grants, reviewing the nature of the grant, ensuring they had been received and treated correctly.</p>	<p>We are satisfied that management have accounted for Covid-19 related government grants correctly for 2020/21.</p>
<p>Accounting for personal, protective equipment (PPE)</p> <p>During 2020/21, TVP has obtained significant levels of PPE from different sources including from the Home Office, DHSC and direct procurement. Although TVP has been reimbursed in full for the PPE that they have purchased on behalf of other forces, there is some uncertainty over how PPE should be accounted for in year as well as at the year end.</p> <p>The CFO has proposed an accounting treatment which we have reviewed against the requirements of the CIPFA Code.</p>	<p>We have considered TVP's accounting treatment of its in-year acquisition and receipt of PPE as well as the year end treatment of inventory with reference to:</p> <ul style="list-style-type: none"> • The requirements of the CIPFA Code; and • Any national guidance from the Home Office and DHSC. 	<p>We are satisfied that management have accounting for the personal, protective equipment correctly, in accordance with the CIPFA Code of Practice.</p>

Audit risks

What is the area of focus?

Pension liability valuation and actuarial assumptions. The Local Authority Accounting Code of Practice and IAS19 require the CC to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Buckinghamshire Council. The PCC must also do similar in respect of the Police Pension Fund. The PCC and CC's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the respective balance sheets of the PCC and CC. At 31 March 2021, this totalled £4.2 million and £5 million respectively. The information disclosed is based on the IAS 19 report issued to the PCC and CC by the actuary to the County Council and also the Police Pension Fund. Accounting for these schemes involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do?

We have:

- Liaised with the auditors of Buckinghamshire Council Pension Fund, for assurances over the information supplied to the actuary in relation to Thames Valley Police.
- Assessed the work of the LGPS Pension Fund actuary (Barnett Waddingham) and the Police Pension actuary (GAD) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by Public Sector Auditor Appointments for all Local Government sector auditors, and considered the relevant reviews by the EY actuarial team; and
- Reviewed and tested the accounting entries and disclosures made within the PCC and CC's financial statements in relation to IAS19.

In addition:

- In response to the revised requirements of ISA540, the auditing standard on accounting estimates, we amended our audit approach based on procedures to evaluate management's process. The revised standard requires auditors to test the method of measurement of accounting estimates to determine whether the model is appropriately designed, consistently applied and mathematically accurate, and that the integrity of the assumptions and the data has been maintained in applying the model. Neither we, nor PWC as consulting actuaries commissioned by the NAO for all local government sector audits, are able to access the detailed models of the actuaries in order to evidence these requirements. Therefore, we modified our planned approach and undertook alternate procedures to create an auditor's estimate, to provide a different method of gaining assurance. We employed the services of an EY Pensions specialist to review the Council's IAS19 reports and run a parallel actuarial model which was compared to that produced by Barnett Waddingham (BW).

What are our conclusions?

We note that the our EY Pensions review of GAD and their work on the Police Pension Fund highlighted that GAD's CPI inflation assumption is overly optimistic and the methodology used to derive the assumption is not robust and it is inconsistent with the accounting standard. Whilst this does not currently impact scheme liabilities, in their view, in future years it could lead to assumptions outside their acceptable range.

Following completion of our work the net liability was amended by £10.088 million, as there was a material increase between the estimated asset values used in the initial report received from the actuary and the final asset values at 31 March 2021. As a result, the actuary provided an updated IAS19 report which resulted in a £10.038 million decrease in the pension schemes net liability. This has now been corrected in the accounts.

The additional procedures in response to the revised requirements of ISA 540 confirmed there was no material misstatement arising from those estimation procedures undertaken by BW.

Audit risks

Other areas of audit focus (continued)

What is the area of focus?	What did we do?	What are our conclusions?
<p>Going concern disclosure</p> <p>There is a presumption that the PCC and CC will continue as a going concern for the foreseeable future. However, both the PCC and CC are required to carry out a going concern assessment that is proportionate to the risks they face.</p> <p>In light of the continued impact of Covid-19 on day to day finances, annual budgets, cashflow and the medium term financial strategy, there is a need for the PCC and CC to ensure their going concern assessments are thorough and appropriately comprehensive.</p> <p>The PCC and CC are then required to ensure that their going concern disclosures within the statement of accounts adequately reflects their going concern assessment and in particular highlights any uncertainties identified.</p> <p>In addition, the auditing standard in relation to going concern (ISA570) has been revised with effect for the 2020/21 accounts audit.</p>	<p>We have met the requirements of the revised auditing standard on going concern (ISA 570) and considered the adequacy of the PCC and CC's going concern assessment and its disclosure in the accounts by:</p> <ul style="list-style-type: none"> • Challenging management's identification of events or conditions impacting going concern. • Testing management's resulting assessment of going concern by evaluating supporting evidence (including consideration of the risk of management bias). • Reviewing the cashflow forecast covering the foreseeable future, to ensure that it has sufficient liquidity to continue to operate as a going concern. • Undertaking a 'stand back' review to consider all of the evidence obtained, whether corroborative or contradictory, when we draw our conclusions on going concern. • Challenging the disclosure made in the accounts in respect of going concern and any material uncertainties. 	<p>We are satisfied that management have carried out a reasonable going concern assessment and made an appropriate disclosure in the accounts.</p>



03 Audit Report



Audit Report

Draft audit report for PCC

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR THAMES VALLEY

Opinion

We have audited the financial statements of the Police and Crime Commissioner for Thames Valley for the year ended 31 March 2021 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Police and Crime Commissioner for Thames Valley and Group Movement in Reserves Statement;
- Police and Crime Commissioner for Thames Valley and Group Comprehensive Income and Expenditure Statement;
- Police and Crime Commissioner for Thames Valley and Group Balance Sheet;
- Police and Crime Commissioner for Thames Valley and Group Cash Flow Statement;
- related notes 1 to 48 and the Expenditure & Funding Analysis; and
- Police Pension Fund Account Statements.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner for Thames Valley and Group as at 31 March 2021 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Police and Crime Commissioner for Thames Valley and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the police and crime commissioner's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the police and crime commissioner's ability to continue as a going concern.



Audit Report

Draft audit report for PCC (continued)

Our opinion on the financial statements

Other information

The other information comprises the information included in the statement of accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information contained within the statement of accounts.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;

- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014;
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014; or
- we are not satisfied that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in these respects

Responsibility of the Chief Finance Officer

As explained more fully in the Statement of Responsibilities for the Accounts set out on page 25, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Police and Crime Commissioner's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Police and Crime Commissioner either intends to cease operations, or have no realistic alternative but to do so.



Audit Report

Draft audit report for PCC (continued)

Our opinion on the financial statements

The Police and Crime Commissioner is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

• We obtained an understanding of the legal and regulatory frameworks that are applicable to the Police and Crime Commissioner and determined that the most significant are:

- Local Government Act 1972,
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
- The Local Audit and Accountability Act 2014,
- The Accounts and Audit Regulations 2015,
- The Police Reform and Social Responsibility Act 2011,
- Anti-social behaviour, Police and Crime Act 2014,
- Police Pensions scheme regulations 1987,
- Police Pensions regulations 2006; and
- Police Pensions regulations 2015.

In addition, the Police and Crime Commissioner has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, general power of competence, procurement and health & safety.

• We discussed as an engagement team how and where fraud may arise. We understood how the Police and Crime Commissioner is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit, those charged with governance, and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Police and Crime Commissioner's committees' minutes, through enquiry of employees to confirm the Police and Crime Commissioner's policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.



Audit Report

Draft audit report for PCC (continued)

Our opinion on the financial statements

- We assessed the susceptibility of the the Police and Crime Commissioner's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance through inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.
- To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Police and Crime Commissioner's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine, lowering testing thresholds in our testing.
- To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. In addition, we assessed whether the judgements made in making accounting estimates were indicative of a potential bias and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General (C&AG) in April 2021, as to whether the Police and Crime Commissioner had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Police and Crime Commissioner put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Police and Crime Commissioner had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



Audit Report

Draft audit report for PCC (continued)

Our opinion on the financial statements

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Police and Crime Commissioner's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our work on value for money arrangements.

In addition, we cannot formally conclude the audit and issue an audit certificate until we have completed our procedures on the Police and Crime Commissioner's value for money arrangements for the year ended 31 March 2021. We are satisfied that this work does not have a material effect on the financial statements.

We will report the outcome of our work on the Police and Crime Commissioner's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to Police and Crime Commissioner for Thames Valley, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner for Thames Valley, for our audit work, for this report, or for the opinions we have formed.

Andrew Brittain (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Reading
October 2021



Audit Report

Draft audit report for CC

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF THAMES VALLEY

Opinion

We have audited the financial statements of the Chief Constable of Thames Valley for the year ended 31 March 2021 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Chief Constable of Thames Valley Movement in Reserves Statement;
- Chief Constable of Thames Valley Comprehensive Income and Expenditure Statement;
- Chief Constable of Thames Valley Balance Sheet;
- Chief Constable of Thames Valley Cash Flow Statement
- the related notes 1 to 24 and the Expenditure and Funding Analysis; and
- Chief Constable of Thames Valley Pension Fund Account.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Thames Valley as at 31 March 2021 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Chief Constable for Thames Valley in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director of Finance's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the chief constable's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Finance with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the chief constable's ability to continue as a going concern.



Audit Report

Draft audit report for CC (continued)

Our opinion on the financial statements

Other information

The other information comprises the information included in the statement of accounts, other than the financial statements and our auditor's report thereon. The Director of Finance is responsible for the other information contained within the statement of accounts.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;

- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014;
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014; or
- we are not satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in these respects

Responsibilities of the Director of Finance

As explained more fully in the Statement of Responsibilities for the Accounts set out on page 22, the Director of Finance is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Finance is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Constable either intends to cease operations, or have no realistic alternative but to do so.



Audit Report

Draft audit report for CC (continued)

Our opinion on the financial statements

The Chief Constable is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

•We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant are:

- Local Government Act 1972,
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
- The Local Audit and Accountability Act 2014,
- The Accounts and Audit Regulations 2015,
- The Police Reform and Social Responsibility Act 2011,
- Anti-social behaviour, Police and Crime Act 2014,
- Police Pensions scheme regulations 1987,
- Police Pensions regulations 2006; and
- Police Pensions regulations 2015.

In addition, the Chief Constable has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, general power of competence, procurement and health & safety.

•We discussed as an engagement team how and where fraud may arise. We understood how the Chief Constable is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit, those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through reading the Chief Constable's committees' minutes, through enquiry of employees to confirm the Chief Constable's policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.



Audit Report

Draft audit report for CC (continued)

Our opinion on the financial statements

- We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance through inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.
- To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Chief Constable's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine, lowering testing thresholds in our testing.
- To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. In addition, we assessed whether the judgements made in making accounting estimates were indicative of a potential bias and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General (C&AG) in April 2021, as to whether the Chief Constable had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Chief Constable had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Chief Constable of Thames Valley has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



Audit Report

Draft audit report for CC (continued)

Our opinion on the financial statements

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Chief Constable's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our work on value for money arrangements.

In addition, we cannot formally conclude the audit and issue an audit certificate until we have completed our procedures on the Chief Constable's value for money arrangements for the year ended 31 March 2021. We are satisfied that this work does not have a material effect on the financial statements. We will report the outcome of our work on the Chief Constable's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the Chief Constable of Thames Valley, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable of Thames Valley, for our audit work, for this report, or for the opinions we have formed.

Andrew Brittain (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Reading
October 2021



04 Audit Differences

Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted and unadjusted differences

We highlight the following misstatements greater than £610k for the CC and £350k for the PCC which have been corrected by management that were identified during the course of our audit:

- CC and Group: There was a reclassification misstatement for the insurance provision, short term provisions were understated by £971k and long term provisions were overstated by the same amount. This has now been corrected.
- PCC and Group – Note 17 Financial instruments: In the fair value table, a local authority amount of £7,000k was initially excluded and trade creditors initially £19,577k was adjusted to £26,650k. This has now been corrected.
- PCC and Group – Note 15 Capital expenditure and financing: Land and buildings initially stated as £7,152k, corrected to £6,152k.
- CC and Group – Note 15 Capital expenditure and financing: Vehicles, plant and other equipment initially stated as £4,370k, now corrected to £5,370k.
- CC and Group – The defined benefit pension schemes net liability was amended by £10.088 million, as there was a material increase between the estimated asset values used in the initial report received from the actuary and the final asset values at 31 March 2021. As a result, the actuary provided an updated IAS19 report which resulted in a £10.038 million decrease in the pension schemes net liability.
- Some minor adjustments have been identified and actioned in disclosures relating to leases, termination benefits, earmarked reserves, property, plant and equipment note and related parties.

At the time of writing, we have identified two unadjusted audit differences, that is above our reporting threshold but below materiality. We request that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the Committee and provided within the Letter of Representation:

- PCC and Group Note 15: Capital Expenditure and Financing - This incorrectly excludes finance lease additions (prior year £1,338k and current year £5,157k)
- PCC and Group: The PFI model has not accounted for contingent rents (as defined by IAS 17). The amount involved for 2020/21 is £371k.

There were no material uncorrected misstatements.



05 Value for Money



Value for money

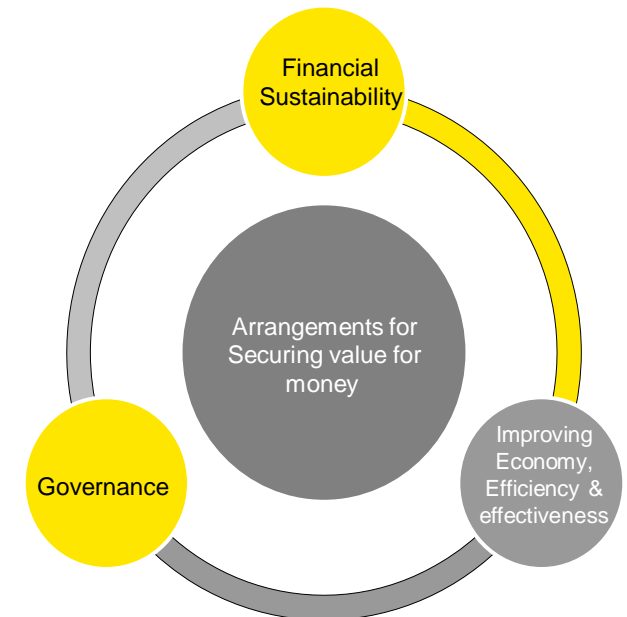
The PCC and CC's responsibilities for value for money (VFM)

The PCC and CC are required to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at their disposal.

As part of the material published with its financial statements, the PCC and CC are required to bring together commentary on their governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the PCC and CC tailor the content to reflect their own individual circumstances, consistent with the requirements set out in the Cipfa code of practice on local authority accounting. This includes a requirement to provide commentary on their arrangements for securing value for money from their use of resources.

Risk assessment

We have previously reported to the Joint Internal Audit Committee the outcome of our assessment of the risk of significant weaknesses in the PCC and CC's VFM arrangements. This was that we had identified a risk in relation to the exit from the EQUIP programme. We have revisited our risk assessment and have not identified any additional risks.



Status of our VFM work

We have completed our planned VFM procedures and have no matters to report by exception in the auditor's report (see Section 03). We include below the findings from our work on the risk of significant weakness we identified. We plan to issue the VFM commentary within three months after giving our opinion as part of issuing the Auditor's Annual Report.



Value for Money

Responding to a risk of significant weakness in VFM arrangements

What is the risk of significant weakness?	What arrangements did this impact?	What did we do?
We have identified the exit from EQUIP as a risk of significant weakness.	Financial sustainability – How the PCC/CC ensures that it identifies all the significant financial pressures that are relevant to its short and medium term plans and builds into these.	We reviewed how the PCC/CC had identified and recorded the financial implications of the exit from EQUIP, including a review of the Medium Term Financial Plan.
	Governance – How the PCC/CC ensures effective processes and systems are in place to ensure budgetary control: to communicate relevant, accurate and timely management information; supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.	We reviewed evidence of the minutes of various meetings to show that the PCC/CC has in place the arrangements we would expect in order for them to make an informed decision about exiting EQUIP.

Findings

No issues were identified on review of how the PCC/CC managed the withdrawal of the EQUIP contract.

Recommendations

No recommendations identified.



06 Other reporting issues

Other reporting issues

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the PCC and CC Statement of Accounts 2020/21 with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Statement of Accounts 2020/21 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We are currently waiting to start work in this area. We will commence this once the NAO instructions have been released and will report any matters arising to the Joint Internal Audit Committee.

Other reporting issues

Other reporting issues

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. “a report in the public interest”). We did not identify any issues which required us to issue a report in the public interest.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the PCC and CC’s financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits (if applicable);
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations; and
- Group audits

We have nothing to comment in respect of these.



07

Assessment of Control Environment



Assessment of Control Environment

Financial controls

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed.

Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

We considered whether circumstances arising from COVID-19 resulted in a change to the overall control environment of effectiveness of internal controls, for example due to significant staff absence or limitations as a result of working remotely. We identified no issues which we wish to bring to your attention/details of issues noted.



08

Data Analytics



Data Analytics - Journal Entry Testing

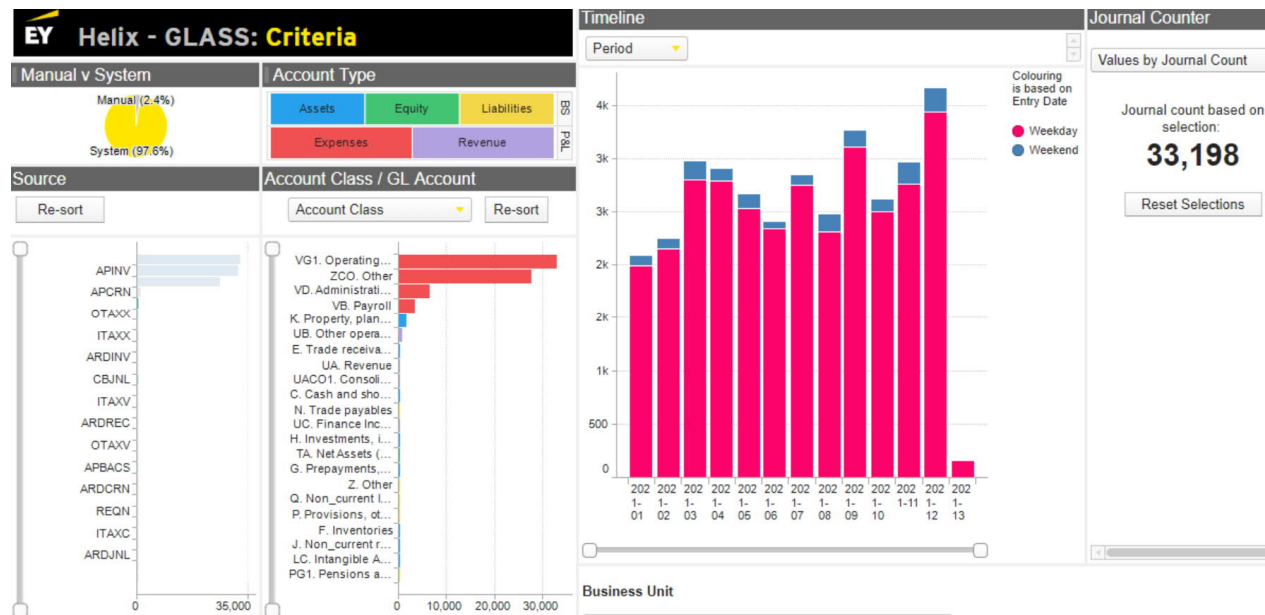
What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.

Journal entry data criteria – PCC/CC's – 31 March 2021



What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.

What are our conclusions?

We isolated a sub set of journals for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.



09

Independence

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the PCC/CC, and its members and senior management and its affiliates, including all services provided by us and our network to the PCC/CC, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2020 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

Description	Final Fee 2020/21 £	Planned Fee 2020/21 £	Final Fee 2019/20 £
Total Audit Fee – Code work	78,552	78,552	78,552
Additional Fees:			
- Additional work on land & buildings	0	TBC	8,005
- VFM additional procedures	TBC	TBC	4,007
- Going concern assessment & disclosure	3,830	2,000 – 4,000	4,886
- EY internal consultation on audit report	1,099	2,000 – 3,000	2,968
- Revised auditing standard for estimates	2,000 – 3,000	TBC	-
- Accounting for C-19 related grants	1,369	TBC	-
Non-audit work	0	0	0
Total	89,498	78,552	98,488

We set out here a summary of the fees for the year ended 31 March 2021. We confirm that we have not undertaken non-audit work outside the NAO Code. At the June 2020 JIAC meeting, the PCC/CC agreed the proposed increase of £32.9k to the scale fee set by PSAA of £46.7k, giving a Code work fee of £78.5k, which applies to both the 2019/20 and 2020/21. This additional fee did not include any further additional procedures required due to the impact of Covid-19, the new auditing standards on going concern and estimates and the changes in the Code of Audit Practice affecting VfM procedures. We will be discussing with the Chief Financial Officer and Director of Finance any additional audit fee in relation to these matters on completion of the audit. Any increase from the scale fee also requires approval from PSAA. The proposed changes to the scale fee are yet to be determined by PSAA for 19/20 and 20/21.

Other communications

EY Transparency Report 2020

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2020:

[EY UK Transparency Report 2020 | EY UK](#)



10 Appendices

 Appendix A





Audit approach update

We summarise below our approach to the audit of the balance sheet and any changes to this approach from the prior year audit.

Our audit procedures are designed to be responsive to our assessed risk of material misstatement at the relevant assertion level. Assertions relevant to the balance sheet include:




- Existence: An asset, liability and equity interest exists at a given date
- Rights and Obligations: An asset, liability and equity interest pertains to the entity at a given date
- Completeness: There are no unrecorded assets, liabilities, and equity interests, transactions or events, or undisclosed items
- Valuation: An asset, liability and equity interest is recorded at an appropriate amount and any resulting valuation or allocation adjustments are appropriately recorded
- Presentation and Disclosure: Assets, liabilities and equity interests are appropriately aggregated or disaggregated, and classified, described and disclosed in accordance with the applicable financial reporting framework. Disclosures are relevant and understandable in the context of the applicable financial reporting framework

Appendix A

Balance sheet category 	Audit Approach in current year 	Audit Approach in prior year 	Explanation for change 
Trade receivables	We substantively tested all relevant assertions with no controls testing performed in accordance with auditing standards	We substantively tested all relevant assertions with no controls testing performed in accordance with auditing standards	No change
Trade payables	We substantively tested all relevant assertions with no controls testing performed in accordance with auditing standards	We substantively tested all relevant assertions with no controls testing performed in accordance with auditing standards	No change
Tangible fixed assets	Substantively tested all relevant assertions	Substantively tested all relevant assertions, involved EY Real Estate Specialist for year end valuation	No requirement to involve EYRE in current year
Cash	Substantively tested all relevant assertions	Substantively tested all relevant assertions	No change

Appendix B

Summary of communications

Date 	Nature 	Summary 
8 March 2021	Report/Meeting	The Audit Planning Report, including confirmation of independence, was issued to the JIAC for meeting on 19 March 2021
April 2021	Planning enquiries	Planning enquiries made of management
22 April 2021	Management and TCWG letters issued	The PCC, CC and senior officers were all sent formal letters of enquiry in respect of key matters such as fraud, laws and regulations, Going Concern and litigation and claims
June 2021	Letters	Formal responses received from the PCC, CC and senior officers in respect of year end letters issued as at 31 st March 2021
18 June 2021	Meeting	Suresh Patel, the partner in charge of the engagement, accompanied by the manager of the audit team, Alison Kennett, updated JIAC on the progress of the audit.
29 June 2021	Report	External audit update VFM risk assessment
28 July 2021	Report	Draft VFM Commentary agreed with senior officers
September 2021	Report	The Audit Results Report, including confirmation of independence, was issued to the JIAC.
22 September 2021	Meeting	Andrew Brittain, the partner in charge of the engagement, accompanied by the manager of the audit team, Alison Kennett, will meet with the JIAC, the PCC and CC and senior members of the management team to discuss the Audit Results Report.

Appendix C

Required communications with the Joint Internal Audit Committee

There are certain communications that we must provide to the those charged with governance of UK entities. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the PCC and CC of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report presented at the JIAC meeting on 19 March 2021.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit planning report presented at the JIAC meeting on 19 March 2021.
Significant findings from the audit	<ul style="list-style-type: none"> Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures Significant difficulties, if any, encountered during the audit Significant matters, if any, arising from the audit that were discussed with management Written representations that we are seeking Expected modifications to the audit report Other matters if any, significant to the oversight of the financial reporting process 	Audit results report presented at the JIAC meeting on 22 September 2021.

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Need to say in this appendix when the final audit results report is issued.

Alison Kennett, 30/09/2021

Appendix C

		Our Reporting to you
Required communications	What is reported?	When and where
Public Interest Entities	<p>For the audits of financial statements of public interest entities our written communications to the audit committee include:</p> <ul style="list-style-type: none"> • A declaration of independence • The identity of each key audit partner • The use of non-member firms or external specialists and confirmation of their independence • The nature and frequency of communications • A description of the scope and timing of the audit • Which categories of the balance sheet have been tested substantively or controls based and explanations for significant changes to the prior year, including first year audits • Materiality • Any going concern issues identified • Any significant deficiencies in internal control identified and whether they have been resolved by management • Subject to compliance with regulations, any actual or suspected non-compliance with laws and regulations identified relevant to the audit committee • Subject to compliance with regulations, any suspicions that irregularities, including fraud with regard to the financial statements, may occur or have occurred, and the implications thereof • The valuation methods used and any changes to these including first year audits • The scope of consolidation and exclusion criteria if any and whether in accordance with the reporting framework • The identification of any non-EY component teams used in the group audit • The completeness of documentation and explanations received • Any significant difficulties encountered in the course of the audit • Any significant matters discussed with management • Any other matters considered significant 	<p>Audit planning report presented at the JIAC meeting on 19 March 2021.</p> <p>Audit results report presented at the JIAC meeting on 22 September 2021.</p>

Appendix C

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty related to going concern • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The appropriateness of related disclosures in the financial statements 	Audit results report presented at the JIAC meeting on 22 September 2021.
Misstatements	<ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Material misstatements corrected by management 	Audit results report presented at the JIAC meeting on 22 September 2021.
Subsequent events	<ul style="list-style-type: none"> • Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements. 	Audit results report presented at the JIAC meeting on 22 September 2021.
Fraud	<ul style="list-style-type: none"> • Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity • Any fraud that we have identified or information we have obtained that indicates that a fraud may exist • Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ol style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. • The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected • Any other matters related to fraud, relevant to PCC, CC & Management responsibility. 	Audit results report presented at the JIAC meeting on 22 September 2021.

Appendix C

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and regulations • Difficulty in identifying the party that ultimately controls the entity 	Audit results report presented at the JIAC meeting on 22 September 2021.
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> • The principal threats • Safeguards adopted and their effectiveness • An overall assessment of threats and safeguards • Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit planning report presented at the JIAC meeting on 19 March 2021.</p> <p>Audit results report presented at the JIAC meeting on 22 September 2021.</p>

Appendix C

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> Management's refusal for us to request confirmations Inability to obtain relevant and reliable audit evidence from other procedures. 	Audit results report presented at the JIAC meeting on 22 September 2021.
Consideration of laws and regulations	<ul style="list-style-type: none"> Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of. 	Audit results report presented at the JIAC meeting on 22 September 2021.
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit. 	<p>Audit planning report presented at the JIAC meeting on 19 March 2021.</p> <p>Audit results report presented at the JIAC meeting on 22 September 2021.</p>

Appendix C

		Our Reporting to you
Required communications	What is reported?	When and where
Group Audits	<ul style="list-style-type: none"> An overview of the type of work to be performed on the financial information of the components An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements. 	<p>Audit planning report presented at the JIAC meeting on 19 March 2021.</p> <p>Audit results report presented at the JIAC meeting on 22 September 2021.</p>
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	<p>Audit results report presented at the JIAC meeting on 22 September 2021.</p>
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	<p>Audit results report presented at the JIAC meeting on 22 September 2021.</p>
Auditors report	<ul style="list-style-type: none"> Key audit matters that we will include in our auditor's report Any circumstances identified that affect the form and content of our auditor's report 	<p>Audit results report presented at the JIAC meeting on 22 September 2021.</p>

Appendix D

Management representation letter – For PCC and Group*

Management Rep Letter

[To be prepared on the entity's letterhead]

[Date]

Andrew Brittain
Ernst & Young
Apex Plaza
Forbury Road
Reading
RG1 1YE

Dear Andrew,

This letter of representations is provided in connection with your audit of the consolidated and PCC financial statements of PCC("the PCC and Group") for the year ended 31 March 2021. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and PCC financial statements give a true and fair view of the PCC and Group financial position of PCC/CC as of 31 March 2021 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the PCC and Group, CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

We understand that the purpose of your audit of our consolidated and PCC financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the PCC and Group the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

2. We acknowledge, as members of management of the PCC and Group, our responsibility for the fair presentation of the consolidated and PCC financial statements. We believe the consolidated and PCC financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the PCC and Group in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and are free of material misstatements, including omissions. We have approved the consolidated and PCC financial statements.

3. The significant accounting policies adopted in the preparation of the PCC and Group financial statements are appropriately described in the PCC and Group financial statements.

*-a separate letter will be issued in relation to the CC

Appendix D

Management representation letter (continued)

Management Rep Letter

4. As members of management of the PCC and Group, we believe that the PCC and Group have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 for the PCC and that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.

5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated and PCC financial statements taken as a whole. We have not corrected these differences identified and brought to our attention by the auditor because [specify reasons for not correcting misstatement].

6. We confirm the PCC and Group does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible for determining that the PCC and Group's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

3. We have disclosed to you the results of our assessment of the risk that the consolidated and PCC financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the PCC or Group (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

- involving financial statements;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or PCC's financial statements;
- related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the PCC or Group's activities, its ability to continue to operate, or to avoid material penalties;
- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and [all material transactions, events and conditions are reflected in the consolidated and PCC financial statements, including those related to the COVID-19 pandemic.

Appendix D

Management representation letter (continued)

Management Rep Letter

3. We have made available to you all minutes of the meetings of the Group and of the PCC, and the following committees: Joint Independent Audit Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: [list date].

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the PCC and Group's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and PCC financial statements.

5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with applicable financial reporting framework.

6. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

7. We have disclosed to you, and the PCC and Group has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and PCC financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

8. From 20 November 2020 through the date of this letter we have disclosed to you any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and PCC financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent.

E. Going Concern

1. Group general accounting policies, note a. General principles, to the consolidated and parent entity financial statements discloses all the matters of which we are aware that are relevant to the PCC and Group's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. There have been no events, including events related to the COVID-19 pandemic, subsequent to year end which require adjustment of or disclosure in the consolidated and PCC financial statements or notes thereto.

Appendix D

Management representation letter (continued)

Management Rep Letter

G. Group audits

1. There are no significant restrictions on our ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.
2. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst PCC, subsidiary undertakings and associated undertakings.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Report and Annual Governance Statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

I. Reserves

1. We have properly recorded or disclosed in the consolidated and PCC financial statements the useable and unusable reserves.

J. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated and PCC financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the consolidated and PCC financial statements).

2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except for matters of routine, normal, recurring nature none of which involves any allegations of noncompliance with laws or regulations that should be considered for disclosure in the consolidated and PCC financial statements or as a basis for recording a loss contingency.

K. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the fair value of property, plant and equipment and the IAS19 actuarial valuations of pension liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and PCC financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

L. Pension Liability and PPE Estimate

1. We confirm that the significant judgments made in making the pension liability and property, plant and equipment estimates have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the pension liability and property, plant and equipment estimates.



Appendix D

Management representation letter (continued)

Management Rep Letter

3. We confirm that the significant assumptions used in making the pension liability and property, plant and equipment estimates appropriately reflect our intent and ability to carry out the specific courses of action on behalf of the entity.

4. We confirm that the disclosures made in the consolidated and parent entity financial statements with respect to the accounting estimates, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

5. We confirm that appropriate specialized skills or expertise has been applied in making the pension liability and property, plant and equipment estimates.

6. We confirm that no adjustments are required to the accounting estimates and disclosures in the consolidated and parent entity financial statements, including due to the COVID-19 pandemic.

M. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

(Chief Finance Officer)


(Police and Crime Commissioner for Thames Valley)

Appendix E

Implementation of IFRS 16 Leases

In previous reports to the Joint Independent Audit Committee, we have highlighted the issue of new accounting standards and regulatory developments. IFRS 16 introduces a number of significant changes which go beyond accounting technicalities. For example, the changes have the potential to impact on procurement processes as more information becomes available on the real cost of leases. The key accounting impact is that assets and liabilities in relation to significant lease arrangements previously accounted for as operating leases will need to be recognised on the balance sheet. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

IFRS 16 does not come into effect for the PCC and CC until 1 April 2022. However, officers should be acting now to assess the PCC and CC's leasing positions and secure the required information to ensure the PCC and CC will be fully compliant with the 2022/23 Code. The following table summarises some key areas officers should be progressing.

IFRS 16 theme	Summary of key measures	
Data collection	<p>Management should:</p> <ul style="list-style-type: none"> Put in place a robust process to identify all arrangements that convey the right to control the use of an identified asset for a period of time. The adequacy of this process should be discussed with auditors. Classify all such leases into low value; short-term; peppercorn; portfolio and individual leases Identify, collect, log and check all significant data points that affect lease accounting including: the term of the lease; reasonably certain judgements on extension or termination; dates of rent reviews; variable payments; grandfathered decisions; non-lease components; and discount rate to be applied. 	
Policy Choices	<p>The PCC and CC needs to agree on certain policy choices. In particular:</p> <ul style="list-style-type: none"> Whether to adopt a portfolio approach What low value threshold to set and agree with auditors Which asset classes, if any, are management adopting the practical expedient in relation to non-lease components What is managements policy in relation to discount rates to be used? 	
Code adaptations for the public sector	Finance teams should understand the Code adaptations for the public sector. The Code contains general adaptations, (e.g. the definition of a lease); transitional interpretations (e.g. no restatement of prior periods) and adaptations that apply post transition (e.g. use of short-term lease exemption).	
Transitional accounting arrangements	Finance teams should understand the accounting required on first implementation of IFRS 16. The main impact is on former operating leases where the authority is lessee. However, there can be implications for some finance leases where the PCC or CC is lessee; and potentially for sub-leases, where the PCC or CC is a lessor, that were operating leases under the old standard.	
Ongoing accounting arrangements	Finance teams need to develop models to be able to properly account for initial recognition and subsequent measurement of right of use assets and associated liabilities. This is more complex than the previous standard due to more regular remeasurements and possible modifications after certain trigger events.	
Remeasurements and modifications	Finance teams need to familiarise themselves with when the 'remeasurement' or 'modification' of a lease is required and what to do under each circumstance. A modification can lead to an additional lease being recognised. It is also important to know when remeasurements require a new discount rate is to be applied to the lease.	

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Thames Valley Police

Auditor's Annual Report
Year ended 31 March 2021

December 2021



Building a better
working world

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the JIAC and management of the PCC and CC in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the JIAC and management of the PCC and CC those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the JIAC and management of the PCC and CC for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

Section 1

Executive Summary



Executive Summary: Key conclusions from our 2020/21 audit

Area of work	Conclusion
Opinion on the Authority's:	
Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Police and Crime Commissioner for Thames Valley (PCC) and Group and the Chief Constable (CC) as at 31 March 2021 and of its expenditure and income for the year then ended. The financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21. We issued our auditor's report on 18 October 2021.
Going concern	We have concluded that the Chief Financial Officer and Director of Finance's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Consistency of other information published with the financial statements	Financial information published with the financial statements was consistent with the audited accounts.

Area of work	Conclusion
Reports by exception:	
Value for money (VFM)	We had no matters to report by exception on the PCC and CC's VFM arrangements. We have included our VFM commentary in Section 04.
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the PCC and CC.
Public interest report and other auditor powers	We had no reason to use our auditor powers.

Executive Summary: Key conclusions from our 2020/21 audit

As a result of the work we carried out we have also:

Outcomes	Conclusion
Issued a report to those charged with governance of the Authority communicating significant findings resulting from our audit.	We issued an Audit Results Report dated 14 October 2021 to the JIAC.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2020 Code of Audit Practice.	We have not yet issued our certificate for 2020/21 as we have not yet performed the procedures required by the National Audit Office on the Whole of Government Accounts submission. The guidance for 2020/21 is delayed and has not yet been issued.

Fees

We carried out our audit of the financial statements in line with PSAA Ltd's "Statement of Responsibilities of auditors and audited bodies" and "Terms of Appointment and further guidance (updated April 2018)". As outlined in the Audit Results Report we were required to carry out additional audit procedures to address audit risks in relation to the value for money additional procedures, the going concern assessment and disclosures, EY internal consultation on the audit report, revised auditing standard for estimates and accounting for Covid-19 related grants. As a result, we have agreed an associated additional fee with the Chief Finance Officer and Director of Finance. We include details of the final audit fees in Appendix 1.

We would like to take this opportunity to thank the PCC and CC staff for their assistance during the course of our work.

Andrew Brittain

Associate Partner
For and on behalf of Ernst & Young LLP

Section 2

Purpose and responsibilities



Purpose and responsibilities

This report summarises our audit work on the 2020/21 financial statements.

Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year. A core element of the report is the commentary on VFM arrangements, which aims to draw to the attention of the PCC, CC or the wider public relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

Responsibilities of the appointed auditor

We have undertaken our 2020/21 audit work in accordance with the Audit Plan that we issued on 8 March 2021. We have complied with the NAO's 2020 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the NAO.

As auditors we are responsible for:

Expressing an opinion on:

- The 2020/21 financial statements;
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the annual report.

Reporting by exception:

- If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the PCC and CC;
- If we identify a significant weakness in the PCC and CC's arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and
- Any significant matters that are in the public interest.

Responsibilities of the Authority

The PCC and CC is responsible for preparing and publishing its financial statements and governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Section 3

Financial Statement Audit



Financial Statement Audit

We have issued an unqualified audit opinion on the PCC and Group and CC's 2020/21 financial statements.

Key issues

The Statement of Accounts is an important tool for the PCC and CC to show how it has used public money and how it can demonstrate its financial management and financial health.

On 18 October 2021, we issued an unqualified opinion on the financial statements. We reported our detailed findings to the 22 September JIAC meeting. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan.

Significant risk	Conclusion
<p>Misstatements due to fraud or error - management override of controls</p> <p>An ever present risk that management is in a unique position to commit fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<p>We have not identified any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgements being applied or management bias. We did not identify any other transactions during our audit which appeared unusual or outside the normal course of business.</p>
<p>Inappropriate capitalisation of expenditure</p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have identified an opportunity and incentive to capitalise expenditure under the accounting framework to remove it from the general fund.</p>	<p>In our testing of capital additions we have not identified any instances where expenditure had been inappropriately capitalised.</p>

Continued over.

Financial Statement Audit (continued)

In addition to the significant risks above, we also concluded on the following areas of audit focus.

Other area of audit focus	Conclusion
<p>Valuation of land and buildings</p> <p>Land and buildings is the most significant balance in the Authority's balance sheet. The valuation of land and buildings is complex and is subject to a number of assumptions and judgements. A small movement in these assumptions can have a material impact on the financial statements.</p>	<p>We noted that in the valuers report, the next planned valuation date/year for some assets was in the past, ie. it had not been updated from when they were fully revalued in previous years. In addition, valuations were originally carried out on the basis of 20% a year. However, as some of the population has been sold, this has meant the percentage valued by the valuer each year has varied on a year by year basis.</p> <p>We would recommend the valuers report is correctly updated and the inspection schedule is recalibrated to 20% a year again. Traffic bases are not currently valued consistently. We would recommend a consistent approach is adopted for the valuation of traffic bases.</p> <p>Overall we are satisfied that the value of land and buildings is materially correct.</p>
<p>Pension Liability valuation</p> <p>The Pension Fund liability is a material balance in the Balance Sheet. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>We note that the our EY Pensions review of the Government Actuary Department (GAD) and their work on the Police Pension Fund highlighted that GAD's CPI inflation assumption is overly optimistic and the methodology used to derive the assumption is not robust and it is inconsistent with the accounting standard. Whilst this does not currently materially impact scheme liabilities, in their view, in future years it could lead to assumptions outside their acceptable range.</p> <p>Following completion of our work on both the Police Pension Fund and the Local Government Pension Scheme (LGPS), the net liability was amended by £10.088 million, as there was a material increase on the LGPS between the estimated asset values used in the initial report received from Barnett Waddingham (actuary for the LGPS) and the final asset values at 31 March 2021. As a result, the actuary provided an updated IAS19 report which resulted in a £10.088 million decrease in the pension schemes net liability.</p> <p>We undertook additional procedures in response to the revised requirements of ISA 540 and confirmed there was no material misstatement arising from those estimation procedures undertaken by the actuary.</p>

Continued over.

Financial Statement Audit (continued)

Other area of audit focus	Conclusion
<p>Going concern disclosures</p> <p>The Authority is required to carry out an assessment of its ability to continue as a going concern for the foreseeable future, being at least 12 months after the date of the approval of the financial statements. There is a risk that the Authority's financial statements do not adequately disclose the assessment made, the assumptions used and the relevant risks and challenges that have impacted the going concern period.</p>	<p>We are satisfied that management have carried out a reasonable going concern assessment and made an appropriate disclosure in the accounts.</p>
<p>Accounting for Covid-19 related grant funding</p> <p>The Authority received government funding in relation to Covid-19. Whilst there is no change in the CIPFA Code or accounting standard (IFRS 15) in respect of accounting for grant funding, the emergency nature of some of the grants received and in some cases the lack of clarity on any associated restrictions and conditions, means that the Authority will need to apply a greater degree of assessment and judgement to determine the appropriate accounting treatment in 2020/21.</p>	<p>We are satisfied that management have accounted for Covid-19 related government grants correctly for 2020/21.</p>
<p>Accounting for personal, protective equipment (PPE)</p> <p>During 2020/21, TVP has obtained significant levels of PPE from different sources including from the Home Office, DHSC and direct procurement. Although TVP has been reimbursed in full for the PPE that they have purchased on behalf of other forces, there is some uncertainty over how PPE should be accounted for in year as well as at the year end.</p>	<p>We are satisfied that management have accounting for the personal, protective equipment correctly, in accordance with the CIPFA Code of Practice.</p>

Financial Statement Audit (continued)

Audit differences

We identified a small number of misstatements in disclosures which management corrected. There were no material uncorrected misstatements.

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	We determined planning materiality to be £12.6 million for the PCC Group; £7 million for the PCC Single Entity; and £12.2 million for the CC Single Entity as 1.8% of gross revenue expenditure for the CC and 1.8% of gross assets for the PCC, reported in the accounts. We consider gross revenue expenditure for the CC and gross assets for the PCC to be the principal considerations for stakeholders in assessing the financial performance of the Authority.
Reporting threshold	We agreed with the JIAC that we would report to the Committee all audit differences in excess of £610k for the CC and £350k for the PCC.

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- ▶ Cash/bank balance: We audited all disclosures and undertook procedures to confirm material completeness
- ▶ Related party transactions. We audited all disclosures and undertook procedures to confirm material completeness.
- ▶ Remuneration disclosures including any severance payments, exit packages and termination benefits.

Section 4

Value for Money



Value for Money (VFM)

We did not identify any risks of significant weaknesses in the Authority's VFM arrangements for 2020/21.

Scope and risks

We have complied with the NAO's 2020 Code and the NAO's Auditor Guidance Note in respect of VFM. We presented our VFM risk assessment to the JIAC on 29 June 2021 which was based on a combination of our cumulative audit knowledge and experience, our review of Authority and committee reports, meetings with the Director of Finance and Chief Finance Officer and evaluation of associated documentation through our regular engagement with management and the finance team. We reported that we have identified a risks of significant weakness in the Authority's VFM arrangements in relation to:

- Financial sustainability – how the Authority plans and manages its resources to ensure it can continue to deliver its services.
- Governance - How the Authority ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency.

We had no matters to report by exception in the audit report.

Reporting

We completed our planned VFM arrangements work on 29 July 2021 and we identified a risk of a significant weakness in the PCC and CC's VFM arrangements. On review, no issues were identified and we had no matters to report by exception in the audit certificate.

Our VFM commentary highlights relevant issues for the Authority and the wider public.

VFM Commentary

In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria:

- Financial sustainability
How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance
How the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness:
How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

VFM Commentary

Introduction and context

The 2020 Code confirms that the focus of our work should be on the arrangements that the audited body is expected to have in place, based on the relevant governance framework for the type of public sector body being audited, together with any other relevant guidance or requirements. Audited bodies are required to maintain a system of internal control that secures value for money from the funds available to them whilst supporting the achievement of their policies, aims and objectives. They are required to comment on the operation of their governance framework during the reporting period, including arrangements for securing value for money from their use of resources, in a governance statement.

We have previously reported the VFM work we have undertaken during the year including our risk assessment. The commentary below aims to provide a clear narrative that explains our judgements in relation to our findings and any associated local context.

The Authority has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

For 2020/21, the significant impact that the Covid-19 pandemic has had on the Authority has shaped decisions made, how services have been delivered and financial plans have necessarily had to be reconsidered and revised.

We have reflected these national and local contexts in our VFM commentary. The VFM commentary addresses the VFM arrangements for both the Officer of the Police and Crime Commissioner (OPCC) and the Chief Constable (CC) unless there are arrangements that are specific to that entity. For the purposes of the commentary we use the term 'Authority' to represent both the Police and Crime Commissioner (PCC) and CC as entities.

Financial sustainability

For 2020/21 the Authority has had the expected arrangements in place to plan and manage its resources to ensure it can continue to deliver services

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

All financial pressures, commitments and liabilities are taken into account in the Medium-Term Financial Plan (MTFP) and annual budget. Budgeting is an incremental process which starts with the approved annual budget for the current financial year. Inflation is added to each line using appropriate pay and prices indices. Growth bids, which are necessary to meet increased demand, legal obligations or new priorities are co-ordinated by the finance department and prioritised by the Chief Constable's Management Team (CCMT) before being presented to the PCC. CCMT review the content of the proposed budget on a number of occasions before recommending the agreed MTFP to the PCC. Risks and assumptions are initially identified by the Director of Finance with scrutiny from the Chief Finance Officer, CCMT and the PCC and are clearly stated in the MTFP which is updated annually and approved by the PCC and the Police and Crime Panel.

VFM Commentary

Financial sustainability (continued)

How the body plans to bridge its funding gaps and identifies achievable savings

The Authority has a Productivity Strategy that has identified and removed over £100m of cash savings from the annual base budget since 2010/11 following the implementation of the Government's austerity agenda. The Productivity Strategy is driven by the Deputy Chief Constable (DCC) and has set a challenging, but considered achievable target to identify, through the Efficiency and Effectiveness Programme, over £13m of new cash savings over the 3 years 2022/23 to 2024/25.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Authority has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

The Annual Financial Strategy provides high level information on how services will be funded. This is a joint exercise between the Director of Finance (DOF) and the Chief Finance Officer (CFO). Typically, the CFO produces the initial draft which the DOF reviews and updates as appropriate. This brings together their joint knowledge of the Police service and various external and internal factors. The Annual Financial Strategy sets out how Thames Valley Police (the PCC and the Authority) will structure and manage its finances to support the delivery of the aims and objectives of the service, as set out in the Police and Criminal Plan, and to ensure sound financial management and good stewardship of public money. The newly elected PCC will publish his new Police and Criminal Justice Plan in June and the next iteration of the MTFP and annual budget will explain how these objectives can be funded.

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

During the drafting and preparation stage, financial plans are co-ordinated through the Chief Constable's Management Team (CCMT). When working in partnership with other forces, joint plans and budgets are developed and dovetailed into the force planning process. In January, the draft budget is presented to the PCC alongside all relevant plans and strategies.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

The MTFP and budget report includes a section on risks and uncertainties, including sensitivity analysis for key assumptions. The key assumptions are the key factors that impact on the budget e.g. pay and price rises, grant and precept increases. These are agreed at the start of the planning process based on staff knowledge acquired from their involvement in national groups and the general financial performance of the economy. The Authority also produces and publishes a separate, but linked, report on reserves, balances and provisions which reconciles with expenditure commitments in the MTFP and Medium-Term Capital Plan (MTCP).

VFM Commentary

Governance

For 2020/21 the Authority had the expected arrangements in place to ensure that it made informed decisions and properly managed its risks

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Authority has a joint internal audit team that has a comprehensive risk based annual audit plan. The Chief Internal auditor provides regular updates to the Joint Independent Audit Committee (JIAC) and his annual audit opinion is incorporated within the Annual Governance Statement (AGS). The Authority has an anti-fraud, bribery and corruption policy that is monitored by the Professional Standards Department who provide regular updates to both JIAC and the Professional and Ethical Standards Panel. The CC also has a Strategic Risk register which is reviewed by CCMT bi-monthly and the OPCC's risk register is reviewed by the PCC. Both reports are reviewed by JIAC.

How the body approaches and carries out its annual budget setting process

Budgeting is an incremental process which starts with the approved annual budget for the current financial year. Inflation is added to each line using appropriate pay and prices indices. Growth bids, which are necessary to meet increased demand, legal obligations or new priorities are co-ordinated by the Finance department and prioritised by CCMT before being presented to the PCC. CCMT review the content of the proposed budget on a number of occasions before recommending the agreed MTFP to the PCC. Cash savings are identified through the Productivity Strategy process referred to above. The PCC determines the level of council tax increase in accordance with Government guidelines. The draft budget and MTFP is presented to the PCC in November. The final budget is presented to the PCC in January, following receipt of the provisional police grant settlement. The PCC presents his budget and council tax proposals to the Police and Crime Panel in late January.

The Authority has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

VFM Commentary

Governance (continued)

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.

CCMT is provided with a monthly monitoring report which highlights emerging risks and issues. The Authority takes the action it identifies as necessary on these and takes into account the outcome of the bi-monthly performance groups. Formal budget monitoring reports are presented to the PCC at his quarterly public Level 1 meetings. These financial monitoring reports are considered alongside regular monitoring reports on the strategic delivery plan ensuring that financial and non-financial information are considered alongside each other. The OPCC works closely with the Force Finance Department to ensure that all statutory financial returns are completed and submitted on a timely basis.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee.

The PCC has published his decision-making policy. Budget monitoring reports are presented to both CCMT and the PCC's public Level 1 meetings. All agenda items and minutes are published on the PCC's website. Decisions taken at CCMT are minuted. Formal PCC decision reports (e.g. contracts and tenders) are published on the PCC's website.

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

The Professional Standards Department monitors compliance with relevant professional standards, with appropriate oversight from the Professional and ethical Standards Panel and this covers both officers and members.

The Authority has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

VFM Commentary

Improving economy, efficiency and effectiveness

For 2020/21 the Authority has had the expected arrangements in place for using information about its costs and performance to improve the way it manages and delivers services

How financial and performance information has been used to assess performance to identify areas for improvement.

As part of the Efficiency and Effectiveness review the Authority has used Home Office VFM data to identify those services whose performance appears is out of line in comparison to other forces and Most Similar Force (MSF) data. These outliers are used as an indication that there might be room for improvement and hence further investigation.

The Authority manages and monitors performance at various levels within the organisation. At the highest level CCMT reviews performance and considers recommendations for improvements. This will include the outcome of local and national HMIC reports as well as information from Performance Group and the DCC audits as well as internal reviews.

The Authority has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

How the body evaluates the services it provides to assess performance and identify areas for improvement

A Performance Group is held quarterly and is chaired by the CC. This compares performance across the force with national and the Authority's MSF data on various performance indicators. In addition, Service Improvement Reviews are carried out by the DCC, this framework covers Local Police Areas (LPAs) and Departments.

VFM Commentary

Improving economy, efficiency and effectiveness (continued)

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

The Authority delivers a number of services in collaboration with Hampshire Police (ICT, Information Management, Joint Operations) and these are overseen at operational level by the DCC Board. The DCC Board comprises the two Deputy Chief Constables in Thames Valley and Hampshire. Formal scrutiny by the PCC and CC is undertaken at the Bilateral governance board. The Bilateral governance board comprises the PCCs and CCs from Thames Valley and Hampshire with support from their respective DCCs, Chief Executives and other senior offices from both forces as required. The South East (SE) collaboration Board meets quarterly to scrutinise those services delivered at regional level (Regional Organised Crime Unit - ROCU, Counter Terrorism Policing South East - CTPSE). The SE Collaboration Board comprises the PCCs and CCs from Thames Valley, Hampshire, Surrey, Sussex, and Kent with appropriate support from other senior officers as required. Thames Valley also leads the Chiltern Transport Consortium (CTC) which provides a fleet management service for a number of regional and national police organisations. The CTC board meets twice yearly, with operational activity monitored by fleet managers and operational users. The PCC engages with local authorities to delivery his community safety priorities and works with other partners through the Local Criminal Justice Board to reduce crime and reoffending.

At all governance boards relevant heads of service (e.g. ROCU) are held to account for delivery by both the PCC and CC. Each group will receive performance data, information on risks and issues with recommendations for change improvement, appropriate to the collaboration.

The Authority has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

VFM Commentary

Improving economy, efficiency and effectiveness (continued)

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

The Commercial Governance Board, chaired by the Director of Finance and attended by the PCC CFO, reviews all upcoming contracts and tenders and approves the Procurement Launch Document which sets out the most appropriate route to market for each individual procurement. Following the receipt of tenders, contracts are approved by the Director of Finance and CFO (depending on value), with those contracts over £1m also requiring approval from the PCC. The Authority aims to embed value for money (VFM) in all procurement documents and all procurement staff are fully informed with the need to demonstrate VFM through tenders and contracts. Contract management processes are used to ensure that expected benefits are realised through service delivery. This means qualified procurement staff work closely with business leads to manage all significant contracts to ensure that they deliver the services and benefits that the Authority has procured. Each contract is risk assessed to determine the extent of contract management required for example a national contract for the purchase of stationery requires a low level of management whereas the contract for Health Care services requires a higher level.

The Authority has no agreed recommendations.

Recommendations

As a result of the VFM procedures we have carried out we have no recommendations with the Authority.

The Authority faces further challenge and change beyond 2021 which will form part of our 2021/22 VFM arrangements work.

Forward look

Looking forward to 2022 and beyond, the Authority faces further challenges as it tries to meet its service requirements whilst its funding is not certain.

Section 5

Other Reporting Issues



Other Reporting Issues

Governance Statement

We are required to consider the completeness of disclosures in the Authority's governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

Whole of Government Accounts

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts consolidation pack submission. The guidance for 2020/21 is yet to be issued. We will liaise with the Authority to complete this work as required.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Authority or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Other powers and duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Other Reporting Issues (cont'd)

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

Our audit did not identify any controls issues to bring to the attention of the JIAC.

We considered whether circumstances arising from COVID-19 resulted in a change to the overall control environment of effectiveness of internal controls, for example due to significant staff absence or limitations as a result of working remotely. We identified no issues which we wish to bring to your attention.

Appendix A

Audit Fees



Audit Fees

Our fee for 2020/21 is in line with the audit fee previously reported in our Audit Results Report.

Description	Final Fee 2020/21 £	Planned Fee 2020/21 £	Final Fee 2019/20 £
Total Audit Fee – Code work	78,552	78,552	61,146
Additional Fees:			
- Additional work on land & buildings	-	TBC	-
- VFM additional procedures	10,346	TBC	4,004
- Going concern assessment & disclosure	3,858	2,000 – 4,000	5,400
- EY internal consultation on audit report	2,364	2,000 – 3,000	
- Revised auditing standard for estimates	4,578	TBC	-
- Accounting for C-19 related grants	1,703	TBC	-
Non-audit work	-	-	-
Total	101,401	TBC	70,520

For 2020/21 the scale fee has been re-assessed to take into account a number of risk factors which includes procedures performed to address the risk profile of the PCC and CC and additional work to address increase in regulation impacting the audit environment. The additional fee for 2020/21 has been discussed with management and remains subject to approval by PSAA Ltd.

We confirm we have not undertaken any non-audit work.

EY | Assurance | Tax | Transactions | Advisory

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JOINT INDEPENDENT AUDIT COMMITTEE



Report for Decision: 17 December 2021

Title: Public Sector Audit Appointments (PSAA) Opt-in Arrangements

Executive Summary:

In September 2016 the Committee recommended to the PCC and Chief Constable that they should opt-in to the national procurement exercise being conducted by PSAA.

Following the national procurement exercise in February 2017, EY were appointed as external auditors for the PCC and Chief Constable for a five year period commencing with the audit of the 2018/19 accounts.

The Secretary of State has confirmed PSAA in the role of the appointing person for eligible principal bodies.

PSAA has written to the PCC and Chief Constable inviting them to opt-in to the national scheme for auditor appointments from April 2023.

The Audit Committee's operating principles require members to consider and make recommendations to the PCC and Chief Constable on appropriate arrangements for any future appointment of External Auditors.

Given the very challenging local audit market, the Chief Finance Officer and Director of Finance believe that the PCC and Chief Constable would be best served by opting to join the national scheme operated by PSAA.

Recommendation:

The Committee is asked to:

1. Consider the request from PSAA to join their national scheme for auditor appointments with effect from April 2023, and
2. Recommend to the PCC and Chief Constable that they opt to join the national scheme

Chairman of the Joint Independent Audit Committee

I hereby approve the recommendation above.

Signature

Date

PART 1 – NON-CONFIDENTIAL

1 Introduction and background

- 1.1 On 13 August 2010, the Government announced its intention to abolish the Audit Commission and put in place new decentralised arrangements for the audit of local of local public bodies.
- 1.2 In March 2012, the Audit Commission completed a procurement exercise to outsource the work of its in-house audit practice, covering 70% of principal audits. This exercise, and other efficiencies, allowed the Commission to make reductions of up to 40% in audit and certification fees from 2012/13, subject to annual review.
- 1.3 As a result of this procurement exercise Ernst and Young (EY) were appointed to audit the accounts of the PCC and Chief Constable of Thames Valley for a five year period from 2013/14, i.e. ending with the audit of the 2017/18 accounts.
- 1.4 The Local Audit and Accountability Bill, published in May 2013, delivered the Government's commitment to close the Audit Commission and transfer the remaining functions. The Bill put in place a new local audit and accountability framework for local public bodies in England. This replaced the centralised arrangements for the audit of local public bodies with a more localist approach, giving local bodies the freedom to appoint their own auditors from an open and competitive market; manage their own audit arrangements with appropriate safeguards to ensure auditor independence and retain the same high standards.
- 1.5 Section 17 of the Local Audit and Accountability Act 2014 (the 2014 Act) gave the Secretary of State the power to make provision, by regulations, for certain relevant authorities to have a local auditor appointed on their behalf by a body (an 'appointing person') specified by the secretary of State.
- 1.6 In July 2016, the secretary of State confirmed that Public Sector Audit Appointments (PSAA) Limited had been specified as an 'appointing person' under the provisions of the 2014 Act and the Local Audit (Appointing Person) Regulations 2015. This meant that PSAA could make auditor appointments to relevant principal local government bodies that chose to opt into the national arrangements they were developing for audit of the accounts for 2018/19.
- 1.7 PSAA is an independent, not-for-profit company limited by guarantee, established by the Local Government Association.
- 1.8 In September 2016 this Committee recommended to the PCC and Chief Constable that they should opt-in to the national procurement exercise being conducted by PSAA.
- 1.9 Procurement of services started in February 2017. The results of the process were announced on 20 June 2017, which were that 484 local bodies, or 98% of those eligible to join, opted-in to the national scheme. Only 9 local authorities did not join.

- 1.10 On 14 August 2017, PSAA wrote to the PCC and Chief Constable to consult on the appointment of EY to audit their accounts for five years from 2018/19. The current contract expires after the audit of the 2022/23 accounts.

Invitation to opt into the national scheme for auditor appointments from April 2023

- 1.11 There are two appendices to this report.

1. Letter dated 22nd September from Tony Crawley, Chief Executive, PSAA. A similar letter has been sent to the Chief Constable
2. Prospectus: a national scheme for local auditor appointments.

- 1.12 The prospectus is essential reading and includes sections on:

- Introduction
- Audit does matter
- Context: changes in the audit market
- Responding to the post-2018 pressures
- PSAA is well placed to lead the national scheme
- PSAA's commitments
- Procurement strategy
- Response to consultation feedback
- Eligible principle bodies in England

2 Issues for consideration

- 2.1 The Committee's current operating principles include the following in respect of external audit:

- Review the effectiveness of external audit
- Consider and comment upon any proposals affecting the provision of the external audit service
- Consider the level of fees charged, and
- At present TVP participates in the national procurement of external audit services through the Public Sector Audit Appointments (PSAA). However, should the PCC and Chief Constable decide that local procurement would be better the Committee would undertake the role of the Independent Audit Panel, as set out in the Local Audit and Accountability Act 2014, including considering and recommending appropriate arrangements for any future appointment of External Auditors

- 2.2 It is wholly appropriate therefore that the Committee considers and discusses the recommendation from Officers that we join the PSAA sector-led procurement.

National issues

- 2.3 The sector continues to suffer capacity issues and resultant delayed audit opinions continue to be major concern. The growing scale of the challenge is illustrated by the latest figures which show that only 9% of local government bodies had their 2020/21 audits completed by the target publishing date (i.e. 21 audits), compared to 45% for 2019/20 and 57% for 2018/19 audits.

- 2.4 The Department for Levelling Up, Housing and Communities (DLUHC) has recently established a Local Audit Liaison Committee. Membership includes PSAA, FRC, NAO, ICAEW, CIPFA and the LGA. The Committee is currently working to help identify and develop initiatives to strengthen local audit and have identified the need for range of actions to tackle the identified issues that are essential to support a more stable, more resilient and more sustainable local audit system, and all stakeholders recognise the importance of improving audit timeliness.

Local issues

- 2.5 In recent years' we have closed our accounts earlier than the statutory deadline and, because of our relatively low audit risk, have been able to schedule an early visit from external audit. However, as members will be well aware, EY has been unable to issue its audit opinion and certificate on the PCC and Chief Constable's final accounts until after it has received assurance from the auditors of the Local Government Pension Scheme, as operated by Buckinghamshire Council. This situation is likely to continue irrespective of whether we opt-in to the national arrangement with PSAA, or go it alone and seek our own tenders.

3 Financial comments

- 3.1 The PSAA combined scale fee for the PCC and Chief Constable for 2020/21 is £45,652. However, the actual fee will be significantly higher as the following extract from the EY Audit Results report shows.

	Final fee 2020/21 £
Total audit fee – code work	78,552
Additional fees:	
- VFM additional procedures	TBC
- Going concern assessment & disclosure	3,830
- EY internal consultation on audit report	1,099
- Revised audit standard for estimates	2,000 - 3,000
- Accounting for C-19 related grants	1,369
Total	89,498

- 3.2 Scale fees are therefore considered to be too low and it is assumed they will have to increase irrespective of which procurement option is selected.

4 Legal comments

- 4.1 The PCC and Chief Constable are required by statute to appoint an external auditor. PSAA is

5 Equality comments

- 5.1 There are none arising specifically from this report

6 Conclusions

- 6.1 Due to the fragile state of the local audit market, officers believe that it will be better to join the national procurement arrangement led by PSAA than trying to secure an external auditor through local tendering.

7 Background papers

Local Audit and Accountability Act 2014

Public access to information Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website within 1 working day of approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.
Is the publication of this form to be deferred? No
Is there a Part 2 form? No

Name & Role	Officer
Head of Unit This report provides information on the sector led audit procurement facilitated by PSAA	PCC Chief Finance Officer
Legal Advice In accordance with the Local Audit and Accountability Act 2014	Chief Executive
Financial Advice No specific issues arising from this report.	PCC Chief Finance Officer
Equalities and Diversity No specific issues arising from this report	Chief Executive

STATUTORY CHIEF OFFICERS' APPROVAL

We have been consulted about the report and confirm that appropriate financial and legal advice has been taken into account.

We are satisfied that this is an appropriate report to be submitted to the Joint Independent Audit Committee.

Director of Finance

Date 06 December 2021

Chief Finance Officer

Date 06 December 2021

22 September 2021

To: Mr Barber, Police and Crime Commissioner
Police and Crime Commissioner for Thames Valley

Copied to: Mr Thompson, S151 Officer
Mr Woods, Chair of Audit Committee or equivalent

Dear Mr Barber,

Invitation to opt into the national scheme for auditor appointments from April 2023

I want to ensure that you are aware the external auditor for the audit of your accounts for 2023/24 has to be appointed before the end of December 2022. That may seem a long way away but, as your organisation has a choice about how to make that appointment, your decision-making process needs to begin soon.

We are pleased that the Secretary of State has confirmed PSAA in the role of the appointing person for eligible principal bodies for the period commencing April 2023. Joining PSAA's national scheme for auditor appointments is one of the choices available to your organisation.

In June 2021 we issued a draft prospectus and invited your views and comments on our early thinking on the development of the national scheme for the next period. Feedback from the sector has been extremely helpful and has enabled us to refine our proposals which are now set out in the [scheme prospectus](#) and our [procurement strategy](#). Both documents can be downloaded from our website which also contains a range of useful information that you may find helpful.

The national scheme timetable for appointing auditors from 2023/24 means we now need to issue a formal invitation to you to opt into these arrangements. In order to meet the requirements of the relevant regulations, we also attach a form of acceptance of our invitation which you must use if your organisation decides to join the national scheme. We have specified the five consecutive financial years beginning 1 April 2023 as the compulsory appointing period for the purposes of the regulations which govern the national scheme.

Given the very challenging local audit market, we believe that eligible bodies will be best served by opting to join the scheme and have attached a short summary of why we believe that is the best solution both for individual bodies and the sector as a whole.

I would like to highlight three matters to you:

1. if you opt to join the national scheme, we need to receive your formal acceptance of this invitation by Friday 11 March 2022;

2. if you decide not to accept the invitation to opt in by the closing date, you may subsequently make a request to opt in, but only after 1 April 2023. We are required to consider such requests and agree to them unless there are reasonable grounds for their refusal. PSAA must consider a request as the appointing person in accordance with the Regulations. The Regulations allow us to recover our reasonable costs for making arrangements to appoint a local auditor in these circumstances, for example if we need to embark on a further procurement or enter into further discussions with our contracted firms; and
3. the relevant regulations require that, except for a body that is a corporation sole (e.g. a police and crime commissioner), the decision to accept our invitation and to opt in must be made by the members of the authority meeting as a whole e.g. Full Council or equivalent. We appreciate this will need to be built into your decision-making timetable. We have deliberately set a generous timescale for bodies to make opt in decisions (24 weeks compared to the statutory minimum of 8 weeks) to ensure that all eligible bodies have sufficient time to comply with this requirement.

Please note that the responsibility for the decision about appointing an auditor for the Chief Constable is reserved to the Police and Crime Commissioner (PCC) / Police, Fire and Crime Commissioner (PFCC) for a police area (under schedule 3 of the Local Audit and Accountability Act 2014), and so we envisage that the PCC/PFCC will consider the options in conjunction with the Chief Constable.

We have issued the opt-in invitation directly to Chief Constables as well as PCCs/PFCCs because the Local Audit (Appointing Person) Regulations 2015 require us to issue an invitation to “*all principal authorities which fall within the class of authorities in relation to which the person has been specified*” (Regulation 8).

Our opt-in invitation information provides Chief Constables with essential information about our appointing person arrangements in order to enable Chief Constables to engage with their PCC/PFCC on this matter.

A PCC/PFCC who decides to opt into our scheme is required to submit a notice of acceptance of the invitation which also covers the Chief Constable. If the notice does not do this we are required to make contact to confirm the position. We will then make separate auditor appointments (of the same audit firm) to the opted-in PCC/PFCC and Chief Constable.

If you have any other questions not covered by our information, do not hesitate to contact us by email at ap2@psaa.co.uk. We also publish answers to [frequently asked questions](#) on our website.

If you would like to discuss a particular issue with us, please send an email also to ap2@psaa.co.uk, and we will respond to you.

Yours sincerely

Tony Crawley, Chief Executive

Encl: Summary of the national scheme

Why accepting the national scheme opt-in invitation is the best solution

Public Sector Audit Appointments Limited (PSAA)

We are a not-for-profit, independent company limited by guarantee incorporated by the Local Government Association in August 2014.

We have the support of the LGA, which in 2014 worked to secure the option for principal local government and police bodies to appoint auditors through a dedicated sector-led national body.

We have the support of Government; MHCLG's Spring statement confirmed our appointment because of our "strong technical expertise and the proactive work they have done to help to identify improvements that can be made to the process".

We are an active member of the new Local Audit Liaison Committee, chaired by MHCLG and attended by key local audit stakeholders, enabling us to feed in body and audit perspectives to decisions about changes to the local audit framework, and the need to address timeliness through actions across the system.

We conduct research to raise awareness of local audit issues, and work with MHCLG and other stakeholders to enable changes arising from Sir Tony Redmond's review, such as more flexible fee setting and a timelier basis to set scale fees.

We have established an advisory panel, which meets three times per year. Its membership is drawn from relevant representative groups of local government and police bodies, to act as a sounding board for our scheme and to enable us to hear your views on the design and operation of the scheme.

The national scheme for appointing local auditors

In July 2016, the Secretary of State specified PSAA as an appointing person for principal local government and police bodies for audits from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. Acting in accordance with this role PSAA is responsible for appointing an auditor and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme. 98% of eligible bodies made the choice to opt-in for the five-year period commencing in April 2018.

We will appoint an auditor for all opted-in bodies for each of the five financial years beginning from 1 April 2023.

We aim for all opted-in bodies to receive an audit service of the required quality at a realistic market price and to support the drive towards a long term competitive and more sustainable market for local audit. The focus of our quality assessment will include resourcing capacity and capability including sector knowledge, and client relationship management and communication.

What the appointing person scheme from 2023 will offer

We believe that a sector-led, collaborative, national scheme stands out as the best option for all eligible bodies, offering the best value for money and assuring the independence of the auditor appointment.

The national scheme from 2023 will build on the range of benefits already available for members:

- transparent and independent auditor appointment via a third party;
- the best opportunity to secure the appointment of a qualified, registered auditor;
- appointment, if possible, of the same auditors to bodies involved in significant collaboration/joint working initiatives, if the parties believe that it will enhance efficiency;
- on-going management of any independence issues which may arise;
- access to a specialist PSAA team with significant experience of working within the context of the relevant regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees;
- a value for money offer based on minimising PSAA costs and distribution of any surpluses to scheme members - in 2019 we returned a total £3.5million to relevant bodies and more recently we announced a further distribution of £5.6m in August 2021;
- collective efficiency savings for the sector through undertaking one major procurement as opposed to a multiplicity of smaller procurements;
- avoids the necessity for local bodies to establish an auditor panel and undertake an auditor procurement, enabling time and resources to be deployed on other pressing priorities;
- updates from PSAA to Section 151 officers and Audit Committee Chairs on a range of local audit related matters to inform and support effective auditor-audited body relationships; and
- concerted efforts to work with other stakeholders to develop a more sustainable local audit market.

We are committed to keep developing our scheme, taking into account feedback from scheme members, suppliers and other stakeholders, and learning from the collective post-2018 experience. This work is ongoing, and we have taken a number of initiatives to improve the operation of the scheme for the benefit of all parties.

Importantly we have listened to your feedback to our recent consultation, and our response is reflected in [the scheme prospectus](#).

Opting in

The closing date for opting in is 11 March 2022. We have allowed more than the minimum eight-week notice period required, because the formal approval process for most eligible bodies is a decision made by the members of the authority meeting as a whole [Full Council or equivalent], except police and crime commissioners or police, fire and crime commissioners who are able to make their own decision.

We will confirm receipt of all opt-in notices. A full list of eligible bodies that opt in will be published on our website. Once we have received an opt-in notice, we will write to you to request information on any joint working arrangements relevant to your auditor appointment, and any potential independence matters which may need to be taken into consideration when appointing your auditor.

Next Steps

We expect to formally commence the procurement of audit services in early February 2022. At that time our procurement documentation will be available for opted-in bodies to view through our e-tendering platform.

Our recent webinars to support our consultation proved to be popular, and we will be running a series of webinars covering specific areas of our work and our progress to prepare for the second appointing period. Details can be found on [our website](#) and in [the scheme prospectus](#).

PROSPECTUS

The national scheme for local auditor appointments

All eligible bodies

September 2021

www.psaa.co.uk

About PSAA

Public Sector Audit Appointments Limited (PSAA) is an independent company limited by guarantee incorporated by the Local Government Association in August 2014.

In July 2016, the Secretary of State specified PSAA as an appointing person for principal local government and police bodies for audits from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. Acting in accordance with this role PSAA is responsible for appointing auditors and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme, overseeing issues of auditor independence and monitoring compliance by the auditor with the contracts we enter into with the audit firms.

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Introduction

PSAA has issued its formal invitation to all eligible bodies to opt into the national scheme for local auditor appointments for the second appointing period, which will provide external audit arrangements for the period commencing from the financial year 2023/24.

This prospectus is published to provide details of the national scheme and to assist eligible bodies in deciding whether or not to accept PSAA's invitation. The scheme has been shaped by [your feedback to the June 2021 consultation](#) on our draft prospectus. The key areas of our approach that have been refined in response to consultation feedback are set out later in this prospectus.

In relation to appointing auditors, eligible bodies have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.

A decision to become an opted-in authority must be taken in accordance with the Regulations, that is by the members of an authority meeting as a whole, i.e. in Full Council, except where the authority is a corporation sole, such as a police and crime commissioner, in which case this decision must be taken by the holder of that office.

An eligible body that has decided to join the scheme must inform PSAA by returning the Form of Acceptance Notice (issued with the opt-in invitation) **no later than midnight on Friday 11 March 2022**.

An eligible body that does not accept the opt-in invitation but subsequently wishes to join the scheme may apply to opt in only after the appointing period has commenced, that is on or after 1 April 2023. In accordance with the regulations, as the appointing person, PSAA must: consider a request to join its scheme; agree to the request unless it has reasonable grounds for refusing it; and notify the eligible body within four weeks of its decision with an explanation if the request is refused. Where the request is accepted, PSAA may recover its reasonable costs for making arrangements to appoint a local auditor from the opted-in body.

Audit does matter

The purpose of audit is to provide an independent opinion on the truth and fairness of the financial statements, whether they have been properly prepared and to report on certain other requirements. In relation to local audit the auditor has a number of distinctive duties including assessing the arrangements in place to deliver value for money, and dealing with electors' objections and issuing public interest reports.

Good quality independent audit is one of the cornerstones of public accountability. It gives assurance that taxpayers' money has been well managed and properly expended. It helps to inspire trust and confidence in the organisations and people responsible for managing public money.

“The LGA set up PSAA to provide a way for councils to meet the legislative requirements of audit procurement without unnecessary bureaucracy and to provide leverage for councils by collaborating in a difficult market. It is now more important than ever that councils work together to ensure we get what we need from the audit market.”

James Jamieson. Chairman of the Local Government Association

Context: changes in the audit market

In 2014 when the Local Audit and Accountability Act received Royal Assent the audit market was relatively stable. In 2017 PSAA benefitted from that continuing stability. Our initial procurement on behalf of more than 480 bodies (98% of those eligible to join the national scheme) was very successful, attracting very competitive bids from firms. As a result, we were able to enter into long term contracts with five experienced and respected firms and to make auditor appointments to all bodies. However, although we did not know it at the time, this was the calm before the storm.

2018 proved to be a very significant turning point for the audit industry. A series of financial crises and failures in the private sector gave rise to questioning about the role of auditors and the focus and value of their work. In rapid succession the Government commissioned four independent reviews, all of which have subsequently reported:

- Sir John Kingman's review of the Financial Reporting Council (FRC), the audit regulator;
- the Competition and Markets Authority review of the audit market;
- Sir Donald Brydon's review of the quality and effectiveness of audit; and
- Sir Tony Redmond's review of local authority financial reporting and external audit.

In total the four reviews set out more than 170 recommendations which are now at various stages of consideration by Government with the clear implication that a series of significant reforms could follow. Indeed, in some cases where new legislation is not required, significant change is already underway. A particular case in point concerns the FRC, where the Kingman Review has inspired an urgent drive to deliver rapid, measurable improvements in audit quality. This has already created a major pressure for firms and an imperative to ensure full compliance with regulatory requirements and expectations in every audit they undertake.

By the time firms were conducting 2018/19 local audits, the measures which they were putting in place were clearly visible in response to a more focused regulator that was determined to achieve change. In order to deliver the necessary improvements in audit quality, firms were requiring their audit teams to undertake additional work to gain higher levels of assurance. However, additional work requires more time, posing a threat to firms' ability to complete all of their audits by the target date for publication of audited accounts (then 31 July) - a threat accentuated by growing recruitment and retention challenges, the complexity of local government financial statements, and increasing levels of technical challenges as bodies explored innovative ways of developing new or enhanced income streams to help fund services for local people.

This risk to the delivery of timely audit opinions first emerged in April 2019 when one of PSAA's contracted firms flagged the possible delayed completion of approximately 20 audits. Less than four months later, all firms were reporting similar difficulties, resulting in more than 200 delayed audit opinions.

2019/20 audits have presented even greater challenges. With Covid-19 in the mix both finance and audit teams have found themselves in uncharted waters. Even with the benefit of an extended timetable targeting publication of audited accounts by 30 November, more than 260 opinions remained outstanding. The timeliness problem is extremely troubling. It creates disruption and reputational damage for affected parties. There are no easy solutions, and so it is vital that co-ordinated action is taken across the system by all involved in the accounts and audit process to address the current position and achieve sustainable improvement without compromising audit quality. PSAA is fully committed to do all it can to contribute to achieving that goal.

Delayed opinions are not the only consequence of the regulatory drive to improve audit quality. Additional audit work must also be paid for. As a result, many more fee variation claims have been received than in prior years and audit costs have increased.

None of these problems are unique to local government audit. Similar challenges have played out throughout other sectors where, for example, increased fees and disappointing responses to tender invitations have been experienced during the past two years.

All of this paints a picture of an audit industry under enormous pressure, and of a local audit system which is experiencing its share of the strain and instability as impacts cascade down to the frontline of individual audits. We highlight some of the initiatives which we have taken to try to manage through this troubled post-2018 audit era in this prospectus.

We look forward to the challenge of getting beyond managing serial problems within a fragile system and working with other local audit stakeholders to help design and implement a system which is more stable, more resilient, and more sustainable.

Responding to the post-2018 pressures

MHCLG's¹ Spring statement proposes changes to the current arrangements. At the time of writing, a formal consultation on the proposals in the Spring statement is underway and is due to close on 22 September 2021. The significant work to reform audit in the wake of the four independent reviews is underway. Further wide-ranging change is almost certain to occur during the next few years, and is very likely to have an impact during the appointing period that will commence in April 2023. Organisations attempting to procure audit services of an appropriate quality during this period are likely to experience markedly greater challenges than pre-2018.

Local government audit will not be immune from these difficulties. However, we do believe that PSAA's national scheme will be the best option to enable local bodies to secure audit services in a very challenging market. Firms are more likely to make positive decisions to bid for larger, long term contracts, offering secure income streams, than they are to invest in bidding for a multitude of individual opportunities.

We believe that the national scheme already offers a range of benefits for its members:

- transparent and independent auditor appointment via a third party;
- the best opportunity to secure the appointment of a qualified, registered auditor;
- appointment, if possible, of the same auditors to bodies involved in significant collaboration/joint working initiatives, if the parties believe that it will enhance efficiency and value for money;
- on-going management of any independence issues which may arise;
- access to a dedicated team with significant experience of working within the context of the relevant regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees;
- a value for money offer based on minimising PSAA costs and distribution of any surpluses to scheme members;
- collective savings for the sector through undertaking one major procurement as opposed to a multiplicity of smaller procurements;
- a sector-led collaborative scheme supported by an established advisory panel of sector representatives to help inform the design and operation of the scheme;

¹ Immediately prior to the publication of this document it was announced that MHCLG has been renamed to Department for Levelling Up, Housing and Communities (DLUHC). The document refers to the department as MHCLG.

- avoiding the necessity for local bodies to establish an auditor panel and undertake an auditor procurement, enabling time and resources to be deployed on other pressing priorities;
- providing regular updates to Section 151 officers on a range of local audit related matters and our work, to inform and support effective auditor-audited body relationships; and
- concerted efforts to develop a more sustainable local audit market.

The national scheme from 2023/24 will build on the current scheme having listened to the feedback from scheme members, suppliers and other stakeholders and learning from the collective post-2018 experience.

Since 2018 we have taken a number of initiatives to improve the operation of the scheme for the benefit of all parties including:

- commissioning an independent review undertaken by Cardiff Business School of the design of the scheme and implementation of our appointing person role to help shape our thinking about future arrangements;
- commissioning an independent review by consultancy firm Touchstone Renard of the sustainability of the local government audit market, which identified a number of distinctive challenges in the current local audit market. We published the report to inform debate and support ongoing work to strengthen the system and help to deliver long term sustainability;
- proactively and constructively engaging with the various independent reviews, including the significant Redmond Review into Local Authority Financial Reporting and External Audit;
- working with MHCLG to identify ways to address concerns about fees by developing a new approach to fee variations which would seek wherever possible to determine additional fees at a national level where changes in audit work apply to all or most opted-in bodies;
- establishing the Local Audit Quality Forum, which has to date held five well attended events on relevant topics, to strengthen engagement with Audit Committee Chairs and Chief Finance Officers;
- using our advisory panel and attending meetings of the various Treasurers' Societies and S151 officer meetings to share updates on our work, discuss audit-related developments, and listen to feedback;
- maintaining contact with those registered audit firms that are not currently contracted with us, to build relationships and understand their thinking on working within the local audit market;
- undertaking research to enable a better understanding of the outcomes of electors' objections and statements of reasons issued since our establishment in April 2015; and
- sharing our experiences with and learning from other organisations that commission local audit services such as Audit Scotland, the NAO, and Crown Commercial Services.

As a member of the newly formed Local Audit Liaison Committee (established by MHCLG as outlined in its Spring statement), we are working closely with a range of local audit stakeholders including MHCLG, FRC, NAO, ICAEW, CIPFA and the LGA to help identify and develop further initiatives to strengthen local audit. In many cases desirable improvements are not within PSAA's sole gift and, accordingly, it is essential that this work is undertaken collaboratively with a common aim to ensure that local bodies continue to be served by an audit market which is able to meet the sector's needs and which is attractive to a range of well-equipped suppliers.

One of PSAA's most important obligations is to make an appropriate auditor appointment to each and every opted-in body. Prior to making appointments for the second appointing period, commencing on 1 April 2023, we plan to undertake a major procurement enabling suppliers to enter into new long term contracts with PSAA.

In the event that the procurement fails to attract sufficient capacity to enable auditor appointments to every opted-in body or realistic market prices, we have fallback options to extend one or more existing contracts for 2023/24 and also 2024/25.

We are very conscious of the value represented by these contract extension options, particularly given the current challenging market conditions. However, rather than simply extending existing contracts for two years (with significant uncertainty attaching to the likely success of a further procurement to take effect from 1 April 2025), we believe that it is preferable, if possible, to enter into new long term contracts with suppliers at realistic market prices to coincide with the commencement of the next appointing period.

MHCLG has recently undertaken a consultation proposing amendments to the Appointing Person Regulations. We have set the length of the next compulsory appointing period to cover the audits of the five consecutive financial years commencing 1 April 2023.

PSAA is well placed to lead the national scheme

As outlined earlier, the past few years have posed unprecedented challenges for the UK audit market. Alongside other stakeholders PSAA has learned a great deal as we have tried to address the difficulties and problems arising and mitigate risks. It has been a steep learning curve but nevertheless one which places us in a strong position to continue to lead the national scheme going forward. MHCLG's Spring statement confirmed Government's confidence in us to continue as appointing person, citing our strong technical expertise and the proactive work we have done to help to identify improvements that can be made to the process.

The company is staffed by a team with significant experience of working within the context of the regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees. All of these roles are undertaken with a detailed, ongoing, and up-to-date understanding of the distinctive context and challenges facing

both the sector and a highly regulated service and profession which is subject to dynamic pressures for change. Where appropriate we have worked with MHCLG to change our regulations where they are preventing efficiency.

We believe that the national collective, sector-led scheme stands out as the best option for all eligible bodies - especially in the current challenging market conditions. It offers excellent value for money and assures the independence of the auditor appointment.

Membership of the scheme will save time and resources for local bodies - time and resources which can be deployed to address other pressing priorities. Bodies can avoid the necessity to establish an auditor panel (required by the Local Audit & Accountability Act, 2014) and the need to manage their own auditor procurement. Assuming a high level of participation, the scheme can make a significant contribution to supporting market sustainability and encouraging realistic prices in a challenging market.

The scope of a local audit is fixed. It is determined by the Code of Audit Practice (currently published by the NAO²), the format of the financial statements (specified by CIPFA/LASAAC) and the application of auditing standards regulated by the FRC. These factors apply to all local audits irrespective of whether an eligible body decides to opt into PSAA's national scheme or chooses to make its own separate arrangements.

The scope of public audit is wider than for private sector organisations. For example, for 2020/21 onwards it involves providing a new commentary on the body's arrangements for securing value for money, as well as dealing with electors' enquiries and objections, and in some circumstances issuing public interest reports.

Auditors must be independent of the bodies they audit to enable them to carry out their work with objectivity and credibility, and to do so in a way that commands public confidence. We will continue to make every effort to ensure that auditors meet the relevant independence criteria at the point at which they are appointed, and to address any identified threats to independence which arise from time to time. We will also monitor any significant proposals for auditors to carry out consultancy or other non-audit work with the aim of ensuring that these do not undermine independence and public confidence.

The scheme will also endeavour to appoint the same auditor to bodies involved in formal collaboration/joint working initiatives, if the parties consider that a common auditor will enhance efficiency and value for money.

² MHCLG's Spring statement proposes that overarching responsibility for the Code will in due course transfer to the system leader, namely ARGA, the new regulator being established to replace the FRC.

PSAA's commitments

PSAA will contract with appropriately qualified suppliers

In accordance with the 2014 Act, audit firms must be registered with one of the chartered accountancy institutes - currently the Institute of Chartered Accountants in England and Wales (ICAEW) - acting in the capacity of a Recognised Supervisory Body (RSB). The quality of their work will then be subject to inspection by either or potentially both the RSB and the FRC. Currently there are fewer than ten firms registered to carry out local audit work.

We will take a close interest in the results of RSB and FRC inspections and the subsequent plans that firms develop to address any areas in which inspectors highlight the need for improvement. We will also focus on the rigour and effectiveness of firms' own internal quality assurance arrangements, recognising that these represent some of the earliest and most important safety nets for identifying and remedying any problems arising. To help inform our scrutiny of both external inspections and internal quality assurance processes, we will invite regular feedback from both audit committee chairs and chief finance officers of audited bodies.

PSAA will support market sustainability

We are very conscious that our next procurement will take place at a very difficult time given all of the fragility and uncertainties within the external audit market.

Throughout our work we will be alert to new and relevant developments that may emerge from the Government's response to the Kingman, CMA and Brydon Reviews, as well as its response to the issues relating specifically to local audit highlighted by the Redmond Review. We will adjust or tailor our approach as necessary to maximise the achievement of our procurement objectives.

A top priority must be to encourage market sustainability. Firms will be able to bid for a variety of differently sized contracts so that they can match their available resources and risk appetite to the contract for which they bid. They will be required to meet appropriate quality standards and to reflect realistic market prices in their tenders, informed by the scale fees and the supporting information provided about each audit. Where regulatory changes are in train which affect the amount of audit work which suppliers must undertake, firms will be informed as to which developments should be priced into their bids. Other regulatory changes will be addressed through the fee variation process, where appropriate in the form of national variations.

PSAA will offer value for money

Audit fees must ultimately be met by individual audited bodies. The prices submitted by bidders through the procurement will be the key determinant of the value of audit fees paid by opted-in bodies.

We believe that the most likely way to secure competitive arrangements in a suppliers' market is to work collectively together as a sector.

We will seek to encourage realistic fee levels and to benefit from the economies of scale associated with procuring on behalf of a significant number of bodies. We will also continue to seek to minimise our own costs (which represent approximately 4% of overall scheme costs). We are a not-for-profit company and any surplus funds will be returned to scheme members. For example, in 2019 we returned a total £3.5million to relevant bodies and, more recently, we announced a further distribution of £5.6m in August 2021.

We will continue to pool scheme costs and charge fees to opted-in bodies in accordance with our published fee scale as amended from time to time following consultations with scheme members and other interested parties. Pooling is a key tenet of the national collective scheme.

Additional fees (fee variations) are part of the statutory framework. They only occur if auditors are required to do substantially more work than anticipated, for example, if local circumstances or the Code of Audit Practice change or the regulator (the FRC) increases its requirement on auditors.

Audit developments since 2018 have focused considerable attention on audit fees. The drive to improve audit quality has created significant fee pressures as auditors have needed to extend their work to ensure compliance with increased regulatory requirements. Changes in audit scope and technical standards, such as the requirement in the new Code of Audit Practice 2020 for the auditor to provide a VFM arrangements commentary, have also had an impact. Fees are rising in response to the volume of additional audit work now required.

The outcome is awaited of MHCLG's recent consultation on changes to the regulations, designed to provide the appointing person with greater flexibility to allow a fee scale to be set during the audit year (rather than before it starts). If implemented, these changes will enable approved recurring fee variations to be baked into the scale fee at an earlier date so the scale fees are more accurate and the volume of fee variations is reduced.

It is important to emphasise that by opting into the national scheme you have the reassurance that we review and robustly assess each fee variation proposal in line with statutory requirements. We draw on our technical knowledge and extensive experience in order to assess each submission, comparing with similar submissions in respect of other bodies/auditors before reaching a decision.

Procurement Strategy

Our [procurement strategy](#) sets out the detail and scope of the procurement to deliver contracts from which the auditor appointments will be made for eligible bodies that decide to accept the invitation to opt into PSAA's scheme.

Our primary aim is to secure the delivery of an audit service of the required quality for every opted-in body at a realistic market price and to support the drive towards a long term competitive and more sustainable market for local public audit services.

We expect to initiate a new procurement for audit services in February 2022 and, subject to a satisfactory outcome, to award contracts in August 2022. Subject to consultations with opted-in bodies and audit firms, we plan to make auditor appointments by 31 December 2022 (as required by the regulations).

Response to consultation feedback

PSAA consulted with eligible bodies and other stakeholders on our draft prospectus for the national scheme for local auditor arrangements from April 2023, and with the audit services market on important features of its procurement strategy. The insight provided from both these important consultations has helped to shape the arrangements that PSAA will implement from 2023/24. Key areas are highlighted below.

Evolution of the Local Audit Framework

The consultation responses highlight the need for system-wide change. In many areas it is not within PSAA's remit to effect the significant change required.

The newly formed Local Audit Liaison Committee (as outlined in MHCLG's Spring statement), has enabled PSAA to highlight the need for a range of actions to tackle the identified issues that are essential to support a more stable, more resilient, and more sustainable local audit system. Sometimes the actions can be taken by individual organisations, but more frequently responsibility lies collectively across the system. The Liaison Committee and its members are now taking actions forward, including:

- All stakeholders to communicate the importance of audit timeliness as a consistent message to audit firms;
- PSAA to work with the FRC to develop the approach to quality evaluation of tenders;
- MHCLG and other stakeholders to understand the extent of potential increased audit costs for all eligible bodies and to consider how these might be met;
- All stakeholders to consider ways in which to attract new entrants (firms and Key Audit Partners) into the market;
- Central government departments to provide clarity on the direction of local audit policy to inform firms' consideration ahead of next procurement;
- The NAO and FRC to work together to consider how they can provide clarity about the future direction of the Code of Audit Practice to firms ahead of the next procurement; and
- MHCLG, CIPFA and the LGA to consider how to support finance departments with accounting and audit requirements.

In the vast majority of the areas consulted on which were within PSAA's remit, responses were supportive of our proposals for the national scheme from 2023/24 which is very encouraging. Areas where we have revisited and evolved our approach are highlighted below.

Minimum Audit Fees

Audit fees are rising in all sectors in response to increased regulatory requirements for audit quality and changes in audit scope and technical standards. Striving to ensure realistic fee levels is a vital prerequisite to achieving a more sustainable and stable local audit market.

Where individual audits currently attract scale fees that do not cover the basic costs of the audit work needed for a Code-compliant audit, we propose to implement a minimum fee level at the start of the next appointing period, for the audit of the 2023/24 accounts. Our independent research indicates a minimum fee level of £31,000 should apply, based on the 2020/21 scope of audit work, to any opted-in body (a police and crime commissioner and a chief constable constitute one body for this purpose).

We cannot anticipate scale fees for the next appointing period at this stage, because they will depend on the prices achieved in the procurement and any changes in audit requirements. Where any price increase means that the scale fee for a body does not reach the floor set by the minimum fee, the fee for that body would increase to reach the minimum level. It is likely, given current expectations, that the introduction of a minimum fee specifically would lead to an increase in fees for a relatively small number of local bodies. PSAA consults each year on the fee scale and will consult in 2023 on the 2023/24 fee scale.

Introducing a minimum fee is a one-off exercise designed to improve the accuracy of the fee scale for the next appointing period. Fee variations would continue to apply where the local circumstances of an audited body require additional audit work that was not expected at the time the fee scale was set.

Standardised fee variations

Current local audit regulations allow PSAA to approve fee variation requests only at individual bodies, for additional audit requirements that become apparent during the course of an audit year. MHCLG has announced the intention to amend the regulations, following a consultation, to provide more flexibility. This would include the ability for PSAA to approve standardised fee variations to apply to all or groupings of bodies where it may be possible to determine additional fees for some new requirements nationally rather than for each opted-in body individually. Where it is possible to do this, it would have the effect of reducing the need for local fee variations.

Approach to social value in the evaluation of tenders

We plan to retain our original proposal of a 5% weighting but to broaden the criteria by asking bidders to describe the additional social value they will deliver from the contract, which could include the creation of audit apprenticeships and meaningful training opportunities. Bidders will also be asked to describe how their delivery of social value will be measured and evidenced.

Contract Management

The quality of the audit services received by opted-in bodies is very important to both the bodies themselves and to PSAA. Our intention is therefore to focus a significant majority of the quality assessment of tender submissions on resourcing, capacity and capability (including sector knowledge) and on client relationship management and communication. Correspondingly, we intend to apply a lesser weighting to those criteria that are regularly assessed by the regulator. We will seek the views of the regulator in developing the detail of our approach.

We will also review the contract terms used in 2017 ahead of the next procurement of audit services. In particular we will consider the potential to introduce enhanced performance management arrangements aligned to the greater emphasis on quality within the tender evaluation process. Any such revision must ensure continued compliance with the FRC's Ethical Standard which prevents audit fees from being *"calculated on a predetermined basis relating to the outcome or result of a transaction, or other event, or the result of the work performed"*.

Information and Communication

Following the success of the webinars held to support the recent consultation, PSAA will be running a series of webinars starting in October 2021. The webinars will provide eligible bodies with the opportunity to hear and ask questions about specific areas of scheme arrangements and PSAA's work, and our progress to prepare for the second appointing period. Details of the [webinar series](#) can be found on our website.

Eligible Principal Bodies in England

The following bodies are eligible to join the proposed national scheme for appointment of auditors to local bodies:

- county councils
- metropolitan borough councils
- London borough councils
- unitary councils
- combined authorities
- passenger transport executives
- police and crime commissioners for a police area
- chief constables for an area
- national park authorities for a national park
- conservation boards
- fire and rescue authorities
- waste authorities
- the Greater London Authority and its functional bodies
- any smaller bodies whose expenditure in any year exceeds £6.5m (e.g. Internal Drainage Boards) or who have chosen to be a full audit authority (Regulation 8 of Local Audit (Smaller Authorities) Regulations 2015).

Board Members

Steve Freer (Chairman)

Keith House

Caroline Gardner CBE

Marta Phillips OBE

Stephen Sellers

PSAA Board members bring a wealth of executive and non-executive experience to the company. Areas of particularly relevant expertise include public governance, management and leadership; local government and contract law; and public audit and financial management.

Further information about PSAA's Board can be found at
<https://www.psaa.co.uk/about-us/who-we-are/board-members/>

Senior Executive Team

Tony Crawley, Chief Executive

Sandy Parbhoo, Chief Finance Officer

Andrew Chappell, Senior Quality Manager

Julie Schofield, Senior Manager Business & Procurement

Within the PSAA senior executive team there is extensive and detailed knowledge and experience of public audit, developed through long standing careers either as auditors or in senior finance and business management roles in relevant organisations.

Further information about PSAA's senior team can be found at
<https://www.psaa.co.uk/about-us/who-we-are/executive-team/>

Annex - Procurement Options

Our Preferred Option

A 5 year contract with the fallback of the right to extend one or more of the current contracts if there are insufficient or unaffordable bids.

Other Options Considered and Rejected

Option 1

Extending the existing contracts for 2 years and deferring the procurement. We want to secure 5 year contracts if we can because we believe this option is more attractive to the market.

Option 2

A 5 year contract with a commitment not to extend the existing contracts. We need the back stop of the right to extend the existing contracts if there are insufficient bids to allow us to make auditor appointments to all opted in bodies or if any of the bids received propose unacceptable prices.

Option 3

A 5 year contract with pre-determined prices for years 1 and 2 thereby avoiding the need for firms to price in the value of the right to extend the existing contracts. We believe such an arrangement will be unattractive to the market. Firms should be able to offer their own prices for years 1 and 2.



JOINT INDEPENDENT AUDIT COMMITTEE



REPORT FOR DECISION: 17th December 2021

Title: Draft Treasury Management Strategy Statement 2022/23

Executive Summary:

This report presents the draft 2022/23 Treasury Management Strategy Statement for consideration and endorsement before it is presented to the PCC for approval at his Performance and Accountability meeting on 19th January 2022.

The draft Strategy Statement includes the proposed borrowing and investment strategies and also sets out the prudential indicators and treasury management activity limits for the period 2022/23 to 2024/25 that provide the Office of the Police and Crime Commissioner's (OPCC) treasury service with an operational performance and control framework within which the relevant functions are undertaken.

The overall strategy is very similar to that adopted by the PCC in the current 2021/22 financial year.

Recommendation:

The Committee is asked to consider the draft Treasury Management Strategy Statement for 2022/23 and then recommend it to the PCC for approval at his Performance and Accountability meeting on 19th January 2022.

Chairman of the Joint Independent Audit Committee

I hereby approve the recommendation above.

Signature

Date

PART 1 – NON-CONFIDENTIAL

1 Introduction and background

- 1.1 The PCC is required to operate a balanced budget which broadly means that cash income raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the PCC's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management service is the funding of the PCC's capital investment plans. These capital plans provide a guide to the PCC's borrowing need, especially the longer term cash flow planning to ensure that the PCC can meet his capital spending obligations.

2 Issues for consideration

- 2.1 The attached Treasury Management Strategy Statement and supporting documents will enable the PCC to fulfil and discharge the following primary legislative requirements to receive and adopt:
 - a) An over-arching annual **Treasury Management Strategy Statement** which sets out how the treasury service will support the PCC's capital investment decisions, the day to day treasury management and the limitations on activity through treasury prudential indicators.
 - b) A **Borrowing Strategy** which sets out the operational limits to borrowing activity, including the statutory Affordable Borrowing Limit, or '**Authorised Limit**'.
 - c) An **Investment Strategy** which sets out the PCC's criteria for choosing investment counterparties and limiting exposure to the risk of loss.
 - d) A **Minimum Revenue Provision (MRP) Policy Statement** which sets out how the PCC will pay for capital assets through revenue each year.
 - e) Treasury management **Prudential Indicators and Activity Limits**, setting out the operational performance parameters applicable to the PCC's capital finance and treasury management activities.
- 2.2 The above policies and parameters will also provide an approved framework within which officers will undertake and account for the PCC's day-to-day capital and treasury activities.
- 2.3 The Committee needs to be satisfied that the draft Strategy is relevant and appropriate and, following approval in January 2022, will enable the PCC to discharge his statutory obligations in this key policy and financial management area.

3 Financial comments

- 3.1 The attached Treasury Management Strategy Statement is fully consistent with the draft revenue budget for 2022/23, the draft medium term financial plan (2022/23 to 2025/26) and the draft medium term capital plan as presented to the Performance and Accountability meeting on 26th November 2021. Any changes to the draft revenue budget or capital programme will inevitably mean changes to the capital, prudential and treasury management indicators before they are presented to the PCC for formal approval on 19th January 2022.
- 3.2 The individual capital prudential indicators and the treasury management activity limits are clearly set out in the Statement, as is the annual borrowing and investment strategy.

4 Legal comments

- 4.1 The PCC is required to approve an annual treasury management and investment strategy. Quarterly monitoring reports will be provided directly to the PCC.

5 Equality comments

- 5.1 No specific implications arising from this report

6 Background papers

[Link Treasury Services draft Treasury Management Strategy Statement](#)

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website within 1 working day of approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this form to be deferred? No

Is there a Part 2 form? No

Name & Role	Officer
Head of Unit This document is consistent with the draft annual revenue budget and draft capital programme. It also meets all the legal requirements set out below	PCC Chief Finance Officer
Legal Advice This document complies fully with the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG Minimum Revenue Provision guidance, the CIPFA Treasury Management Code of Practice and CLG Investment Guidance.	Chief Executive
Financial Advice The draft Treasury Management Strategy Statement is fully consistent with the draft revenue budget and draft capital programme. Quarterly monitoring reports will be prepared and presented to the PCC	PCC Chief Finance Officer
Equalities & Diversity No specific implications arising from this report	Chief Executive

PCC's STATUTORY OFFICERS' APPROVAL

We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

We are satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Chief Executive

Date 6 December 2021

Chief Finance Officer

Date 6 December 2021



Treasury Management Strategy Statement 2022/23

incorporating the Minimum Revenue Provision Policy
Statement and Annual Investment Strategy 2022/23

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1 INTRODUCTION

1.1 Background

The Police and Crime Commissioner (PCC) is required to operate a balanced budget, which broadly means that cash income raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the PCC's low risk policy and appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the PCC's capital plans. These capital plans provide a guide to the PCC's borrowing need, essentially the longer term cash flow planning to ensure that the PCC can meet his capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet the PCC's risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.2 Reporting requirements

1.2.1 Capital strategy

The 2017 version of the CIPFA Prudential and Treasury Management Codes requires all local authorities, including local policing bodies, to prepare a capital strategy report before the start of the financial year, to provide:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that the PCC fully understands the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually

driven by expenditure on an asset. The capital strategy for 2022/23 will be presented to the PCC at his Performance and Accountability meeting on 19 January 2022.

1.2.2 Treasury Management reporting

The PCC is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A mid-year treasury management report – This will update the PCC with progress on the capital position, amending prudential indicators as necessary, and will indicate whether the treasury operation is meeting the strategy or whether any policies require revision. In addition, the PCC will receive quarterly update reports in July and January.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the PCC. As and when appropriate this role will be undertaken by the Joint Independent Audit Committee.

1.3 Treasury Management Strategy for 2022/23

The strategy for 2022/23 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) strategy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the PCC;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members (*sic*) with responsibility for treasury management receive adequate training in treasury management. This especially applies to members (*sic*) responsible for scrutiny.

Appropriate training will be provided to the PCC and members of the Joint Independent Audit Committee.

The training needs of treasury management staff are reviewed periodically.

1.5 Treasury management consultants

The Office of the PCC uses Link Treasury Services as its external treasury management advisors.

The PCC recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

The PCC also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The PCC will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2 THE CAPITAL PRUDENTIAL INDICATORS 2020/21 – 2024/25

The PCC's capital expenditure plans are the key driver of treasury management activity. The output from the capital expenditure plans are reflected in prudential indicators.

2.1 Capital expenditure and financing

The PCC is asked to approve the summary capital expenditure and financing projections. Any shortfall in resources results in a funding borrowing need. This forms the first prudential indicator.

Table 1	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual £m	Revised Estimate £m	Estimate £m	Estimate £m	Estimate £m
Capital Expenditure	20.333	34.441	21.118	17.460	29.722
Financed by:					
Capital receipts	0.654	4.363	5.123	17.051	2.029
Capital grants	4.451	7.173	2.670	0.000	1.442
Revenue contributions	6.301	13.468	12.953	0.000	25.906
3 rd party contributions	0.248	0.600	0.372	0.409	0.345
Borrowing	0.828	0.000	0.000	0.000	0.000
Capital Reserves	0.000	0.000	0.000	0.000	0.000
Improvement & Performance Reserve	2.339	0.680	0.000	0.000	0.000
Police Uplift Programme Reserve	0.000	2.235	0.000	0.000	0.000
Optimism Bias Reserve	5.512	0.000	0.000	0.000	0.000
Cashflow – timing issues	0.000	0.000	0.000	0.000	0.000
Net financing need for the year	0.000	5.922	0.000	0.000	0.000

2.2 The PCC's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the PCC's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the PCC's underlying borrowing need. Any capital expenditure included in the table above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life.

The CFR includes other long-term liabilities such as PFI schemes and finance leases. Whilst these increase the CFR, and therefore the borrowing requirement, these types of scheme include a borrowing facility and so the PCC is not required to borrow separately for these schemes. The PCC currently [2021/22] has £10.184m of such schemes within the CFR.

The PCC is asked to approve the following CFR projections.

Table 2	2020/21 Actual £m	2021/22 Revised Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Opening CFR	56.459	60.185	63.450	60.595	57.675
Net financing need/borrowing for the year as per Table 1	0.828	5.922	0.000	0.000	0.000
New Finance Lease added to balance sheet (BT Managed Services)	5.157	0.000	0.000	0.000	0.000
Less MRP & VRP debt charged to accounts	-1.107	-1.123	-1.242	-1.242	-1.242
Less Finance Lease Liability repayment	- 1.152	- 1.534	- 1.613	- 1.678	-1.737
Movement in CFR	3.726	3.265	-2.855	- 2.920	- 2.979
Closing CFR	60.185	63.450	60.595	57.675	54.696

2.3 Minimum revenue provision (MRP) policy statement

The PCC is required to pay off an element of the accumulated capital spend each year (the CFR) and make a statutory charge to revenue for the repayment of debt, known as the minimum revenue provision (MRP). The MRP policy sets out how the PCC will pay for capital assets through revenue each year. The PCC is also allowed to make additional voluntary payments (voluntary revenue provision - VRP).

Regulations have been issued which require the PCC to approve an MRP Statement in advance of each year. A variety of options are provided, so long as there is a prudent provision.

The PCC is recommended to approve the following MRP Statement:

- For capital expenditure incurred before 1 April 2008, MRP will be based on the Regulatory Method. MRP will be written down over a fixed 50 year period
- For capital expenditure incurred from 1 April 2008, the MRP will be based on the 'Asset Life Method', whereby MRP will be based on the estimated life of the assets in accordance with the regulations.
- For finance leases, an 'MRP equivalent' sum will be paid off each year.

2.4 Core funds and expected investment balances

Investments will be made with reference to the core balances, future cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Table 3 below provides an estimate of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Table 3	2020/21	2021/22	2022/23	2023/24	2024/25
Year End Resources	Actual £m	Revised Estimate £m	Estimate £m	Estimate £m	Estimate £m
General balances	19.892	25.024	24.530	24.530	24.530
Earmarked revenue reserves	23.157	23.295	13.127	12.228	8.528
Capital grants and reserves	18.534	16.178	13.904	14.689	13.254
Insurance provision	9.103	9.103	9.103	9.103	9.103
Total core funds	70.686	73.600	60.664	60.550	55.415
Working capital*	10.030	10.030	10.030	10.030	10.030
Expected investments	80.716	83.630	70.694	70.580	65.445

* The working capital balance is the average difference between cash investments and core cash balances from the last 5 financial years. The actual figure will obviously vary from day to day according to circumstances.

2.5 Affordability prudential indicators

The previous sections cover the overall capital expenditure and control of borrowing prudential indicators but, within this framework, prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the PCC's overall finances. The PCC is asked to approve the following indicators:

2.6 Ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in this budget report.

Table 4	2020/21	2021/22	2022/23	2023/24	2024/25
Ratio of Financing Costs to Net Revenue Stream	Actual %	Revised Estimate %	Estimate %	Estimate %	Estimate %
Ratio	0.73	0.81	0.81	0.79	0.77

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activities of the PCC. The treasury management function ensures that the PCC's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The PCC's borrowing portfolio position at 31 March 2021, with forward projections, is summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement or CFR), highlighting any over or under borrowing.

Table 5 PCC Borrowing Portfolio	2020/21 Actual £m	2021/22 Revised Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
External Debt					
Debt at 1 April	50.678	50.678	50.678	50.678	50.678
Expected change in Debt	0.000	0.000	0.000	0.000	0.000
Other long-term liabilities (OLTL) at 1 st April	11.336	10.184	8.650	7.037	5.359
Expected change in OLTL	- 1.152	- 1.534	- 1.613	- 1.678	- 1.737
Actual gross debt at 31 March	60.862	59.328	57.715	56.037	54.300
The CFR	60.185	63.450	60.595	57.675	54.696
Under / (over) borrowing	(0.677)	4.122	2.880	1.638	0.396

Within the prudential indicators there are a number of key indicators to ensure that the PCC operates their activities within well-defined limits. One of these is that the PCC needs to ensure that gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Chief Finance Officer reports that the PCC has complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

The **operational boundary** for external debt is based on 'probable' debt during the year and is a benchmark guide, not a limit. Actual debt could vary around this boundary for short periods during the year. It should act as a monitoring indicator to initiate timely action to ensure the statutory mandatory indicator (the 'Authorised Limit', per Table 7 below) is not breached inadvertently.

Table 6 Operational boundary	2021/22 Revised Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Debt	50.678	50.678	50.678	50.678
Other long term liabilities	10.184	8.650	7.037	5.359
Short Term liabilities	25.000	25.000	25.000	25.000
Total	85.862	84.328	82.715	81.037

The **authorised limit** for external debt is a key prudential indicator which provides control on the overall level of affordable borrowing. It represents a limit beyond which external debt is prohibited and needs to be set and/or revised by the PCC. It reflects the level of external debt which, whilst not necessarily desired, could be afforded in

the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority (or PCC), although this power has not yet been exercised.

The PCC is asked to approve the following authorised limit:

Table 7 Authorised limit	2021/22 Revised Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Debt	70.678	70.678	70.678	70.678
Other long term liabilities	10.184	8.650	7.037	5.359
Short Term liabilities	25.000	25.000	25.000	25.000
Total	105.862	104.328	102.715	101.037

3.3 Prospects for interest rates¹

The PCC has appointed Link Treasury Services as his treasury advisor and part of their service is to assist the PCC to formulate a view on borrowing interest rates. The following table and subsequent paragraphs give the Link forecast view.

Table 8	Bank Rate	PWLB Borrowing Rates (including certainty rate adjustment)		
		5 year	25 year	50 year
	%	%	%	%
Dec 2021	0.25	1.50	2.10	1.90
Mar 2022	0.25	1.50	2.20	2.00
Jun 2022	0.50	1.60	2.30	2.10
Sep 2022	0.50	1.60	2.40	2.20
Dec 2022	0.50	1.70	2.40	2.20
Mar 2023	0.75	1.70	2.40	2.20
Jun 2023	0.75	1.70	2.50	2.30
Sep 2023	0.75	1.80	2.50	2.30
Dec 2023	0.75	1.80	2.60	2.40
Mar 2024	1.00	1.80	2.60	2.40
Jun 2024	1.00	1.90	2.60	2.40
Sep 2024	1.00	1.90	2.60	2.40
Dec 2024	1.00	2.00	2.70	2.50
Mar 2025	1.25	2.00	2.70	2.50

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings.

Significant risks to the forecast include:

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.
- **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, resulting in further national lockdowns or severe regional restrictions.
- **The Monetary Policy Committee** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.

1. As of 8 November 2021

- **The Monetary Policy Committee** tightens monetary policy too late to ward off building inflationary pressures.
- **The Government** acts too quickly to cut expenditure to balance the national budget.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Major stock markets** e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.

The balance of risks to the UK economy: -

The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to around 5%. The forecast includes five increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, it is likely that these forecasts will need changing within a relatively short timeframe for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.
- Will some current key supply shortages spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.
- On the other hand, consumers are sitting on over £160bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- It is estimated that there were around 1 million people who came off furlough at the end of September; how many of those would not have had jobs on 1st October and would therefore be available to fill labour shortages which are creating a major headache in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate one of the MPC's key current concerns.
- We also recognise there could be further nasty surprises on the Covid front, on top of the flu season this winter, and even the possibility of another lockdown, which could all depress economic activity.

- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no deal Brexit.

In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will be revised again over the next few months - in line with what the new news is.

It should also be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on no other grounds than it being no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

The balance of risks to medium to long term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era – a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on 'achieving broad and inclusive "maximum" employment in its entirety' in the US, before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be 'sustainably over 2%' before starting on raising Bank Rate and the ECB now has a similar policy.
- For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

Investment and borrowing rates

- **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England

and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.

- **Borrowing for capital expenditure.** Our long-term (beyond 10 years), forecast for Bank Rate is 2.00%. As some PWLB certainty rates are currently below 2.00%, there remains value in considering long-term borrowing from the PWLB where appropriate. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio.

3.4 Borrowing strategy

The PCC is currently maintaining an under-borrowed position. This means the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the PCC's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as, currently, investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances, e.g:

- * *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- * *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any urgent decisions taken by the Chief Finance Officer will be reported to the PCC at the next available opportunity.

We will continue to monitor the forecast level of under-borrowing given the plans currently in place to utilise a significant proportion of the currently held revenue and capital reserves in coming years to help support one-off expenditure initiatives, including investment in new technology and change programmes.

Treasury management limits on activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies the maximum limit for variable interest rates for both borrowing and investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;

- Maturity structure of borrowing. These gross limits are set to reduce the PCC's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The PCC is asked to approve the following treasury indicators and limits:

Table 9	2022/23	2023/24	2024/25
Interest rate exposures			
	Upper	Upper	Upper
<i>Limits on fixed interest rates:</i>			
• Debt only	100%	100%	100%
• Investments only	100%	100%	100%
<i>Limits on variable interest rates</i>			
• Debt only	50%	50%	50%
• Investments only	100%	100%	100%
Maturity structure of fixed interest rate borrowing 2021/22			
	Lower	Upper	
Under 12 months	0%	50%	
12 months to 2 years	0%	50%	
2 years to 5 years	0%	50%	
5 years to 10 years	0%	50%	
10 years and above	0%	100%	
Maturity structure of variable interest rate borrowing 2021/22			
	Lower	Upper	
Under 12 months	0%	100%	
12 months to 2 years	0%	100%	
2 years to 5 years	0%	100%	
5 years to 10 years	0%	100%	
10 years and above	0%	100%	

3.5 Policy on borrowing in advance of need

The PCC will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the PCC can ensure the security of such funds.

3.6 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates, even though the general margin of PWLB rates over gilt yields was reduced by 100 bps in November 2020.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Any rescheduling undertaken will be formally reported to the PCC in the next quarterly performance update.

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments are covered in the annual Capital Strategy (a separate report).

The PCC's investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code").
- CIPFA Treasury Management Guidance Notes 2018

The PCC's investment priorities will be security first, liquidity second, then return.

In accordance with the above guidance from the DLUHC and CIPFA, and in order to minimise the risk to investments, the PCC applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the PCC will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in appendix 5.2 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

4.2 Creditworthiness policy

The PCC applies the creditworthiness service provided by Link Treasury Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for

which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the PCC to determine the suggested duration for investments. The PCC will therefore use counterparties within the following durational bands.

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

The Link Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the PCC uses will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The PCC is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service:

- if a downgrade results in the counterparty / investment scheme no longer meeting the PCC's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the PCC will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the PCC's lending list.

Sole reliance will not be placed on the use of this external service. In addition the PCC will also use market data and market information, information on any external support for banks to help support its decision making process.

Creditworthiness.

Significant levels of downgrades to Short- and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. However, sentiment can easily shift, so it

will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the PCC has access to this information via its Link-provided Passport portal.

4.3 Country limits

The PCC has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.3. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

The UK is excluded from any stipulated minimum sovereign rating requirement.

4.4 Investment strategy

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). The majority of funds will be placed in short-term deposits (including lending to other local authorities), call accounts or money market funds. Alternatively, tradable certificates of deposit (CDs) will be acquired.

Greater returns are usually obtainable by investing for longer periods where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investments of up to 2 years will also be allowed with the Royal Bank of Scotland Group. No material change in Government ownership is expected during that period. This policy will potentially enable the PCC to lock in investment returns whilst continuing to adopt a low risk approach.

The current forecast shown in 3.3 above, includes a forecast for a first increase in Bank Rate in December 2021 though there is a high risk that it could be delayed until quarter 1 or 2 of 2022

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (based on a first increase in Bank Rate in quarter 2 of 2022):

- 2022/23 0.50%
- 2023/24 0.75%
- 2024/25 1.00%
- 2025/26 1.25%
- Longer Term 2.00%

Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

Changes in Investment Strategy

There are now several alternative types of investment opportunity which could yield greater returns listed here:

- Ultra-short dated bond Funds
- Corporate Bonds - direct, passive and active external management (including Short-Dated Bond Funds)
- Multi Asset Funds
- Property Funds
- Equity Funds

However investing in these types of instruments would be a fundamental change of investment strategy. The PCC wishes to maintain the prudent approach of security of funds in the first instance.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the PCC's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end. A limit of £20m is recommended in order to provide officers with flexibility to take advantage of time and cash limited offers, which sometimes exceed 365 days when initially offered, or to place deposits for up to 2 years in order to lock in investments returns whilst continuing to adopt a low risk approach.

The PCC is asked to approve the treasury indicator and limit:

Table 10 - Maximum principal sums invested > 365 days			
	2022/23	2023/24	2024/25
Principal sums invested	£20m	£20m	£20m

4.5 Investment risk benchmarking

The PCC has approved benchmarks for investment Security, Liquidity and Yield.

These benchmarks are simple guideline targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position, and amend the operational strategy depending on any changes.

The proposed benchmarking targets for 2022/23 are set out below:

- a) **Security** - the PCC's maximum security risk benchmark for the current portfolio, when compared to historic default tables, is:
 - 0.25% historic risk of default when compared to the whole portfolio.
- b) **Liquidity** – in respect of this area the OPCC seeks to maintain:
 - Bank overdraft limit - £0.1m
 - Liquid short term deposits - including the receipt of government grants, council tax precept income and use of short-term borrowing - of at least £5m available within one week.

- 'Weighted Average Life' benchmark - 9 months (270 days), with a maximum of 2 years.
- c) **Yield** – performance target is to achieve:
- an average return above SONIA compounded rates (i.e. the bespoke TVP benchmark).

The current provision of LIBOR and associated LIBID rates is to cease at the end of 2021. SONIA (Sterling Overnight Index Average) is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors. Link will be providing compounded SONIA rates to clients in the same way that it currently does with LIBOR / LIBID rates.

Any breach of the indicators or limits will be reported to the PCC, with supporting reasons, in the quarterly performance monitoring reports. Members of the Joint Independent Audit Committee will also be notified.

4.6 End of year investment report

At the end of the financial year the Chief Finance Officer will report on the investment activity as part of his Annual Treasury Report.

5 Appendices

5.1 Economic background (as provided by Link on 10.11.2021)

UK

"The Monetary Policy Committee (MPC) at its meeting on 4th November 2021 voted 7-2 to leave Bank Rate unchanged at 0.10% with two members voting for an increase to 0.25% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn by a vote of 6-3.

After the Governor and other MPC members had made speeches prior to the MPC meeting in which they stressed concerns over inflation, (the Bank is now forecasting inflation to reach 5% in April when the next round of capped gas prices will go up), thus reinforcing the strong message from the September MPC meeting, financial markets had confidently built in an expectation that Bank Rate would go up from 0.10% to 0.25% at this meeting. However, these were not messages that the MPC would definitely increase Bank Rate at the first upcoming MPC meeting as no MPC member can commit the MPC to make that decision ahead of their discussions at the time. The MPC did comment, however, that Bank Rate would have to go up in the short term. It is, therefore, relatively evenly balanced as to whether Bank rate will be increased in December, February or May. Much will depend on how the statistical releases for the labour market after the end of furlough on 30th September 2021 turn out.

Information available at the December MPC meeting will be helpful in forming a picture but not conclusive, so this could cause a delay until the February meeting. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would, therefore, need to wait until the May meeting (although it also meets in March) when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation expected around that time. If the statistics show the labour market coping well during the next six months, then it is likely there will be two increases in these three meetings.

Over the next year the MPC will be doing a delicate balancing act of weighing combating inflation being higher for longer against growth being held back by significant headwinds. Those headwinds are due to supply shortages (pushing prices up and holding back production directly), labour shortages, surging fuel prices and tax increases. However, those headwinds could potentially be offset – at least partially - by consumers spending at least part of the £160bn+ of "excess savings" accumulated during the pandemic. However, it is also possible that more affluent people may be content to hold onto elevated savings and investments and, therefore, not support the economic recovery to the extent that the MPC may forecast.

The latest forecasts by the Bank showed inflation under-shooting the 3 years ahead 2% target (1.95%), based on market expectations of Bank Rate hitting 1% in 2022. This implies that rates don't need to rise to market expectations of 1.0% by the end of next year.

It is worth recalling that the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement after the MPC meeting in September yet at its August meeting it had emphasised a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. On balance, once this winter is over and world demand for gas reduces - so that gas prices and electricity prices fall back - and once supply shortages of other goods are addressed, the MPC is forecasting that inflation would return to just under the 2% target.

The MPC's forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -

1. Raising Bank Rate as "the active instrument in most circumstances".
2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

COVID-19 vaccines. These have been the game changer which have enormously boosted confidence that life in the UK could largely return to normal during the summer after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread. There is also a potential for the winter flu season combined with Covid to overwhelm NHS hospitals so the UK is not entirely in the clear yet.

Since the September MPC meeting, the economy has been impacted by rising gas and electricity prices which are now threatening to close down some energy intensive sectors of industry – which would then further impact the supply chain to the rest of the economy. Ports are also becoming increasingly clogged up with containers due to a shortage of lorry drivers to take them away. The labour market statistics for August released in mid-October showed a sharp rise in employment but also a continuing steep rise in vacancies. The combination of all these factors is a considerable headwind to a recovery of economic growth in the months ahead.

EUROZONE

The slow role out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate then picked up sharply. After a contraction of -0.3% in Q1, Q2 came in with strong growth of 2%. With Q3 at 2.2%, the EU recovery is nearly complete although countries dependent on tourism are lagging. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time.

German general election. With the CDU/CSU and SPD both having won around 24-26% of the vote in the September general election, the composition of Germany's next coalition government may not be agreed by the end of 2021. An SPD-led coalition would probably pursue a slightly less restrictive fiscal policy, but any change of direction from a CDU/CSU led coalition government is likely to be small. However, with Angela Merkel standing down as Chancellor as soon as a coalition is formed, there will be a hole in overall EU leadership which will be difficult to fill.

USA

Shortages of goods and intermediate goods like semi-conductors, are fuelling increases in prices and reducing economic growth potential. It now also appears that there has been a sustained drop in the labour force which suggests the pandemic has had a longer-term scarring effect in reducing potential GDP. Economic growth may therefore be reduced to between 2 and 3% in 2022 and 2023 while core inflation is likely to remain elevated at around 3% in both years instead of declining back to the Fed's 2% central target. This could well cause the Fed to focus on supporting economic growth by delaying interest rate rises, rather than combating elevated inflation i.e., there may be no rate rises until 2023.

China. After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of the year; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021. However, the pace of economic growth has now fallen back after this initial surge of recovery from the pandemic and China is now struggling to contain the spread of the Delta variant through sharp local lockdowns - which will also depress economic growth. There are also questions as to how effective Chinese vaccines are proving. Supply shortages, especially of coal for power generation, which is causing widespread power cuts to industry, are also having a sharp disruptive impact on the economy. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.

Japan. 2021 has been a patchy year in combating Covid. However, recent business surveys indicate that the economy is rebounding rapidly now that the bulk of the population is fully vaccinated and new virus cases have plunged. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was actually negative in July. New Prime Minister Kishida had promised a large fiscal stimulus package after the November general election which his party has now won.

World Growth. World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades..

Supply shortages. The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to a misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. The latest additional disruption has been a shortage of coal in China leading to power cuts focused primarily on producers (rather than consumers), i.e., this will further aggravate shortages in meeting demand for goods. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves."

5.2 Credit and Counterparty Risk Management

Specified and Non-Specified Investments and Limits

Specified Investments

'Specified' investments are sterling investments of not more than one-year maturity made with any institution meeting the minimum 'high' quality criteria where applicable.

Non-Specified Investments

These are any investments which do not meet the specified investment criteria which may include more complex instruments which require greater consideration before being authorised for use. A maximum of 50% will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

Investments of up to 2 years will continue to be allowed with the Royal Bank of Scotland (RBS) Group, since no material change in Government ownership is expected during that period. This policy will potentially enable the PCC to lock in investment returns whilst continuing to adopt a low risk approach.

The proposed criteria for (a) Specified and (b) Non-Specified investments are presented below for approval.

a) Specified Investments

These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the PCC has the right to be repaid within 12 months if it wishes.

	Minimum credit criteria / colour band	Maximum investment per institution	Maximum maturity period
The PCC's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.		Minimal	
DMADF – UK Government	N/A	No limit	6 months
Money Market Funds (MMF) – (Low Volatility Net Asset Value) & (Constant Net Asset Value)	AAA by at least 2 rating agencies and minimum asset base of £500m	£25m or 1% of total asset base per fund whichever is the lower figure	Liquid (instant access)
Money Market Funds (MMF) – (Variable Net Asset Value)	AAA by at least 2 rating agencies and minimum asset base of £500m	£10m or 1% of total asset base per fund whichever is the lower figure	Up to 1 year
Local authorities	N/A	£10m	1 year
Term deposits with RFB banks and building societies	Blue Orange Red	£40m £30m £20m	Up to 1 year Up to 1 year Up to 6 months

	Green	£15m	Up to 100 days
CDs or corporate bonds with RFB banks and building societies	Blue Orange Red Green	£40m £30m £20m £15m	Up to 1 year Up to 1 year Up to 6 months Up to 100 days
Housing Associations	A-	£5m	Up to 1 year

b) Non-Specified Investments

Non-specified investments are any other type of investment (i.e. not defined as 'specified' above). The identification and rationale supporting the selection of these other investments, and the maximum limits to be applied, are set out below.

Non-specified investments would include any sterling investments with:

	Minimum credit criteria / colour band	Maximum investment per institution	Maximum maturity period
Local authorities	N/A	£10m	5 years
Term deposits with banks and building societies	Purple Blue (RBS)	£30m £20m	Up to 2 years Up to 2 years
CDs or corporate bonds with banks and building societies	Purple Blue (RBS)	£30m £40m	Up to 2 years Up to 2 years
Housing Association	A-	£5m	Up to 2 years

5.3 Approved Countries for investments

Link show the lowest rating from Fitch, Moody's and S&P (the 3 main ratings agencies) including banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

THIS LIST IS AS AT 10.11.21



JOINT INDEPENDENT AUDIT COMMITTEE



Report for Information

Title: Progress on 2021/22 Joint Internal Audit Plan delivery and summary of matters arising from completed audits

Executive Summary:

The report provides details on the progress made in delivering the 2021/22 Joint Internal Audit Plan and on the findings arising from the audits that have been completed.

Recommendation:

The Committee is requested to note the progress and any changes in delivering the 2021/22 Joint Internal Audit Plan and audit service for Thames Valley Police (TVP) and the Office of the Police and Crime Commissioner (OPCC).

Chairman of the Joint Independent Audit Committee

I hereby approve the recommendation above.

Signature

Date

PART 1 – NON-CONFIDENTIAL

1 Introduction and Background

- 1.1 The report provides details on the progress made in delivering the 2021/22 Joint Internal Audit Plan for TVP and the OPCC and any findings arising from the audits that have been completed.

2 Issues for Consideration

Audit Resources

- 2.1 There have been no changes to the Joint Internal Audit Team's resource plan for 2021/22, with the plan being delivered by the Chief Internal Auditor, Principal Auditor and TIAA Ltd (ICT audit provider).

2021/22 Audit Plan Status and Changes

- 2.2 The progress made in delivering the 2021/22 Joint Internal Audit Plan, as at the 29 November 2021, is detailed in Appendix A.
- 2.3 The following changes have been made to the 2021/22 Joint Internal Audit Plan since the October JIAC meeting:
- ICT Management of Microsoft 365 Security – included.
- 2.4 In addition to these changes, there have also been some minor audit title updates and day allocation alterations made.

2021/22 Completed Audits

- 2.5 Appendix B contains the details of each completed audit since the previous JIAC meeting on the 1 October 2021. The appendix contains details on the scope, assurance rating and key findings. Since the previous meeting and as at 29 November 2021, the following audits have been completed:
- Anti-Fraud and Corruption / Bribery – reasonable assurance.
 - Partnership Data Sharing – Probation Service – limited assurance.
 - Service Improvement Review (SIR) Crime Review Improvements (Themes A) – reasonable assurance.
- 2.6 Copies of Section 2 (Executive Summary) of the final reports have been circulated to the JIAC members, in advance of the meeting.

2021/22 Performance Indicators

- 2.7 Local performance indicators are used by the section to ensure audits are completed promptly and to an acceptable standard. The table below summarises current performance against each indicator.

Ref.	Performance Indicator	Measurement and Target	Current Status	R/A/G
1	Testing completed.	By July: 10% By November: 40% By February: 70% By May: 100%	36%	↔

Ref.	Performance Indicator	Measurement and Target	Current Status	R/A/G
<p>Key: Blue (actual) / Red (target)</p>				
2	Final Report issued.	By July: 0% By November: 25% By February: 45% By May: 100%	20%	↓
<p>Key: Blue (actual) / Red (target)</p>				
3	Joint Internal Audit Plan delivered.	Each audit review completed, excluding any agreed changes (i.e. removed audits): 100%	Year-end reporting	N/A
4	Annual Internal Audit Quality Questionnaire outcome.	Responses who strongly or tended to agree with the statements: 95%	Year-end reporting	N/A

2.8 The details to support the current performance levels are:

- In terms of testing completion, the graph is showing the plan slightly behind schedule, but based on the status of the plan and the number of audits that have started scoping or testing, the plan is on track to be delivered by April 2022.
- In relation to issued final reports, the plan is slightly behind schedule, but again, on track to have all reports issued by April 2022.
- The remaining two performance indicators will be reported at year-end.

2.9 The team continue to track performance measures around the timeliness in completing audits. Of the nine audits where testing is complete, six were within target, with three over by an average of 15 days (resolving final audit queries). Of the five where a final report has been issued, four were within expected performance levels. The one that was not was nine days over (agreeing the final report content and actions).

Fraud

2.10 The data matches from the 2020/21 National Fraud Initiative (NFI) exercise continue to be reviewed with no issues having been found that the Force or OPCC were not already aware of. Work is ongoing to review the data matches.

2.11 The Joint Internal Audit Team have liaised with the Professional Standards Department (PSD) and Corporate Finance and there have not been any instances of fraud that have needed to be notified to the team since the previous JIAC meeting in October. These matters are now discussed at the quarterly Fraud Group,

which is attended by PSD, Corporate Finance, Internal Audit and the OPCC. The group's next meeting is on the 13 December 2021.

3 Financial comments

3.1 The Joint Internal Audit Plan can be delivered within existing budgetary provisions.

3.2 The cost of the additional ICT audit is £4,100.

4 Legal comments

4.1 No known legal issues arise from the contents of this report.

5 Equality comments

5.1 No known equality issues arise from the contents of this report.

6 Background papers

6.1 Final Internal Audit Strategy and Annual Plan 2021/22.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website as soon as practicable after approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this form to be deferred? No

Is there a Part 2 form? No

Name & Role	Officer
Head of Unit This report provides the Committee with management information on the progress of delivery of the 2021/22 Joint Internal Audit Plan. This report has been produced in compliance with United Kingdom Public Sector Internal Audit Standards (PSIAS).	Chief Internal Auditor
Legal Advice No known legal issues arise from the contents of this report.	PCC Head of Governance and Compliance
Financial Advice No known financial issues arise from the contents of this report.	PCC Chief Finance Officer
Equalities and Diversity No known equality issues arise from the contents of this report.	Chief Internal Auditor

OFFICER'S APPROVAL

We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

We are satisfied that this is an appropriate request to be submitted to the Joint Independent Audit Committee.

PCC Chief Finance Officer (OPCC)

Date: 25 November 2021

Director of Finance (TVP)

Date: 1 December 2021

APPENDIX A

2021/22 Joint Internal Audit Plan – Current Status (November 2021)

Organisation	Audit Review	Area	To Start	Scoping	Fieldwork / Ongoing	Exit Meeting	Draft Report	Final Report / Complete	Replaced
TVP	Data Breaches Mitigation	Force Wide				✓			
	Electronic Device Management (Losses)						✓		
	SIR Crime Review Improvements (Themes A)							Reasonable Assurance	
	SIR Crime Review Improvements (Themes B)			✓					
	Partnership Data Sharing – Probation Service							Limited Assurance	
	Protective Monitoring (Vigilance Pro)	DCC		✓					
	Anti-Fraud and Corruption / Bribery							Reasonable Assurance	
	Business Continuity				✓				
	Emergency Services Mobile Communications Programme				✓				
	Telematics Information and Reporting			✓					
	ICT Service Desk Operations (Incident / Problem Management)	Information			✓				
	ICT Cyber Security (Resilience)					✓			
	ICT Management of Microsoft 365 Security				✓				
	ICT Financial Management					✓			
	Health and Safety	People				✓			
	Wellbeing Strategy				✓				
	Key Financial Controls	Finance			✓				
	JOU Non-Collaborated Units	Operations						Reasonable Assurance	

Organisation	Audit Review	Area	To Start	Scoping	Fieldwork / Ongoing	Exit Meeting	Draft Report	Final Report / Complete	Replaced
	Contact Management Platform Performance			✓					
	Niche Data Quality (Part 1)	Crime and Criminal Justice						Limited Assurance	
	Niche Data Quality (Part 2)				✓				
	Forensic Improvement Plan				✓				
OPCC	Violence Reduction Unit Governance and Performance	Partnerships and Community Safety							✓
	Major Projects – PCC Governance and Oversight	Chief Executive			✓				
	Complaints Process	Governance and Compliance	✓						
N/A	Sources of Assurance	General			✓				
	Limited Assurance Follow Up	General	✓						
Number of Audits			2	4	10	4	1	5	1
% of Audits			8%	15%	38%	15%	4%	20%	-
N/A	JIAC Days	Other	Yet to be commissioned.						

APPENDIX B

2021/22 Joint Internal Audit Plan - Completed Audits

Below are the audits that have been complete since the previous JIAC meeting. The key to the assurance ratings is:

Substantial	The governance, risk management and control arrangements are strong, although some minor action may be required to improve efficiency or effectiveness.
Reasonable	The governance, risk management and control arrangements are good, although some action is required to improve efficiency or effectiveness.
Limited	The governance, risk management and control arrangements are limited and action is required to improve efficiency or effectiveness.
Minimal	The governance, risk management and control arrangements are weak and significant action is required to improve efficiency or effectiveness.

Audit Review	Anti-Fraud and Corruption / Bribery		Force CCMT Leads	DCC Jason Hogg ACO Linda Waters (Director of Finance)
Scope	Anti-Fraud, Bribery and Corruption Management Framework	Reasonable	Planned Days	10 days
	Organisational Learning	Substantial		
Overall Assurance		Reasonable	Actual Days	10 days

The key issues arising from the audit are as follows:

- Minutes of PSD's Tasking and Performance meetings are not currently taken.
- Liaison and communication between PSD, Corporate Finance, the OPCC and the Joint Internal Audit Team on fraud issues and investigations lacks a formal structure.
- Certain policies with regard to mileage and expenses claims would benefit from a review.
- Aspects of the mileage and expenses claim process are "auto approved". This process and the limits involved have been authorised by the Force, but have not been reviewed in recent years to ensure that the limits and arrangements are still appropriate.
- Although ad-hoc issues are noted and investigated, there is a lack of regular management reporting on claim values, claimants, trends, etc.
- Issues with lost or unreturned items of uniform tend to be managed on an ad-hoc basis and there is a lack of escalation for any non-action of items to be returned (specifically around Specials and Cadet uniforms). There is also a lack of any formal reporting or escalation structure / process in place for lost or unreturned items.
- The Procurement Team's new Red Flag process is currently in draft form, with the necessary training, communications and agreed Force department liaison (i.e. Procurement Team, PSD and Joint Internal Audit Team) yet to be applied.
- There is currently no six or 12 month check on current purchase card users and liaison with PSD on any concerns or issues does not take place.

- The audit found that there is a considerable amount of available management information and reporting taking place regarding overtime. However, the audit noted that whilst individual issues are addressed on an ad-hoc basis, there is no regular process to review claim values, claimants, trends, etc.
- Testing found two separate Knowzone organisational learning pages that related to fraud, corruption and bribery.

Audit Review	Partnership Data Sharing – Probation Service		Force CCMT Lead	ACC Tim De Meyer (Crime and Criminal Justice)
Scope	Data Sharing Arrangements	Limited	Planned Days	12 days
Overall Assurance		Limited	Actual Days	12 days

The key issues arising from the audit are as follows:

- Corporate management information training completion rates could be improved for certain courses within Force Crime and Force Intelligence and Specialist Operations (FISO).
- There is a need for some specific corporately supported data sharing training, focussing on the “data sharing decision tree” process, for data shared with the Probation Service. Also, there is a lack of consistent, formal or structured local training and induction arrangements.
- Although Probation Service Information Sharing Agreements (ISAs) are in place, they are high level and cover general principles. The audit was unable to locate any consistent local procedures, with some being unavailable and others being several years old. There is also a lack of any Operational Guidance within this area.
- There is a lack of a joined up procedure note for the process for sharing data with the Probation Service, crossing all aspects of the Force. This would ensure that all relevant departments are aware of the data and information flow.
- In testing the individual processes, the audit found: a variety of inconsistent data sharing forms are currently being used; there is a lack of a single departmental entry point for data sharing requests; and there are multiple mechanisms and approaches for data requests (i.e. phone, email or ad-hoc calls, as well as utilising close working relationships with staff / officers to gain information verbally).
- There is a lack of a single e-mail address entry point for Probation Service data requests.
- Testing found that there are inconsistent approaches to data storage (i.e. Violent and Sex Offender Register (ViSOR), Niche, Livelink, e-mail folders, etc.). Processes do not currently enable visibility of what data is being shared or has been shared previously and there is limited search facility within certain areas.
- In reviewing the internal and external governance arrangements, testing found: lack of a joined up approach and liaison / communication between all departments that share data with the Probation Service; and lack of a governance process to raise, discuss and resolve issues or learn internally from other team’s data sharing issues or concerns.
- A lack of assurances on how the Probation Service handle, store and restrict access to any data shared, and how this links into vetting levels. This is only detailed in the agreed ISAs at a very high level.

On the back of the audit, a wider piece of work involving a cross Force stakeholder group will review general partner data sharing processes, procedures and risks to ensure the Force has appropriate arrangements in place when sharing data with partners.

Audit Review	SIR Crime Review Improvements (Themes A)		Force CCMT Lead	Force Wide
Scope	SIR Outcome Improvement Activity:	-	Planned Days	10 days
	Front Line Supervision	Limited		
	Stop and Search	Reasonable		
	Organised Crime Groups	Reasonable		
	Domestic Abuse	Reasonable		
	Contact Management	Reasonable		
Overall Assurance		Reasonable	Actual Days	10 days

The overall summary of progress against each of the sampled SIRs is as follows:

Front Line Supervision

The SIR report was issued in December 2019 and although the Force had to manage the then emerging Covid-19 pandemic, progress with the actions did not really take place until early 2021, with the creation of the Response Policing Board (RPB). The last RPB meeting took place in June 2021 and at the time of the audit, future meetings were yet to be arranged. Progress has also been affected by a number of staffing changes with ownership of the SIR / SIP changing on several occasions.

During the review, two different versions of the SIP were provided, as well as additional project documentation to address the SIR findings. In reviewing the SIPs, it was not clear which action related to each finding and it might be beneficial that the SIP cross references each SIR observation / finding to ensure that the SIP addresses all the points raised. A sample of five SIR observations / risks were tested in more detail to ensure they were being progressed. Evidence was provided that showed how each area was being addressed, but none of them were fully completed. There also appeared to be a lack of a process to monitor the effectiveness of any action taken to ensure that it has addressed the points raised in the SIR.

The SIR was also yet to be reported to the DCC's Improvement and Innovation (I & I) meeting, resulting in the potential of a lack of corporate oversight with progress.

Stop and Search

Quarterly Stop and Search meetings have been taking place to provide oversight and governance of the SIP, with the latest meeting during September 2021. Updates have also been provided to the I & I meeting.

The current SIP was reviewed and the only observation was that all of the dates had passed, but it did not appear that all the actions had been completed. It was commented that this was more an administrative point as most of the actions are due to be finalised soon, but the SIP just needed updating. A

sample of six SIR observations / risks were tested in more detail to ensure they were being progressed. Evidence was provided that showed four had been completed and the remaining two would be addressed with the rollout of the Pronto application to support the Stop and Search process. The effectiveness of action taken will be monitored by the Quarterly Stop and Search meeting.

Organised Crime Groups

The SIP has been reported to the I & I meeting, with local oversight being managed by FISO SMT, initially via an Away Day, then as business as usual in updating the SIP. The current SIP was reviewed and good progress is being made to close down all the actions.

Of the 11 actions captured in the SIP, eight are noted as green, two are amber and one is red. The audit tested three of the actions noted as green and found that progress was as reported within the SIP. However, there are no action dates noted in the SIP, so the audit was unable to comment whether progress was being delivered within the agreed timeframe.

In terms of ongoing monitoring and performance, the Service Improvement Unit (SIU) and FISO have developed a performance framework, which was last reported in October 2021.

Domestic Abuse

Bi-monthly Domestic Abuse Working Group meetings take place to provide oversight and governance of the SIP, with the latest meeting during July 2021. Updates are yet to be provided to the I & I meeting.

The current SIP was reviewed and the only observation was that all of the dates had passed and there were no dates for certain actions. Of the seven SIR recommendations, only one was noted as being completed, although there were updates for all seven. The work in the SIP is being completed alongside other actions and developments that the Domestic Abuse Working Group is overseeing.

At the end of the audit it was commented that there needed to be a discussion about the outstanding recommendations and how to close down the actions if the Force accepts a certain level of risk with regards to its response to domestic abuse.

Contact Management

In reviewing the SIR report, it includes a list of considerations. Actions have been developed and included within the SIP, along with a RAG status. However, there are no action dates noted in the SIP, so the audit was unable to comment whether improvements would be delivered within an acceptable timeframe.

The Contact Management SLT Exec. meetings have received a presentation on the SIR and SIP and will be responsible for monitoring progress. Due to the SIP only just being collated, updates are yet to be provided to the I & I meeting.

Disclaimer: Any matters arising as a result of the audits are only those which have been identified during the course of the work undertaken and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that could be made. It is emphasised that the responsibility for the maintenance of a sound system of management control rests with management and that the work performed by the Joint Internal Audit Team on the internal control system should not be relied upon to identify all system weaknesses that may exist. However, audit procedures are designed so that any material weaknesses in management control have a reasonable chance of discovery. Effective implementation of management actions is important for the maintenance of a reliable management control system.

**JOINT INDEPENDENT AUDIT COMMITTEE****Report for Information****Title: Progress on delivery of agreed actions in Internal Audit reports****Executive Summary:**

The report provides details of the progress made by managers in delivering the agreed actions in internal audit reports.

Recommendation:

The Committee is requested to note the report.

Chairman of the Joint Independent Audit Committee

I hereby approve the recommendation above.

Signature**Date**

PART 1 – NON-CONFIDENTIAL

1 Introduction and background

- 1.1 The report provides details of the progress made by managers in delivering the agreed actions in internal audit reports.
- 1.2 This report details progress made to date and target implementation dates for any current overdue actions. Of the 13 actions that are currently overdue:
 - 2 actions are due for completion by the end of December 2021;
 - 2 actions are due for completion by the end of January 2022;
 - 8 actions are due for completion by the end of March 2022; and
 - 1 action is due for completion by the end of April 2022.

2 Issues for consideration

- 2.1 Appendix 1 sets out an analysis of the position with regard to the number of overdue actions as at 31st October 2021 in relation to audits conducted during the years 2018/19 to 2021/22. It shows that in total there were 13 overdue actions at 31st October, arising from 8 separate audits. The overdue actions are split by priority. Also shown is the number of overdue actions that had previously been reported, which has risen from 3 to 7 since the last report to this Committee in October 2021.
- 2.2 Appendix 2 shows the changes in the number of overdue actions since the previous report to this Committee in October 2021. The total number of outstanding overdue actions reported has fallen from 16 to 13.
- 2.3 Appendix 3 sets out the information provided by managers in respect of those actions that are now overdue. It includes all agreed actions that should have been completed by 31st October 2021. The information is based on responses from managers received up to and including 1st December 2021. If required, a verbal update will be provided to the Committee on any further information received since this report was written.

Priority 1 rated overdue actions

- 2.4 Of the seven priority 1 overdue actions, one action from the 2019/20 Concealed Drug SOP – Process audit is more than 12 months overdue.
- 2.5 Appendix 1 sets out details of which audits these actions relate to and further details of each of the actions can be found in appendix 3 of this report.
- 2.6 As part of the 2020/21 Joint Internal Audit Plan, a review of Contractor Appointment and Monitoring was completed. The outcome was limited assurance and the report noted eight priority 1 audit actions to mitigate the risks reported. All eight audit actions are due, but are yet to be fully completed. Having followed up the actions with the owners, it is clear that based on the work completed to date, a much broader piece of work is needed involving a number of key stakeholders across the organisation. The Force have sought expert knowledge and assistance of a specialist tax company to support them in developing policies and

procedures for engaging with contractors. It is clear from these discussions that there is a considerable amount of work to do in identifying the Force's current / legacy contractors, including those who provide a service to the organisation as due diligence is required on the work supply chain, including the work they are delivering, and the issuing of the relevant paperwork. The work of the specialist tax company has already highlighted areas of work that needs to be completed.

- 2.7 It is accepted that there is some risk present as the Force are not able to confirm (centrally) how many contractors are in place and under what terms. The Force are aware of those who have been engaged through HR, but not those people and services who have been engaged via other departments such as Procurement and Procure and Pay. Discussions are taking place internally as to whether dedicated project support can be sourced in support of this. Work on this option has commenced, but is yet to be completed but is supported by the A/Director of People. Due to the risk exposure and status of this work, it has been agreed that a new audit action be noted and tracked over the next twelve months, specifically related to the future project work.

Priority 2 rated overdue actions

- 2.8 Of the priority 2 actions, none are more than 12 months overdue.

3 Financial comments

- 3.1 No known financial issues arise from the contents of this report.

4 Legal comments

- 4.1 No known legal issues arise from the contents of this report.

5 Equality comments

- 5.1 No known equality issues arise from the contents of this report.

6 Background papers

- 6.1 None.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website as soon as practicable after approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this form to be deferred? No

Is there a Part 2 form? No

Name & Role	Officer
Head of Unit This report provides the Committee with essential management information on the number and status of current overdue actions	Chief Internal Auditor

from internal audit reports.	
Legal Advice No known legal issues arise from the contents of this report.	PCC Head of Governance and Compliance
Financial Advice No known financial issues arise from the contents of this report.	PCC Chief Finance Officer
Equalities and Diversity No known equality issues arise from the contents of this report.	Chief Internal Auditor

OFFICER'S APPROVAL

We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

We are satisfied that this is an appropriate request to be submitted to the Joint Independent Audit Committee.

PCC Chief Finance Officer (OPCC)

Date: 02/12/21

Director of Finance (TVP)

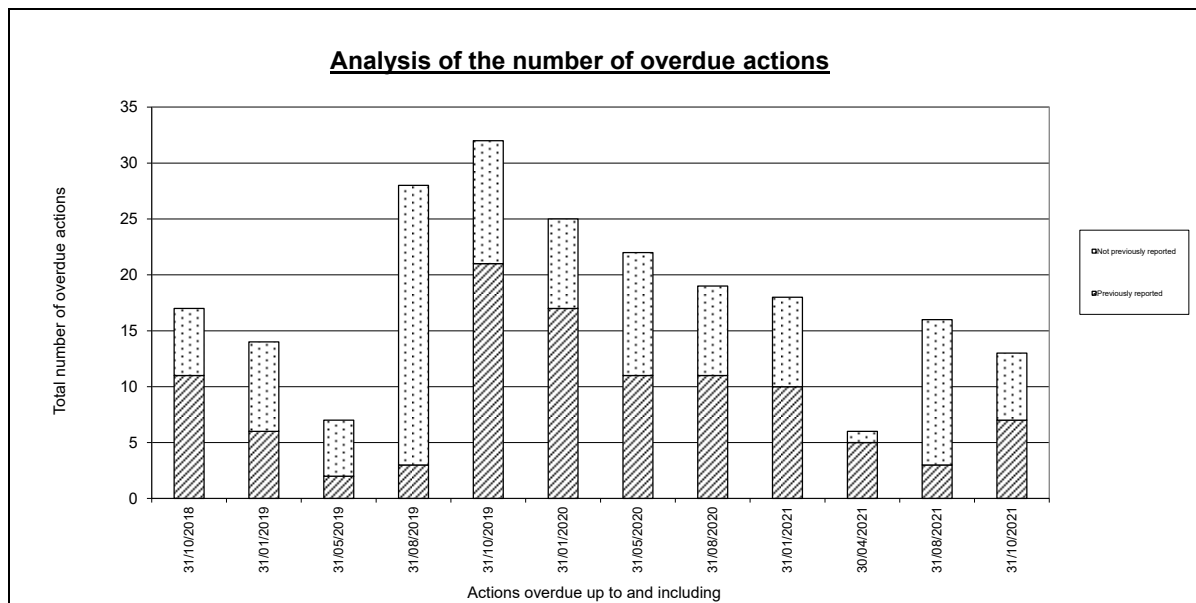
Date: 01/12/21

Appendix 1

ANALYSIS OF OVERDUE ACTIONS AS AT 31st OCTOBER 2021

Audit Subject/Location	Outstanding Overdue	Priority 1	Priority 2	Previously Reported
2018/19				
Oversight and Governance of the CTC	1	1	-	1
TOTAL	1	1	0	1
2019/20				
Concealed Drug SOP - Process	1	1	-	1
TOTAL	1	1	0	1
2020/21				
Body Worn Video	3	2	1	1
Counter Terrorism	3	-	3	2
Digital Investigations and Intelligence	2	2	-	-
GDPR Retention Risk Assessments	1	1	-	-
Limited and Minimal Assurance Follow Up	1	-	1	1
Payroll	1	-	1	1
TOTAL	11	5	6	5
OVERALL TOTAL	13	7	6	7

Appendix 2



UPDATE ON PROGRESS IN DELIVERING OVERDUE AGREED ACTIONS

Finding and Risk		Agreed action	Original completion date	Priority	Current position	Revised completion date
Body Worn Video		Final report issued on: 01/06/21			CCMT Lead: ACC Tim De Meyer	
Total number of agreed actions: 10		Number completed: 6 (60%)	Number not yet due: 1 (10%)		Number overdue: 3 (30%)	
<u>User guidance in place</u>		In addition, a strategic, joined up approach, is also needed in terms of comms around increasing usage and improving uploading performance. With this in mind, a further approach will be made to instigating a centrally led Communications Campaign (which requires CCMT approval).	30/09/21	1	CCMT have signed off a decision to move to an expectation that staff will utilise BWV unless there is a specific and documented reason not to. A Task and Finish group has been set up to define this for operational guidance following which this can be communicated to the force. A communications plan will then be drawn up to set out the approach to be taken.	31/03/22
<p>There are a number of policies and operational guidance in place, which are available on the Body Worn Video (BWV) Knowzone page. Review of this page identified a number of issues:</p> <ul style="list-style-type: none"> There is 'BWV Joint Operational Guidance' which is supplemented by TVP operational guidance. The TVP guidance is dated February 2019 (with some individual sections showing earlier dates (e.g. Section 2 'Uploading Footage' is marked October 2018) and has already been highlighted as requiring updating. The 'BWV Policy – Use and Deployment' is dated March 2017 and the 'BWV Procedure – Incident Recordings' is dated March 2017 with a review date of July 2018. This suggests, supported by brief review, that both documents require either review and update or removal if they have been superseded by the operational guidance. A number of links on the Body Worn Video Knowzone page go to blank pages. <p>As part of the audit, questionnaires were sent out to a sample of Officers and PCSOs and one of the questions included was whether they were aware of the operational guidance. One of the 13 respondents indicated that they had not accessed the guidance.</p> <p>Another PCSO also indicated that whilst they were familiar with their camera, some of their colleagues may not be so familiar and whilst they have been happy to help it would be useful to have a training course online or a PDF document explaining how to use the cameras and their functions. The user guides are in fact available on the BWV Knowzone page but this, along with another comment from an Officer around camera functionality, indicated a potential lack of awareness amongst users.</p> <p>Risk: Out of date guidance, or lack of awareness of the guidance leads to users failing to use cameras correctly or at all.</p>						
<u>BWV SPOCs / User Groups</u>		A document setting out the expectations of a SPOC will be drawn up which include the key roles of promoting the use of BWV and providing advice and guidance.	31/07/21	2	Key roles for SPOCs are to be drawn up by a member of the BWV team but other priority work has prevented this from being completed. Once the role requirements have been defined then LPAs will be contacted.	31/01/22
There is a network of SPOCs in place with a Lead SPOC on each LPA, JOU and CTPSE. Their role is to promote BWV and provide advice in liaison with the BWV Team, however there is no role profile in place at present.						

Finding and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
<p>There was an away day for the SPOCs in 2019 and another one is planned, although this has been delayed by Covid. In the meantime though there is no SPOC, or general, User Group in place for sharing issues, ideas, etc.</p> <p>Risk: SPOCs do not carry out their role as required which in turn results in issues not being highlighted and addressed effectively and good practice not being disseminated across the Force.</p>	<p>Contact will then be made with LPA Commanders/Department Heads to confirm who they wish to nominate as their BWV SPOC (to ensure the most appropriate individuals are assigned the task).</p>				
<p>Monitoring of usage</p> <p>There are currently no monitoring statistics or reports produced with regard to usage. The CJ Delivery Manager confirmed that it is a future aim to have some monitoring in place but there is no firm plan for this yet. Part of the issue is that the reports available within the system are not sufficient for this purpose so these will need to be developed either within or outside of the system. There would also need to be a governance structure in place to support this both in terms of who monitors the figures and who actions issues arising i.e. LPAs/Departments or Criminal Justice.</p> <p>Against this, if there is a particular usage incident highlighted this would be looked at as an individual case or group of cases.</p> <p>Risk: Lack of monitoring results in failure to identify and address non usage, leading to failure to achieve value for money, minimise reputational risk and lack of protection for staff /officers.</p>	<p>Discussions will be held with the supplier, ICT and the SSAMI Team to look at the possibilities for introducing a system for monitoring and reporting usage.</p> <p>Discussions will also be needed to determine where ownership would best sit in terms of actioning any issues identified by such monitoring. This will depend on the types of issues identified, for example reviewing which individuals within a Team have personal issue devices and whether those are the most appropriate holders.</p>	30/09/21	1	<p>Usage monitoring is to be considered as part of the Task and Finish group that has been established as a result of the CCMT paper decision.</p> <p>Whilst initially it was thought that using the BWV system to look at individual or teams usage would be sufficient, the change in usage for BWV would mean this is not as sufficient and alternative approaches need to be considered.</p>	31/03/22
Concealed Drug SOP – Process		Final report issued on: 01/06/20		CCMT Lead: ACC Tim De Meyer	
Total number of agreed actions: 5	Number completed: 4 (80%)	Number not yet due: 0 (0%)		Number overdue: 1 (20%)	
<p>Data and Measurement Information</p> <p>Two actions related to data and measurements and although noted as closed, did not appear to be fully implemented or embedded as "business as usual":</p> <ul style="list-style-type: none"> - Action 37 (Data and Measurement – performance information): Information has been requested, but to date, no data has been provided. - Action 38 (Data and Measurement – resource management): No data is being provided or monitored. <p>It was commented that the Service Improvement Unit is currently working on a toolkit to monitor the required performance aspects of the Drugs SOP.</p> <p>During the audit, governance arrangements in place for ongoing monitoring of the SOP and any related performance information were discussed. Once it is business as usual, it was suggested that although CJ SMT will have some oversight, it is likely that governance</p>	<p>The necessary performance and resource management information will be identified and produced.</p> <p>Appropriate governance arrangements for receiving and monitoring the information will also be agreed and introduced.</p>	30/11/20	1	<p>The data for the number of detainees subject to a drugs SOP was being collated but was identified as very inaccurate due to the makeup and limitations within the NICHE custody system.</p> <p>The Custody Strategy team are working on solutions on how to abstract the data from the system reliably. This is in the process currently of being tested and the team will be able to report back in the next month.</p> <p>Once this process has been established we will be in a position to expand the capability to assist with the resource demand but crucially potential outcomes, and aligned with ethnicity data.</p>	31/01/22

Finding and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
will be via the Custody Strategy Group. Risk: Relevant performance and management information is not received, leading to the potential for management to be unaware of any issues or lacking ability to take appropriate action.					
Counter Terrorism	Final report issued on: 27/04/21			CCMT Lead: ACC Peter O'Doherty	
Total number of agreed actions: 13	Number completed: 9 (70%)	Number not yet due: 1 (8%)		Number overdue: 3 (22%)	
Action 1.1		30/06/21	2	N/A	31/03/22
Action 6.1		30/09/21	2	N/A	31/03/22
Action 12.1		31/07/21	2	N/A	31/03/22
Digital Investigations and Intelligence	Final report issued on: 08/02/21			CCMT Lead: ACC Tim De Meyer	
Total number of agreed actions: 7	Number completed: 4 (58%)	Number not yet due: 1 (14%)		Number overdue: 2 (28%)	
<u>DII Strategic Objectives</u> During the review, it was commented that as there is now greater focus on DII, as well as a resourced DII Team, there is a need to develop strategic objectives for DII within TVP. This will ensure that the current focus continues and focuses on the aims for TVP. Risk: Lack of an agreed strategic direction, leading to a lack of buy in or DII work not being focussed on the appropriate areas.	Now there is a resourced DII Team, consideration will be given to future DII strategic objectives and priorities for the Force.	30/09/21	1	DII features as part of the Force Strategic Objectives now. There is joint Digital Strategy across TVP and Hants. What is required is a TVP DII Strategy to complement these. The new Head of Spec Ops in post will take this forward via the DII Governance Board.	31/03/22
<u>DII Performance Monitoring</u> During the audit, there have been discussions around performance monitoring and oversight of any DII work. This has been raised at the Joint DII Board as an area for TVP to develop to provide assurance to senior management and HMICFRS on any DII work and related outcomes. Conversations were due to take place with the Service Improvement Unit on how this can be captured, tracked and monitored. Risk: DII outcomes are not monitored, leading to a lack of assurance on DII work or visibility of areas for further development.	An external company has proposed an option for DII performance tracking. The DII Team will review this solution, with a view to implement the tool and provide corporate oversight of DII work and outcomes.	30/09/21	1	Completion of the evaluation of the external company was disappointing (due to a number of factors inc tech). This will be revisited with Teams capabilities now available. There is a DMI Register of all work completed by the team which offers some analytical oversight of both demand content and volume. DII questions have also been implemented as part of the Endeavour reviews to establish performance around digital considerations in an investigation. This is reported quarterly to the Endeavour Board.	31/03/22
GDPR Retention Risk Assessments	Final report issued on: 28/05/21			CCMT Lead: Mike Lattanzio	
Total number of agreed actions: 4	Number completed: 1 (25%)	Number not yet due: 2 (50%)		Number overdue: 1 (25%)	
<u>Currency and completeness of the base data and application of the scoring matrix</u> To carry out the risk assessments of over-retention (applied at both TVP and HC), base data gathered for the Information Assessment Register (IAR), as part of the 2018 GDPR project, was used. This data is now three years old, and does not reflect any changes since that point, although the IAR was refreshed in late 2020 so could be used as a basis for refreshing the assessments undertaken. However, the	A strategic assessment to identify areas of high risk in regard to over-retention will be produced based on information assets/business function and data flows rather than the granular purpose data within the IAR.	30/09/21	1	Work is underway on this paper and consultation has taken place with several IAOs of the relevant data sets to assess the risk and options.	31/12/21

Finding and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date															
<p>data in the IAR was not specifically designed for the over-retention analysis and the JIMU Records Management Team had already acknowledged, through their analysis, that the data was of varying standards/detail which had led to some of the risk assessments (and 'fixability' factors) being based on the Team's best professional estimate.</p> <p>The audit work sought, through review of a sample of individual 'purposes for processing of personal data' at TVP, to identify whether the data used for the risk assessment process was robust enough to provide accurate scoring based on the matrix drawn up by the Records Management Team. For the sampled 19 purposes, contact was made with the relevant Data Guardians, and other individuals as guided by them, to discuss the details on the IAR as it related to the scoring matrix and thus review the scores assigned. In summary this exercise showed:</p> <table><tr><th>Criteria from the scoring matrix</th><th>Review suggested a higher score was appropriate</th><th>Review suggested a lower score was appropriate</th></tr><tr><td>Volume</td><td>-</td><td>11</td></tr><tr><td>Sensitivity</td><td>1</td><td>3</td></tr><tr><td>Data Use</td><td>10</td><td>2</td></tr><tr><td>Subject Impact</td><td>4</td><td>1</td></tr></table> <p>In particular the process of discussing the 'purposes' in more detail with the owners identified:</p> <ul style="list-style-type: none">- The details included in the IAR did not always cover all the types of records being held that needed to be considered in terms of retention. There were also some areas where the individuals spoken to were unsure on whether there was over-retention and would benefit from further advice.- There was not always enough information on the IAR to make a clear assessment.- In some cases the lines on the IAR were specific to one relatively simple process, but in other cases they were a wide ranging 'broad brush' description of the work carried out covering various types of information and methods of record retention.- For one sampled purpose, which is collaboratively managed with Hampshire Constabulary (HC), the details on the IAR did not completely correlate with the processes at TVP.- Email was a recurring issue. In some cases there was proactive clearing of sent/received emails but this was not always the case meaning that information which may well have been disposed of correctly in other forms could still be over-retained as part of/attachments to emails. (It was noted that auto deletion of emails has not been in place on the TVP or Hampshire systems since 2017).	Criteria from the scoring matrix	Review suggested a higher score was appropriate	Review suggested a lower score was appropriate	Volume	-	11	Sensitivity	1	3	Data Use	10	2	Subject Impact	4	1					
Criteria from the scoring matrix	Review suggested a higher score was appropriate	Review suggested a lower score was appropriate																		
Volume	-	11																		
Sensitivity	1	3																		
Data Use	10	2																		
Subject Impact	4	1																		

Finding and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
Risk: Purposes are incorrectly classified due to incomplete, unclear or out of date information, leading to areas being assigned a disproportionate risk rating and failure to take action to address higher risk areas.					
Limited and Minimal Assurance Follow Up	Final report issued on: 11/05/21			CCMT Lead: DCC Jason Hogg	
Total number of agreed actions: 5	Number completed: 0 (0%)	Number not yet due: 4 (80%)		Number overdue: 1 (20%)	
<u>Vetting Standard Operating Procedures</u> An overall review is underway of the policies/standards in place to confirm whether they are still needed. Those that are retained will then be reviewed and updated as necessary. The Vetting intranet pages will also be reviewed and updated where necessary. <u>Follow Up Testing</u> Testing found that some, but not all of the team's Standard Operating Procedures (SOPs) have been reviewed and updated. The work has been captured via the Vetting Team's tasking process for completion by May 2021. Risk: Out of date or incomplete procedures, leading to the team applying incorrect or inconsistent processes.	The review and update of the team's SOPs will be completed.	30/06/21	2	This has not been done. As per the previous update there has been significant demand and movements within the department. There has also been a national push to become compliant with the Authorized Professional Practice for Vetting, which superseded the local policy and SOPs. We have completed a gap analysis and will be making final considerations around risk. Once the risks have been mitigated, we will then be in a position to update our local policies and procedures.	01/04/22
Oversight and Governance of the CTC	Final report issued on: 15/11/18			CCMT Lead: DCC Jason Hogg	
Total number of agreed actions: 11	Number completed: 10 (91%)	Number not yet due: 0 (0%)		Number overdue: 1 (9%)	
<u>Telematics Reporting</u> The CTC is responsible for the fitting and maintenance of Artemis Telematics System (ATS) to vehicles. The system is noted to have four main objectives: - Reducing the number of Police Vehicle Incidents (PVIs) and associated costs. - Management of vehicle utilisation. - Fuel savings. - Vehicle maintenance savings. A Standard Operating Procedure has been adopted and there have been recent discussions around reporting and governance in relation to driver telematics, and which areas are the highest risk. Currently, the CTC react to requests for data, but the work on process, reporting and governance will resolve this and become business as usual. Risk: Consortium members lack vehicle usage information, leading to efficiencies and savings not being realised.	The management information and related governance for Artemis Telematics System (ATS) reporting will be implemented across all consortium members.	31/03/21	1	The new telematics system has been rolled out across CTC, with stakeholders given access to the system. 2,150 units have been installed with approximately 70 units still to fit. Testing and pilot programs are continuing with driver ID now activated across TVP and BCH. BTP currently have approximately 10% of the fleet fitted, this will be looked at as a 'phase 2' for fitments in 2022/23. All CTC member forces are to nominate lead officers to be part of a working group to determining the data set required to feed into operational performance/planning/strategic decision making.	31/03/22
Payroll	Final report issued on: 15/11/18			CCMT Lead: Linda Waters	
Total number of agreed actions: 11	Number completed: 10 (91%)	Number not yet due: 0 (0%)		Number overdue: 1 (9%)	

Finding and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
<p><u>Parental leave calculations</u></p> <p>Whilst in general parental leave must be taken in week blocks, there is an exception within the policy which permits individual days to be taken if the employee has a child with a disability. At present, the process for calculating the deduction for these individual days disadvantages:</p> <ul style="list-style-type: none"> - Individuals who work different hours each day. - Individuals who have to take a week of parental leave compared to those who can take individual days. <p>With this in mind the Additional Leave and Time Off Work policy, which is dated 2014 and which has recently passed from People Services to Resource Management, would benefit from a review as it appears it has not kept up with the changing ways of working that are now commonplace within the Force.</p> <p>Risk: Failure to review policies against current ways of working leads to deductions being calculated in inconsistent ways for different employees.</p>	<p>The policy is currently under review and will be updated to address this area in consultation with the Payroll Manager.</p>	31/07/21	2	<p>The policy is largely in consultation form but has been delayed by recent representations regarding Maternity pay as we seek to align Officers and Staff. Any requests are being dealt with under the revised agreements on an ad hoc basis. Practitioners are aware and are clear what the entitlements are.</p>	31/12/21



**CHIEF CONSTABLE'S MANAGEMENT TEAM (CCMT) AND
JOINT INDEPENDENT AUDIT COMMITTEE (JIAC) REPORT**
Official
Risk Management & Business Continuity update
1 August – 31 October 2021



Risk Management Introduction

Effective risk management is one of the foundations of good governance. A sound understanding of risks and their management is essential if Thames Valley Police is to achieve its objectives, use resources effectively, and identify and exploit new business opportunities. Consequently, in common with all significant public and private sector bodies, the Force has an established framework for ensuring that areas of risk are identified and managed appropriately across its activities.

This framework is derived from the best practice set out in ISO31000: 2018 Principles and Guidelines and applied to the local context. This is the most recent guidance which sets out the principles, framework, processes and activities for the effective management of risk.

A revised risk and business continuity strategy was approved by Force Risk Management Group (FRMG) in October 2018. This provides guidance in the form of:

- Risk Management Strategy
- Risk Management Policy
- Risk Register Guide with an alternative 1 page guide available for quick reference
- Risk Management Communications Strategy
- Reminder of the National Decision Model and reference to the Authorised Professional Practice (APP) Risk Principles




Risk management forms part of the Deputy Chief Constable's portfolio.

Ongoing scanning by the Strategic Governance Unit (SGU), including reviewing departmental and operational risk registers, ensures the identification of strategic risks which are then assessed and scored with relevant business leads. The product of this process, including recommended actions, is presented to the FRMG which considers and makes corporate decisions in relation to those risks and recommendations.

This Report further provides the information necessary for the Joint Independent Audit Committee to fulfil their function effectively. Members are also welcome to review both the force and local risk registers, or specific risk entries, by arrangement with the Strategic Governance team, who will arrange access to the live documents at Force headquarters.

Risk Heat Map

This map identifies the current strategic risks, and maps them in terms of priority based on current risk scores. There has been some movement regarding risk scores this quarter with SR 100 Court Backlog risk score reducing as there has been improvements in the moving through the backlog of cases and this is reflected in the impact score being reduced from 2.8 to 2.5. SR 95 MASH demand has also reduced with the likelihood being reduced from a 4 to a 3 in this quarter. Two COVID risks have also reduced in likelihood, SR 88 BAU and SR 92 Recovery of activities, to reflect the work, which has been conducted by the Force to mitigate the risks.

Key: No change to risk score  Risk score has increased  Risk score has decreased 

		Impact			
		1 Minimum	2 Moderate	3 Major	4 Critical
Likelihood	4 Probable		<div>84</div> <div>103</div> <div>101</div> <div>102</div> <div>100</div> <div>98</div>	<div>81</div>	
	3 Likely		<div>105</div> <div>95</div> <div>86</div> <div>99</div> <div>56</div> <div>77</div> <div>97</div> <div>104</div> <div>82</div> <div>74</div>	<div>89</div> <div>85</div>	
	2 Possible		<div>91</div> <div>94</div>	<div>69</div>	


	1 Unlikely		88 ↓	93 ↔	90 ↔	92 ↓	87 ↔
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Overview of the Strategic Risks

The table below shows the direction of travel of each risk score and the current risk management status as agreed by the FRMG.

Risk	Previous Risk Score (I x L)	Current Risk Score (I x L)	Trend	Risk Owner	Date raised	Current Risk Action
SR 81 – ESMCP (Emergency Services Mobile Communications Programme) Finance	12 (3x4)	12 (3x4)	↔	ACO Simkin / ACO Waters	Aug 2019	TREAT
SR 98 - Custody	11.2 (2.8x4)	11.2 (2.8x4)	↔	D/Supt. Kirby	Feb 2021	TREAT
SR 103 – Disclosure		11.2 (2.8x4)	New	ACC De Meyer	July 2021	TREAT
SR 101 – IIOC Referrals		10.7 (2.7x4)	New	C/Supt Weems	July 2021	TREAT
SR 100 – Court backlog	11.2 (2.8x4)	10 (2.5x4)	↓	D/Supt. Kirby	Apr 2021	TREAT
SR 85 - CSI Accreditation	9 (3x3)	9 (3x3)	↔	Kay Hannam	Feb 2020	TREAT
SR 89 - COVID-19 - Staff welfare and wellbeing	9 (3x3)	9 (3x3)	↔	ACO Chase	Apr 2020	TREAT
SR 99 - Crime Data Integrity (CDI)	8.5 (2.8x3)	8.5 (2.8x3)	↔	DCC	Apr 2021	TREAT
SR 102 – Public Protection Unit (PPU) demand		8.4 (2.1x4)	New	C/Supt Hunter	July 2021	TREAT
SR 84 – Predicted abstraction rates	8 (2x4)	8 (2x4)	↔	ACO Chase / T/ACC Bunt	Aug 2019	TREAT

SR 95 - MASH backlog	9.8 (2.5x4)	7.5 (2.5x3)	↓	Supt. Knibbs	Aug 2020	TREAT
SR 69 - Funding	7.5 (3x2.5)	7.5 (3x2.5)	↔	ACO Waters	Jan 2015	TREAT
SR 97 – Missing & Exploitation	7.5 (2.5x3)	7.5 (2.5x3)	↔	ACC De Meyer	Nov 2020	TREAT
SR 104 – HMRC 'Making Tax Digital'		6.9 (2.3X3)	New	ACO Waters	July 2021	TREAT
SR 86 - Retention	6 (2x3)	6 (2x3)	↔	ACO Chase	Oct 2017	TREAT
SR 77 - Released Under Investigation (RUI)	6 (2x3)	6 (2x3)	↔	ACC De Meyer	Sept 2018	TREAT
SR 82 - ESMCP Technical	6 (2x3)	6 (2x3)	↔	ACO Simkin / ACC Snuggs	Aug 2019	TREAT
SR 74 - Recruitment	6 (2x3)	6 (2x3)	↔	ACO Chase	Oct 2017	TREAT
SR 105 – ICT Resourcing		6 (2x3)	New	ACO Lattanzio	July 2021	TREAT
SR 56 - Livelink	5 (1.6x3)	5 (1.6x3)	↔	ACO Lattanzio	May 2012	REQUEST TO CLOSE
SR 87 - COVID-19 - Critical activities	4 (4x1)	4 (4x1)	↔	ACC Metcalfe	Apr 2020	TREAT
SR 91 - COVID-19 - Remote working	4.4 (2.2x2)	4.4 (2.2x2)	↔	ACO Lattanzio	Apr 2020	TREAT
SR 94 - COVID-19 - Reputation and public confidence damaged	4 (2x2)	4 (2x2)	↔	DCC Hogg	Apr 2020	TREAT
SR 92 - COVID-19 - Recovery of services	6 (3x2)	3 (3x1)	↓	T/ACC Metcalfe	Apr 2020	TREAT
SR 90 - COVID-19 - Change in policing demand	3 (3x1)	3 (3x1)	↔	C/Supt Kidman	Apr 2020	TREAT
SR 88 – COVID-19 BAU and Change activities	6 (2x3)	2 (2x1)	↓	T/ACC Metcalfe	Apr 2020	TREAT

SR 93 - COVID-19 - Unintended legal and regulatory breaches during COVID-19.	2 (2x1)	2 (2x1)		DCC Hogg	Apr 2020	TREAT
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Strategic Risk Summary

This report contains updates for the period 1 August – 31 October 2021, the nearest month end to CCMT, as agreed at the September 2019 CCMT. The report reflects the statistical and narrative information available at the month end. Any more recent matters requiring CCMT input may also be included. All supporting documents (for example, Programme Board risk registers and additional papers) can be made available.

Scoring of a strategic risk is based on the 4x4 matrix (see [Appendix A](#)), and the direction of travel and the risk scores from the last quarter are included to provide a clear indication of the magnitude and direction of any change. All risks have been scored with input from the risk owners, or risk leads where this responsibility has been delegated, and the SGU risk lead.

During this quarter, there is one new risk that has CCMT agreed to be adopted to the Strategic Risk Register, regarding management of information assets and information risks that arise within the regional policing units of Counter Terrorism Policing South East and South East Regional Organised Crime Unit. The risk is:

1. There is a risk of inconsistency and unclear accountability for the management of information assets and information risks arising within the regional policing units of Counter Terrorism Policing South East and South East Regional Organised Crime Unit, which may lead to incomplete consideration and sub-optimal decision-making related to SE forces.

There has been some movement with the strategic risks this period, and there is one strategic risks, which CCMT has agreed to be closed, SR 56 Livelink. There are a total of fifteen existing risks that were highlighted for CCMT's attention for this reporting period.

Important areas to note

The table below identifies the strategic risks that are important to note for this reporting period.

Risk	Previous risk score	Current risk score	Risk Owner / Lead	Latest Mitigation Status
SR 81 ESMCP Finance	12 (3x4)	12 (3x4)	ACO Simkin / ACO Waters	<p>The Full Business Case (FBC), as reviewed by all regional programme teams, was considered and approved by the Major Review Projects Board on 23 July 2021.</p> <p>National Programme Director wrote to all forces on the 26 July: "I am pleased to say we have cleared this final governance step and our FBC has now been formally approved. We are now discussing the programme's funding settlement for this year with the Treasury ahead of the spending review announcement later this year. This will secure the funding the programme needs to deliver."</p> <p>Highlights from the FBC include:</p> <ul style="list-style-type: none"> • Transition to ESN is now due to commence in the spring 2024. This is a longer timeframe than had been set out previously, but it is considered to be more realistic. • National shutdown of Airwave is now scheduled for the end of 2026, although contractually it currently remains end 2022. • Some significant cost savings are proposed for ESN body worn devices and their associated connection costs. • Coverage costs for Critical Operational Locations (COLs) will now be considered as 'core' costs and will be funded by the centre. <p>The regional team are assessing the impact of this latest information in our Total Cost of Ownership (TCO) model.</p> <p>The UK government's Comprehensive Spending Review (October 2021) formally announced that it 'provides £125 million resource funding in 2022-23 ... and £121 million capital funding for the Emergency Services Mobile Communications Programme over the SR21 period, meaning they will have</p>

				technology that is more cost-effective and fit for the future.' This provides increased financial certainty that funding will be available for the length of the programme.
SR 98 - Custody	8.5 (2.8x3)	11.2 (2.8x4)	D/Supt Kirby	<p>As a result of the tactical plan detailed below, the current custody sergeant and detention officer resourcing situation has been stabilised enabling consistent operational delivery. Unfortunately, the national shortage of nurses and issues with staff retention has meant that there are now insufficient Health Care Professionals to safely resource the custody 6 suites 24/7. Whilst the wider custody resourcing issues remain the current focus of both the Gold and Silver groups is therefore addressing the critical HCP resourcing situation.</p> <p>Whilst the main issue up to this point has been maintaining Detention Officer resilience, which has been temporarily addressed through the use of the custody reserve, this is no longer sustainable and the Force is now experiencing serious Custody Officer resilience issues due to an increase in officers placed on to adjusted duties, very high annual leave rates and other unpredictable absences. With no readily accessible pool of reserve custody officers, from the 6 August 2021 the current resourcing situation has become critical.</p>
SR 103 – Disclosure		11.2 (2.8x4)	ACC De Meyer	Work continues to be progressed by Criminal Justice to address this risk and the significant additional demand placed on crime investigation. An extensive operational guidance has been developed for staff to follow, and training for the Evidential Review Officers who act as a gateway to the CPS for our ICR staff to prevent non-compliant cases being submitted has been completed. The National Redaction Principles have now been published, and incorporated into the Data Protection Webinars and revised operational guidance. Current mitigations have been completed with the exception of one, the E-Disclosure project, and further work to

				reduce the impact and likelihood of this risk is dependent on the outcome from the Annual Planning Process.
SR 101 - Illicit Images of Children (IIOC) Referrals		10.7 (2.7x4)	C/Supt Weems	Work continues to manage this risk as the volume of IIOC referrals received by the NCA continue to apply pressure within the Force. CCMT has agreed for a resource uplift in the Force Intelligence Bureau and Covert Authorities Bureau, which will support early assessment and intelligence development and attribution work. The use of robots is also being explored to assist in automating some processes to improve the efficiency in handling the referrals and reduce backlogs.
SR 100 – Court backlog	11.2 (2.8x4)	10 (2.5x4)	D/Supt Kirby	<p>In summary, as the pandemic evolves TVP have been made aware that the courts across the Thames & Chiltern (TVP, Beds & Herts) area are recovering at a slower rate than the rest of the country. This slower rate of recovery is now improving and recent data shows the area being much closer to the national average. The rate in the Magistrates Courts will be further mitigated by an intensive Trial Blitz period during the first two weeks of November at High Wycombe and Reading. The wording of the risk was previously amended to include the Magistrates Court to reflect the backlog concern of a high volume of ongoing cases. A Recovery and Trial Blitz plan has driven many of the improvements necessary to address the backlog and this continues to be monitored through fortnightly CJS Bronze calls.</p> <p>Crown Court volumes have stabilised, now reducing and capacity has significantly increased from levels pre-COVID / Reduced Sitting Days to early 2019 levels. This is allowing far more trials to be listed and heard than previously was the case.</p> <p>There is high demand nationally on Judicial Recorder's (Judges) availability to sit in the extra Crown Court capacity, which in Thames</p>

				<p>Valley is hampering full trial loadings and impacting on the Witness Care Unit, who have warned all the relevant witnesses, but then have to cancel the witness attendance when a trial is cancelled at late notice. The case is then having to be adjourned and re-listed.</p> <p>CPS had highlighted that the volume of repeated adjournments was contributing to the backlogs, which they had identified some being linked to the number of late files and further work submissions received from TVP. This has been a significant focus on Police teams with support through the relatively new Justice Gateway and improvements are being noted. CPS remain robust to avoid constantly chasing and reworking the case files and we continue to monitor the volume of case discontinuances with the associated impact on victim satisfaction, risk management and safeguarding.</p> <p>TVP continue to chair the weekly CJS Bronze Group which has been actively working on the multi-agency recovery action plan which is currently focusing on:</p> <ul style="list-style-type: none"> ○ Trial Blitz – Currently taking place - 1st – 12th November 2021 (week 1 HWMC and week 2 RMC) ○ Focus on prioritisation of vulnerable cases – included in the Trial Blitz and beyond. ○ Improving PSR writing and sentencing to reduce backlog of incomplete cases – TV Probation still struggling with 'in court' resources and timeliness of report writing. ○ Work to address adjournment culture – CPS being more robust in court. ○ Improve agencies understanding of the data – recent data (end of Sept) shows good progress of reducing the backlog in the Mags Court, with the Crown Court demonstrating good recent improvement. (See national court report for context and data table of MC cases).
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				The TVP Witness Care Unit has successfully recruited a dedicated RaSSO Witness Care Officer to provide focused support to victims and witnesses in these cases to mitigate the impact of delay and associated disengagement
SR 89 COVID-19 - Staff welfare and wellbeing	9 (3x3)	9 (3x3)	ACO Chase	There has been a significant amount of work conducted to prevent and mitigate this risk, since it was identified in April 2020 at the beginning of the pandemic, and this work continues to ensure it is embedded into service delivery and toolkits and resources available to our people. Staff who can be continuing to work from home, if they can do so effectively. Reported sickness levels reduced to a low level compared to previous years, however we are now starting to see an increase in sickness absence when compared to the same periods in previous year. This will continue to be monitored closely by the Force and forms part of the success measures in the Strategic Plan, which is reviewed at the Force Organisational Performance Group. The move to permanent working from home, for a significant proportion of the workforce, may mask unreported wellbeing/productivity issues and/or provide opportunities for staff to work more flexibly reducing absence that otherwise would have been taken as sickness /dependant leave. As we head into the winter months with increased social interactions and traditional respiratory coughs colds and flu viruses, sickness absence rates are likely to return to pre-pandemic levels. Service Governance and Improvement analysts are undertaking an initial analysis of sickness absence data: it is too early to identify trends, cause and effects. There are Welfare Bronzes within the Force to support line managers and staff, and Wellbeing leads to promote and provide resources to mitigate the impact on staff who feel affected by lockdown fatigue, stress and/or isolation from working from home, suffering anxiety or the effects of long-term COVID symptoms. Daily Lateral Flow Testing has been introduced by the Force,

				<p>and will hopefully lead to staff being reassured about returning to the workplace and minimise the impact on self-isolation.</p> <p>Resilience papers have been produced by Op Renew Silver and Tasking & Resilience (T&R) for Op Restore and Renew Gold to sign off as required. Guidance and communication continues to support - the Coronavirus Portal available on the Knowzone continues to provide comprehensive guidance and toolkits with reminders about how to access development and wellbeing support services.</p>
SR 84 - Abstraction	8 (2x4)	8 (2x4)	ACO Chase / T/ACC Bunt	<p>The risk remains the same, and the numbers of deployable Officers below a sustainable levels has now manifested and the Force is anticipated to experience a de facto reduction in deployable personnel in the August Tier 1 figures.</p> <p>There has been limited success in trying to reduce abstractions to specialisms, temporary local transfers and Force projects from ICR, added to the reduction in students becoming Independent Patrol Status (IPS) due to the limited intakes since November, there was only an increase of 9 deployable PCs between February and July 2021.</p> <p>The number of deployable PCs on the ICR remains stubbornly below the projected requirement for providing a sustainable service and this is unlikely to change before the New Year (when the intakes from 2021 start to become FIP at a greater rate that abstractions currently stand).</p> <p>However, the impact of Protected Learning is then expected to increase beyond sustainable levels. Officer welfare will continue to be impacted due to the duty changes and rest day cancellations to meet business as usual.</p>

				<p>The increased use of Uplift officer numbers to support specialist departments may also place a strain on force deployability and its capacity to provide enough experienced officers and tutors in response roles, particularly if routine transfers of officers away from ICR returns to previous levels. However, the changing of timings in Uplift recruitment to protect deployability in ICRs is creating resourcing gaps in some areas, notably PVP.</p>
SR 95 MASH backlog	9.8 (2.5 x 4)	7.5 (2.5 x 3)	Supt Knibbs	<p>A bid for an additional six resources was agreed as part of the Annual Planning Process. Until the additional resources are in post, overtime is being offered to staff and a specific code has been set up to monitor the overtime expenditure of staff who are allocated to clearing the backlog. There has been significant work to reduce the likelihood of this risk which includes to the following:</p> <ul style="list-style-type: none"> • Whilst there are backlogs in adult safeguarding and difficulties in being able to consistently discharge our statutory duties in a timely manner, it is anticipated that this will become less common-place with the increase in resources becoming more established and experienced. • Domestic abuse referrals which contain a completed DOM5 are now within manageable ranges for the MASH since the implementation of robotic automation processes. • Service Improvement is supporting MASH to resolve challenges around those DA notifications that do not contain a completed DOM5. • Responsibility for Probation checks have been reallocated to PPU • Attendance rates at ICPCs has increased to 91% force-wide. Challenges around RCPC attendance are being reviewed by a MASH working group – as reflected in the MASH 2020 12 month review (only available in draft format currently)

				<ul style="list-style-type: none"> Responsibility for DVDS has been reallocated to DAIU Welfare and morale of the MASH is being managed with the introduction of learning sessions, newsletters, admin days for supervisors and POD systems. The outcomes of these introduced actions are being monitored to assess if they would satisfy inspectorates (Ofsted/JTAI/HMIC)
SR 74 - Recruitment	6 (2x3)	6 (2x3)	ACO Chase	<p>The Force is seeing a decrease in the numbers of applicants but is needing to increase intakes to meet Uplift requirements. Further work is ongoing to increase intake numbers however, the force has reduced from 1 in 4 success rate for applications to 1 in 6. It will be challenging to fill the number of intakes moving forward due to applicant holidays, driving test backlogs and medical clearances from GPs. Corporate Comms is developing an attraction strategy and application window will be opened more regularly and for longer.</p> <p>Attrition and the internal transfer of officers is having an impact on recruiting to establishment targets. The Diversity & Inclusion Board, and the Legitimacy Board, are undertaking a range of improvement activities to improve diversity. The Positive Action & Engagement Team (PAET) has been focussing efforts on attracting and retaining ethnic minority officer recruits and are now a substantive team.</p>
SR 86 Retention	6 (2x3)	6 (2x3)		<p>The scoring of this risk has not changed. Although 202/21 turnover reduced to the lowest level since 2011/12, opening up of the wider economy following the COVID-19 pandemic, workforce shortages and rising wages in some parts of the economy has seen the force's avoidable turnover since the last quarter, officer rolling turnover has increased from 5.3% to 6.7%. This is an average of 36 leavers per month this quarter, well over the original anticipated turnover of 23. TVP has had an average of 24 joiners per month in 2021, meaning we are now losing more officers than we recruit. Avoidable turnover is the main issue, increasing from</p>

				<p>3.2% to 4.3%. This is mostly due to a sudden increase in resignations, from an average of 9 per month in the previous quarter to an average of 16 this quarter. Transfers out have also increased from an average of 3.6 per month previous quarter to 6.9 this quarter.</p> <p>Currently the Force is still able to commit to providing it's service delivery to the community, however if this increase of attrition continues rise then the impact in the development and opportunities of staff and officers will become challenging, as the remaining workforce will feel the pressure to fill the gaps. The current position is being closely monitored and will be continually assessed over the winter period. Actions are being taken within our internal remit however we have to recognise that there are external factors that will make opportunities outside the organisation more attractive.</p>
SR 105 – ICT Resourcing	6 (2x3)	6 (2x3)	ACO Lattanzio	Noticeable increase in difficulty in recruiting due to widening salary gaps in some “hot skills” area mainly the technical areas. Some attrition due to much higher salaries available in private sector.
SR 56 - Livelink	5 (1.6x3)	5 (1.6x3)	ACO Lattanzio	Livelink has now been replaced with SharePoint Online. The new system went live on 5 October and LiveLink is no longer available. This risk has now been treated with the replacement of SharePoint Online, and the risk owner and lead request for it to be closed.
SR 92 - COVID-19 - Recovery of services	6 (3x2)	3 (3x1)	T/ACC Metcalfe	The Force has responded accordingly to protect our most vulnerable employees, reviewing all new guidance and legislation, and internal practice to ensure risk is mitigated but that critical business areas can continue. Op Renew has stood down, and all the key learning has been taken and developed further under Working Smart programme. There are two departments highlighted on the Force Operating Status with impacted resilience, Custody which red and Forensics which is amber, indicating that all other departments have recovered and operating normally. There is currently no end in sight for COVID, and the impact and demand on policing

				<p>will reduce over the next few years. It is likely that after this Autumn / Winter it will be one of several respiratory diseases circulating and like the Influenza will have a BAU policing response.</p> <p>Op Renew has stood down and key learning and change has been either incorporated into BAU or shared with the Working Smart programme.</p>
SR 88 – COVID-19 BAU and Change activities	<p>6 (2x3)</p>	<p>2 (2x1)</p>	T/ACC Metcalfe	<p>When this risk was initial raised at the start of the pandemic, there were concerns that the Force would be unable maintain business as usual activities and change initiatives whilst the Force focussed on maintaining critical activities as they prepared for staffing resilience to be impacted due to COVID. With the effective implementation of preventative measures introduced by Op Restore, such as vaccination programme, availability of lateral flow testing and supporting departments with appropriate PPE provision and in addition the roll out of laptops enabling agile working, the risk has reduced and the Force is delivering business as usual activities. There are currently two departments flagged on the Force Operating Status, Custody which is red and Forensics which is amber, however the challenges experienced in Custody are a wider strategic risk which is recognised on the strategic risk register. The learning from the processes that were implemented during the pandemic was captured under Op Renew and is now under the Working Smart programme, such as agile working.</p>

Risk Radar

Risks from programmes, projects and local risk registers for note:

Supply chain disruption

At the end of September, England suffered a fuel distribution disruption for approximately two weeks, which was caused by a shortage of drivers to deliver fuel to petrol stations. This led to panic buying by the public, with long queues of vehicles at petrol stations leading to them to run out of fuel. It has been identified that there is an estimated shortage of approx. 100,000 HGV drivers in the UK, which has already caused concerns for a range of retailers from supermarkets to fast food chains. The reason for the shortage is due to a combination of factors such as Brexit and the pandemic where many European drivers returned to their home countries or moved elsewhere. The situation was further compounded by retirement of older drivers and the backlog in HGV driver tests due to COVID.

Global shipping disruption has also been impacted with container bottlenecks materialising and could continue for another 18 months, particularly towards the run up to Christmas. Maersk, a global shipping company announced it was diverting some of their ships from one of UK's largest ports, Felixstowe, to alternative European ports due to high demand for shipping space and the HGV driver crisis causing container backlogs. The UK is not alone in this crisis and it is being experienced worldwide, such as China and America. As economies reopen and restock after the disruption caused by the pandemic, demand is far exceeding supply, and the shipping industry are still experiencing the challenges of COVID impacting shipping crews and the quarantining of ships and docks. Shipping costs may also increase as there is also a shortage of vessels driving up shipping prices, which may start to be passed on through the supply chain. Consequently, the container bottlenecks are placing demand for airfreight which is usually carried out on scheduled airlines and reduces the ability to be flexible with the supplying goods is limited. There are also cost implications by using air, which is approximately 16 times more expensive than shipping.

The risk of supply chain distribution is set to continue over the next 12-24 months, and may have implications to the Force as we experience longer lead times for items to be delivered. For example, the shortages in semi-conductor is slowing vehicle production down and parts supply being slower than usual. ICT are also experiencing challenges with third suppliers who are also experiencing long wait times in sourcing switches and routes. This is connected to a worldwide issue in the shortage of microprocessors and supply chain constraints could continue for another 12 months. The two main causes for the shortage is the pandemic reduced the number being produced whilst demand increased with better internet being requested, and the other is the distribution on the components being hindered with shipment space being limited.

At this stage, the supply chain disruption risks are being monitored and managed at a local level by the relevant departments, e.g. Procurement, Transport, Property Services, LRF and ICT; however, it is a risk that may fluctuate in severity depending on the external challenges and one to watch over the next 12-24 months.

Business Continuity Introduction

Business continuity is about ensuring that, as an organisation, we are able to continue providing important public services in the event of some major disruption to our organisation. Clearly if the Force is unable to maintain its own services, it will not be in a position to best serve the public.

The Civil Contingencies Act 2004 provides the statutory framework which places a responsibility on the police service, as “Category 1 Responders”, to have in place effective Business Continuity Management (BCM) processes. Thames Valley Police (TVP) follows the principles within “ISO22301 Societal Security – Preparedness and Continuity Management Systems” which was published in May 2012.

Guidance on organisational resilience was published in November 2014 (BS65000:2014) which defines organisational resilience as the ability to anticipate, prepare for, respond and adapt to events – both sudden shocks and gradual change.

Oversight of the management of Business Continuity (BC) is provided by the Strategic Business Continuity Co-ordinating Group. This Group includes senior members from Property Services, ICT, Corporate Communications, HQ Operations, Health and Safety, and the Corporate Governance Officers.

Business Continuity Plans are maintained, tested and refreshed in respect of front line services and support functions. These are refreshed in order to reflect changes in personnel, dispositions, and core business processes. This proactive approach is supplemented by organisational learning from exercises and actual incidents.

This Report is provided to the CCMT for consideration and corporate decision making. It further provides the information necessary for the Joint Independent Audit Committee to fulfil their function effectively. Members are welcome to review the details of specific business continuity incidents or exercises by arrangement with the Strategic Governance team.

Force Business Continuity Incidents and Exercises

During this quarter the following incidents have occurred.

Fuel disruption

At the end of September, England suffered a fuel distribution disruption for approximately two weeks, due to a shortage of HGV drivers which led to panic buying by the public. Long queues of vehicles at petrol stations were experienced which led to them running out of fuel. The government did not invoke their fuel contingency plan, and emergency vehicles were not prioritised during this time. The Force implemented alternative BC arrangements ensure a continuity of service such as police vehicles refuelling late at night and contacting petrol stations to identify which still had fuel in the region.

During this quarter SGU have conducted the following exercise:

- **Procurement** – the exercise was based on the loss of Force stores due to an electrical fire, which resulted in the premises being unusable and staff being hospitalised for a week. There was good identification of what actions need to be taken to maintain a level of service to the Force in the short, medium and long term and the critical items that need to be sourced. Force Stores would be able to relocate to an alternative location, which has been tested during COVID with the use of Heyford for PPE distribution, however options are limited as the Stores ActionFile system they use to process requests is only available at a two sites.
- **ICT** – the exercise was based on losing approximately 30% of staff within the department due to norovirus. The exercise demonstrated the swiftness in the actions that the ICT SMT would introduce to cover the gap in resilience to ensure they were able to maintain critical activities. There were good discussions regarding engaging with the rest of the Force to understand their critical need and managing expectations through communications with the wider Force. Roles within ICT would be able to backfill into other roles and they have well established processes in place to manage the welfare and keep track of their staff. Further work is required by the department to understand the minimum numbers they need to perform critical roles and the skill sets required, which is to be fed back into the BCP.
- **PSD** – the exercise based on the loss of ICT systems, which resulted in losing 1 week of data. There was early identification of what the impact would be to lose these systems, prioritisation of work and what contingencies could be put in place to ensure the department could maintain their critical functions. Good understanding of communicating with internal and external stakeholders for engagement purposes and managing expectations. The department worked well together during the disruption and established an Emergency Management Team as well as recognising the welfare of staff who may have to work extended hours during the recovery phase to clear any backlogs.
- **Cherwell & West LPA** – the exercise was based on a fire at happened at Banbury police station which made it unusable for eight months. The exercise had representatives from ICR, Neighbourhood, CJ, Facilities and PVP and there were good discussions regarding the impacts and contingencies that would be implemented by each area, and strong leadership and coordination by the Dep. LPA Commander on ensuring that all departments impacted were engaged in the short, medium and long term. There was good recognition of the welfare of the staff involved in the fire. The impact on the public was considered throughout the exercise, and our external partners.
- **Oxford LPA**- the exercise was based on the loss of power at St Aldates station and Cowley station due to a power outage in Oxfordshire and the back-up generator failing to start. The exercise demonstrated an excellent understanding by the LPA on coordinating a response with departments that are housed in the LPA and how to secure the building as well as ensuring the delivery of critical activities and implementing

contingencies, such as the use of radios and mobile phones, ICR working from their vehicles, etc. There was a good level of communication with key internal areas (e.g. Force Incident Manager, Corporate Comms, etc.) and external stakeholders. The scenario also included flash flooding and there was good recognition of the need to engage with partners in the LRF and working with agencies to maintain public safety.

- **JIMU** – the exercise was based on the loss of ICT systems, which lead to losing one week of data. The department worked well together and there was excellent discussions on the contingencies that could be adopted during the disruption. There was a prioritisation of activities and risk assessment on the level of actions required to enable the department to deliver its critical activities. The exercise highlighted the reliance on their systems to perform their duties, and the need to build in resilience to have hard copies available to enable them to continue to work if the system went down.

Overall there was excellent level of engagement from all the exercises conducted in this quarter, and good understanding of priorities to support the Force in maintaining a level of service, risks to delivery and the contingencies during and post a disruption. There was also very strong consideration for the welfare of the staff during the scenarios and the support they would require whether that was due to a direct injury from an incident or burnout from working overtime to cover roles to ensure critical activities would be delivered. The two exercises regarding the loss of ICT systems and data highlighted the need for departments to work with ICT to understand what back up arrangements in place for the systems they rely upon should they experience a loss of data.

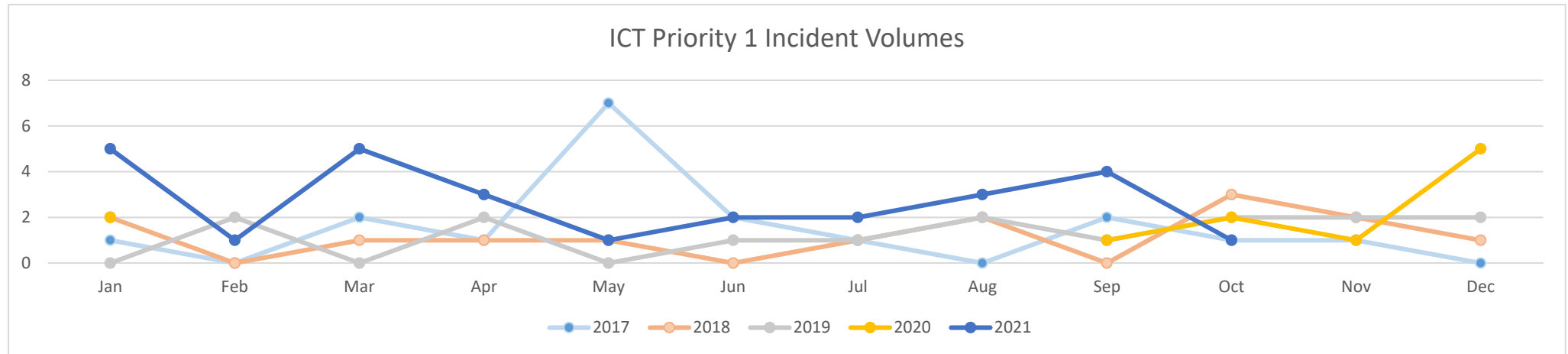
ICT also conducted a disaster recovery table top exercise with key ICT representatives and other stakeholders including JIMU, Corporate Comms, Hampshire Constabulary BC lead and SGU. The scenarios presented started with a phishing email escalating to a ransomware attack. There were healthy discussions on the approach ICT would take to manage this type of incidents and key learning on the need to develop and document processes in an overarching Force Cyber framework to support our preparedness if such an event should arise and training for staff.

ICT Priority Incidents

For the purposes of ICT incident reporting, a P1 incident is defined as “an ICT event which impacts the whole force, with a fix time required of less than 4 hours.” Whilst not all ICT events impact the whole Force, they are captured in this report because they involve a system which has been identified as critical by the Force.

ICT P1 Incident Volume Trend

During the last 3 months, ICT recorded 8 P1 incidents which is an increase of 2 from the previous quarter.



A summary of the P1 incidents arising in this period.

Date & Time	P1 Incident Summary	Affected Force	Business Impact & Action Taken	Root Cause & Learning	Time to Restore	Resolved
Force-wide						
02/09/2021 11:30	Network remote connection issues	HC & TVP	Some users unable to access the internet, Teams & Outlook, and this would have varying degrees of impact on users working remotely. Where there were significant impacts, users would have invoked BC arrangements and worked from a TVP site to access the network.	Worldwide third party (Zscaler) data centre outage following supplier configuration change. Commercial governance process applied and a meeting has been arranged with the third party to prevent future issues.	2hrs 6mins	Yes
Contact Management						

04/08/2021 07:46	CMP application frozen across all rooms	TVP & HC	Contact Management would not have access to key information on the CMP system such as markers identifying, risks, vulnerabilities or call history, which presents an officer safety risk. Calls from the public would still have been received however, a manual process would be invoked to transfer calls to the Control Room, and staff would record on paper officers who have been deployed.	There was a 10 minute window where the CMP Application Service Bus was not queuing requests due to a reduction in third party datacentre network performance. Monitoring is in place to track any trends	10 mins	Yes
23/08/2021 12:42	CMP application freezing and lagging across all rooms	TVP & HC	Similar to the above impacts and actions Contact Management staff invoked BCPs and reverted to paper affecting efficiency.	Third party supplier actioned a planned change which affected database performance. The change was reversed and performance was restored.	48 mins	Yes
06/09/2021 05:28	CMP performance	HC & TVP	Contact Management invoked BCP and reverted to manual process and logging calls from the public on paper. Communication with the Control Room was maintained with the use of telephone and email.	Planned change applied to resync the datacentre checkpoint firewall had an unplanned performance affect.	15mins	Yes
27/09/2021 16:25	Contact Management unable to convert incidents or locations in CMP	HC & TVP	This incident related to CMP where there were issues with Gazeteer search and incident creation and mapping. The Control Room were unable to action the correct address for the location of the incident, and they would not have been able to deploy officers promptly and find	Performance degraded following network change. Performance returned to normal when change completed. Agreement on fixed outage windows reached with relevant operations.	1hr 20mins	Yes

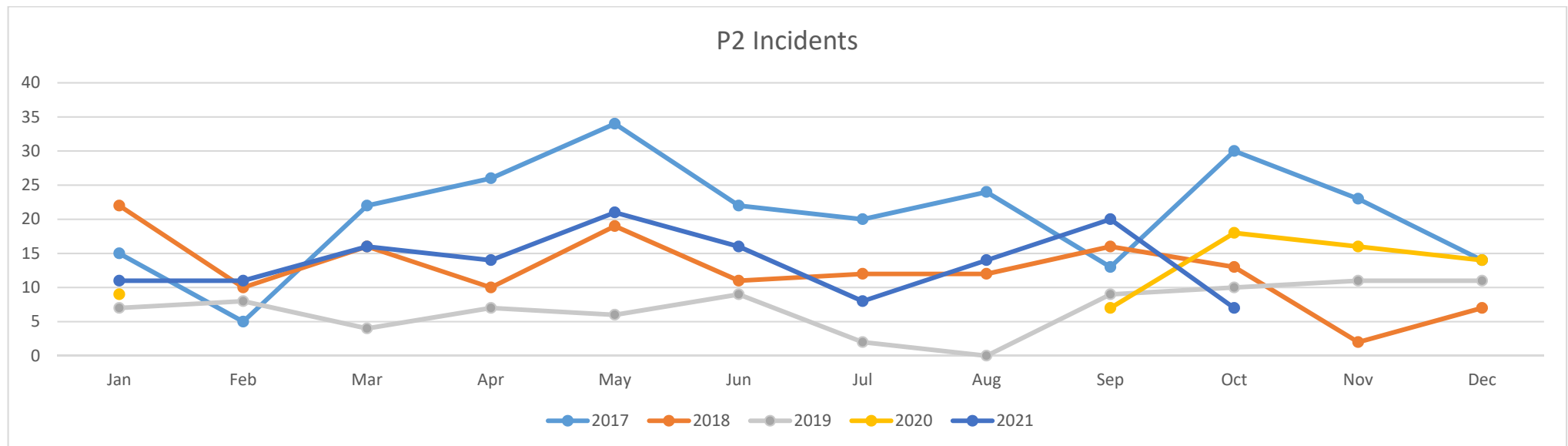
			addresses, which is a risk to public safety.			
14/10/2021 11:25:00	CMP Freezing	TVP	CMC reported multiple reports of CMP freezing, incidents not saving and unable to dispatch resources. BCP were invoked and they reverted to paper. This would have implications to officer safety and public safety however the incident lasted 7 minutes.	Further investigation on root cause continue under a separate problem record.	7 mins	Yes
Force Intelligence & Specialist Ops						
19/08/2021	Charter unavailable	TVP	The connection between from Charter to OCDA was lost on the 19 August and the issue. The incident was not identified immediately as no system errors were received. Consequently there were approximately 30 applications stuck waiting to be submitted to OCDA including grade 1s (threat to life) and 2s.	The monthly servers patch and reboot for Charter Identity and Authorise services did not automatically start when the server came back up, or the patching had some other knock on effect causing them to stop. ICT are investigating for this to be moved into a manual patching group. ICT have investigated and have moved into a manual patching group.		Yes
Pronto						
21/09/2021 10:37	Pronto unavailable	HC & TVP	Some officers unable to complete searches & lookups via laptops or smartphones. Officers would have reverted to alternative methods and used the existing law enforcement databases to conduct searches, such as PNC.	The SQL Server was being updated, and in the process it became unstable and entered recovery mode. The supplier took the action to stop the service to prevent data loss or corruption whilst they repaired the database and brought it back online.	1hr 16mins	Yes

In this quarter, there have been five P1s impacting Contact Management as they experience CMP performance issues. There is a dedicated CMP Silver Group managing changes and interactions with the suppliers to reduce the number of P1 and P2 incidents and reduce the disruption experienced by staff.

ICT P2 Incident Volume Trend

P2 incidents are reported in order to allow assessment of any underlying trend or issue that might, if not addressed, lead to a business continuity incident. For the purposes of ICT incident reporting, a P2 incident is defined as “an ICT event which impacts on a single department or site, with a fix time required of less than 8 hours.”

During the period 1 August – 31 October 2021, ICT recorded 41 P2 incidents, which is a slight decrease from the previous quarter.



During this quarter, no common trends were identified by ICT and no P2s escalated to a P1. Of the 41 P2s logged this quarter, 17 of them were incidents logged by Contact Management, and the incidents logged were due to multiple causes such as external file feeds failing to import into CMP, e.g. such as mapping being unavailable.

Business Continuity activities

The Business Continuity Management Framework has been signed off and is published on the Business Continuity intranet page. The framework will be communicated to the BC SPOCs in the quarterly email. A BC Practitioner Meeting was held on the 3 November 2021, and a draft version of a widespread power outage framework was reviewed for feedback. SGU has also engaged with ICT and SEROCU to develop and plan a robust cyber exercise to deliver within the Force, which we are aiming to deliver between December 2021 and March 2022. No items have been identified from this forum to be raised to CCMT.

OFFICERS' APPROVAL

We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. We are satisfied that this is an appropriate request to be submitted to the Joint Independent Audit Committee.


Chief Constable


Date

Director of Finance

Date

Appendix A – Strategic Risk Updates


SR 56:	Livelihood is required to remain functional until April 21, increasing the likelihood of issues.				Risk owner:	ACO Lattanzio	
Impact:	1.6	Likelihood:	3	Risk Lead:	Marion Peuleve / Mark Gould		
Risk Action:	TREATED	Date raised	May 2012	Review date:	15/10/2021	Risk score:	5
Next review date:							
Context:							
Livelihood has now been replaced with SharePoint Online. The new system went live on 5 October and LiveLink is no longer available. This risk has now been treated with the replacement of SharePoint Online, and the risk owner and lead request for it to be closed.							
Risk trend			REQUEST TO CLOSE				
Assurance	Reasonable	There is programme governance in place, with engaged senior leadership which is regularly reporting progress to key senior stakeholders. Programme risk registers are being completed, there are clear mechanisms for escalation and additional mitigating actions are being identified and actioned.					
Consequences:							
<ul style="list-style-type: none">- Loss of access could have significant operation impact, i.e. no access to the Force Daily Management Meetings, Daily Force Briefings, Intel Briefings, HR files, handover notes, OCG documents, FRAMS and Pre FRAMS.- Resulting impact on public safety.- No ICT resource to support Livelihood is secured and system support is ineffective.- Usability and accessibility issues with Knowzone.- Inability to recover old records and documents.							
Current Mitigation					Owner:		Completion date:
The Project Board have now extended the contingency to May 21					Mark Gould		Complete
Project implementing SharePoint Online					Terry Willat		Complete
Future Mitigations					Owner		Completion date

SR 69:	The funding for 2021/22 has been agreed and with the increase in council tax precept of £15 and with the continued government support for the PUP, the force is a good position to continue to provide and improve the policing service to our communities over the next 1 – 2 years. Hence the funding risk for the next 12 months has been removed and for the following 12 months the risk level is significantly reduced.				Risk owner:	ACO Waters	
	Unfortunately, we have no clarification over future years funding and hence the risk still exists albeit primarily from 2023/24 onwards. The risk increases with time, so 2023/24 sees a much higher risk to our service levels than 2022/23. Funding beyond 2022/23 may be inadequate to allow us to continue delivering all existing services to the same level of performance and may not accommodate additional demand, priority areas whether through increasing numbers, complexity or scope. Based on current assumptions funds may not be sufficient beyond 2023 to avoid additional cuts. The savings required to mitigate any funding shortfalls may impact on service level provision.						
Impact:	3		Likelihood:	2.5		Risk score:	7.5
Risk Action:	TREAT	Date raised:	Jan 2015	Review date:		Next review date:	31/01/2022
Context:							
<p>The financial implications of COVID for the wider economy threaten future funding levels beyond 2021/22 although there still appears to be considerable support for the Police Uplift Programme, the level of funding associated with these increased numbers in future years may not meet all additional costs. Council Tax funding will be reduced by the level of unpaid council tax, the reduction in house building, vacancy levels etc. but the government have already announced a support package which will limit the impact of this reduction in funding. Government funding is clearly under severe strain and will continue to be for the foreseeable future, placing all public sector funding at risk. It can be expected that existing Government departmental plans will have to be revisited with a downward trajectory as part of the CSR expected in the summer.</p> <p>The agreed budget for 2021/22 presents the force with an opportunity to prepare the force for the financial risks in future years. More information will become available when the multi-year CSR is published in the Autumn.</p>							
Risk trend		No change to the risk score due to the agreed settlement for 2021/22.					
Assurance	Reasonable	There are well established budgeting and monitoring processes in place within clear timescales. The CCMT will actively manage the investment and allocation of PUP officers to prepare the force for the medium term where possible					
Consequences:							
COVID-19 is having a financial cost to TVP albeit government support has mitigated the majority of the impact. The force has received funding for all medical grade PPE, the national PPE infrastructure costs and support towards lost income. In addition a non-conditional grant of £1.7m has been notified							

The uncertainty around future funding levels challenges our assumptions underlying the MTFPs in terms of investing in additional officers, technology, equipment and premises.

The “new norm” following COVID-19 will also require TVP to revisit those assumptions and reassess the best way to deliver required services, potentially significantly changing the desired level of financing and creating more “gaps” in respect of future funding.

Current Mitigations	Owner:	Completion date:
The costs and savings associated with COVID-19 and the Smarter Ways of Working will continued be monitored and tracked.	ACO Waters	Ongoing
The Efficiency & Effectiveness plans will continue to be delivered and significant addition savings and new initiatives have been identified and being progressed.	Ch. Supt France	Ongoing
Future Mitigations		


SR 74:	If the Force does not reach expected establishment, whilst demand and the complexity of policing increase, TVP will be unable to meet existing and future demands.				Risk owner:	ACO Chase
					Risk leads:	Troy Daniels
Impact:	2	Likelihood:	3	Risk score:	6	
Risk Action:	TREAT	Date raised:	Oct 2017	Review date:	22/10/2021	Next review date: 31/01/2022
Context:						
Risk has been increased to its original starting point as the force is seeing a decrease in the numbers of applicants but is needing to increase intakes to meet Uplift requirements. Further work is ongoing to increase intake numbers however the force has reduced from 1 in 4 success rate for applications to 1 in 6. It will be challenging to fill the number of intakes moving forward due to applicant holidays, driving test backlogs and medical clearances from GPs. Corporate Comms is developing an attraction strategy and application window will be opened more regularly and for longer.						
Attrition and the internal transfer of officers is having an impact on recruiting to establishment targets. The Diversity & Inclusion Board, and the Legitimacy Board, are undertaking a range of improvement activities to improve diversity. The Positive Action & Engagement Team (PAET) has been focussing efforts on attracting and retaining ethnic minority officer recruits and are now a substantive team.						
Risk trend	 No changes to the risk score in this quarter.					

Assurance	Reasonable	The Workforce Board and associated programmes has delivered initial successes in addressing the recruitment risk. A further BAU structure has been established within the People Directorate to more robustly track workforce planning and respond as necessary. The Programme Board has an up to date set of programme risks and issues, which is reviewed at each Board meeting, with clear targets in place for recruitment and Uplift. Additional opening of applications and communications activities to increase recruitment and reduce attrition from the talent bank are also in development.		
Consequences:				
<ul style="list-style-type: none">- Impact on public facing services with potential risks to public safety, as well as reputational issues.- Inadequate staffing numbers across both specialist and general roles, which impacts on our abilities to meet targets in the short-term and our longer term force resilience.- Negative impacts on staffing morale as a result of work patterns and increased demand on existing staff.- An imbalance in recruitment may cause further risks to be considered around training and mentoring capacity, which will need to be monitored.- Further consequences are linked to SR84, which considers future abstraction rates.				
Current Mitigations			Owner:	Completion date:
CCMT have approved additional resources for the People Directorate to facilitate the increased levels of recruitment and training required to meet our establishment targets. The budget provision extends to March 2021.			ACO Chase / Troy Daniels	31/03/2021 Completed
TVP People Survey has identified ‘in service’ trends in turnover intention and ideation and has analysed these against turnover trends. Survey has also identified trends in ‘in-service’ turnover drivers and how these have changed in exit data. These are being addressed through the TVP People Project. While a range of activities have been implemented through the TVP People Project, project activities are ongoing.			Troy Daniels	Completed
Turnover data has been analysed to identify trends in turnover and projections of estimated turnover into the future.				
Development and testing of retention interventions in Departments and LPAs (Interventions have been developed or are currently in pilot with LPAs and Depts). Project activities are ongoing.				
PAET continue to engage with applicants, individuals and communities from a BAME background to increase representation within the force.			Nita Pankhania	ongoing
Future Mitigations				
PD to model recruitment and intakes over the next 30 months and CCMT to agree an approach that will bring actual establishment closer to budgeted establishment.			Supt. L&D	31/03/2021

		Completed (though subject to regular review and update)
Delivery agreement with Bucks New University has been signed. DHEP and PCDA 'go-live' in November 2020	Christine Kirby (PCDA/DHEP)	Complete
Uplift needs and impact being identified and mitigating actions developed.	Ch Supt T&R (Uplift)	Completed
Undertake further studies into why we are not attracting potential recruits onto training courses. This might include admission standards, perception of career packages etc.	Alison Whitehouse / Caroline Cookson	31/03/2021 Attraction no longer a risk. Mitigation is Closed
Make use of the opportunities that will arise from e.g. CMP / Op Model Phase 2 / E&E to reduce demand, and make better use of resources. To be aligned with review of T&R. (Ongoing)	A/C/Supt Rai	30/06/2021
Investigate attrition from talent bank and review disproportionality and assistance for BAME applicants undertaking Online Assessment Centre.	Alison Nicholls	31/10/21
22/10/2021: PCDHEP openings are being scheduled more frequently.	Alison Nicholls / Caroline Cookson	Complete
Further communications activity and opening up of PCDHEP applications.	Ch Supt T&R (Uplift) / Contact Management	31/10/21
Defer a proportion of the Contact Management Uplift allocation into year3 and recruit staff to fill any vacancies in the short term.	Caroline Cookson	31/12/2021
Corporate Comms to develop a Attraction Strategy		

SR 77:	Investigation drift due to RUI resulting in a failure to get cases into court and obtain positive Criminal Justice outcomes.					Risk owner:	ACC De Meyer
						Risk Lead:	Paul Powell and Local Policing
Impact:	2		Likelihood:	3		Risk score:	6
Risk Action:	TREATED	Date raised	Sept 2018	Review date:	29/10/2021	Next review date:	31/01/2022
Context:							

The risk remains until the new bail framework is implemented in 2022 and the legacy RUI cases have been dealt with. The Bail Management Team (BMT) has been expanded from three members of staff to six, the recruitment process has been completed and the successful candidates are going through final vetting processes. Part of their role will be to manage the outstanding RUI cases which will contribute to mitigating this risk. The new bail legislation has been produced and is included within the Police, Courts and Sentencing Bill.

Risk trend		There are no changes to the risk score. Once the new bail framework is in place and cases are progressed through the court then we may see a change in score after analysis has been undertaken.
Assurance	Reasonable	Endeavour provides clear future scope for the work which will contribute to the mitigating actions, with clearly defined ownership of the 12 work areas and agreed timelines.

Consequences:

- Potential impacts on public safety; especially for vulnerable victims, particularly for high harm offences.
- Impact on public confidence in the work of CJ and the judicial system as a whole.
- HMCTS are concerned that if courts are reduced in line with current numbers, and an increase in cases then occurs, HMCTS will not then have the court space required, and timeframes from date of Charge to Trial will increase, having a detrimental impact for Victims and Witnesses.
- HMCTS report an impact on court cases in relation to defendant's failing to appear and an associated increase in cracked and ineffective trials.
- Our local judiciary are concerned that the use of RUI is undermining their ability to protect victims and witnesses by way of remand or bail conditions.

Current Mitigation	Owner:	Completion date:
<p><u>12/08/2021:</u> The new bail legislation has been produced and is included within the Police, Courts and Sentencing Bill. There is a neutral presumption on the use of bail, but crucially the authorisations and timeframes have been significantly revised:</p> <p>3 months of initial bail will be authorised by the custody Sgt. A further 3 months of bail will be authorised by an Inspector, I suggest that this is a line manager function. A final 3 months of bail will be authorised by a Superintendent.</p> <p>The effect of the above changes will be that all summary offences can be managed without having to make a court application. The first court application to extend bail will not have to be made until nine months in to the investigation. Removing a significant blocker to the use of bail.</p> <p>Management of Bail and RUI - A new policy will be submitted to Endeavour Gold to manage RUI. This will provide a framework to allow the force to manage RUI far more effectively</p>	ACC De Meyer	Q1 2022
<p><u>04/05/2021:</u> The Proposed Framework for Endeavour Health Checks has now been produced by DCI McKenzie. The introduction of the Endeavour outcome team has been extended till Sept 2021, success measure being worked on with Service Improvement.</p>	Local Policing	Ongoing

Management of Bail and RUI - The RUI Toolkit has been rolled out for both Bail and RUI and is available on SIU portal. We are currently developing the 'one stop shop' performance portal for crime managers that will include aspects of the toolkit that show the greatest risk i.e. Youths and statutory time limits Formal communications for the toolkits to be provided once Op Guidance complete.			
<u>12/08/2021:</u> The new bail legislation has been produced and is included within the Police, Courts and Sentencing Bill. The Home Office are conducting a review of the amended Bail Act 2017. TVP have fed back to them and we are awaiting the review findings. Which may then influence are RUI processes.		Local Policing	Complete
<u>12/08/2021:</u> The use of O OCD has significantly increased, and at this stage it is difficult to determine if the influence that O OCD has on RUI numbers. We are approximately 1000 less RUI's than in June 2020 when O OCD was rollout out. The impact of O OCD is being still assessed. Rolling out greater use of Out of court disposals (OoCD), this should have a positive effect on the RUI levels as it provides an additional outcome disposal for officers		Paul Powell	Ongoing
Future Mitigations		Owner	Completion date
Management of Bail and RUI - Service Improvement are working on providing Local Criminal Justice Groups (Berks, and Oxon and Bucks) some predictive analysis in relation to demand for the next 6 months		Local Policing	01/02/20
Work is being completed to provide the force crime managers with a 'one stop shop' performance portal to allow convenient access to relevant performance data to allow them to better manage their investigations. RUI will be part of this.		Local Policing	01/06/20

SR 81:	Significant delays to the national ESMCP and a lack of concrete data, information and direction make implementation and investment decisions more expensive and complex and may result in financial exposure to the region.				Risk owner:	ACO Simkin (Regional) ACO Waters (Local)
					Risk Lead:	Brian Barnes/Paul Feazey
Impact:	3	Likelihood:	4	Risk score:	12	
Risk Action:	TREAT	Date raised:	Aug 2019	Review date:	28/10/2021	Next review date: 31/01/2022

Risk update:

The Full Business Case (FBC), as reviewed by all regional programme teams, was considered and approved by the Major Review Projects Board on 23 July 2021.


John Black (National Programme Director) wrote to all forces on the 26 July: "I am pleased to say we have cleared this final governance step and our FBC has now been formally approved. We are now discussing the programme's funding settlement for this year with the Treasury ahead of the spending review announcement later this year. This will secure the funding the programme needs to deliver."

Highlights from the FBC include:

- Transition to ESN is now due to commence in the spring 2024. This is a longer timeframe than had been set out previously, but it is considered to be more realistic.
- National shutdown of Airwave is now scheduled for the end of 2026, although contractually it currently remains end 2022.
- Some significant cost savings are proposed for ESN body worn devices and their associated connection costs.
- Coverage costs for Critical Operational Locations (COLs) will now be considered as 'core' costs and will be funded by the centre.

The regional team are assessing the impact of this latest information in our Total Cost of Ownership (TCO) model.

The UK government's Comprehensive Spending Review (October 2021) formally announced that it 'provides £125 million resource funding in 2022-23 ... and £121 million capital funding for the Emergency Services Mobile Communications Programme over the SR21 period, meaning they will have technology that is more cost-effective and fit for the future.' This provides increased financial certainty that funding will be available for the length of the programme.

Risk trend		There is no change the risk score.
Assurance	Limited	There are established national budgeting and monitoring processes in place within clear timescales. However, the project risks identify that the complexity of the project has created governance issues. As ESMCP is a national Home Office led programme, TVP's ability to impact on national outcomes is necessarily limited.

Consequences:

Financial exposure to the region through having to renew Airwave licences and replace end-of-life TETRA devices; extended team resourcing; which will incur financial implications.

Current Mitigation	Owner:	Completion date:
28/10/2021: The ESMCP Regional Finance lead is formulating a regional 'as is' financial picture to present at November ESMCP Programme Board. Provisional four-force forecasting 2021/22 provided by the programme team to regional finance lead will be incorporated into the Total Cost of Ownership (TCO). The TCO dashboard and User Guide are complete. Both have been presented to Finance, ICT Commercial and Procurement leads across all SERIP forces in October 2021 to assist with force financial planning.	Brian Barnes Paul Feazey	Ongoing

26/07/2021: Total Cost of Ownership model updated to reflect (approved) FBC. Recruitment is now on hold for the two additional ESMCP Technical Specialists. Responsibilities of the previous Programme Manager (resigned late June 2021) have been successfully distributed to Senior Project Manager and Business Change Authority, with no plan at this time to recruit his replacement.

The Programme Team will further explore the impact of the FBC on TVP now that it has been approved and will ensure that it is reflected in the TCO. Alignment with the expected release of the National Integrated Programme Plan (IPP) will follow.

SR 82:	ESN programme delivery is complex and a number of key required solutions are not yet in place (e.g. details of in-car devices, Kodiak software).				Risk owner:	ACO Simkin (Regional) ACC Metcalfe (Local)
					Risk Lead:	Brian Barnes/Paul Feazey
Impact:	2	Likelihood:	3	Risk score:	6	
Risk Action:	TREAT	Date raised:	Aug 2019	Review date:	28/10/2021	Next review date: 31/01/2022
Context:						
Full Business Case (FBC)						
<ul style="list-style-type: none"> The FBC was approved at the National Major Projects Review Group on 23 July. This assumes a revised timeline for ESN transition (commencing Spring 2024) with national shutdown of Airwave to be rescheduled for the end of 2026. 						
Integrated Programme Plan (IPP)						
<ul style="list-style-type: none"> The national programme continue to develop the new IPP (version 5 & 6) reflecting the move towards ESN Beta. The next version of the IPP (version 7) is expected at a date to be confirmed by the national programme. Version 7 will include a proposal for deployment sequencing. 						
Kodiak Software						
<ul style="list-style-type: none"> The national programme continues to work with Motorola to develop the Kodiak software required to support ESN and its mission critical communications. 						
Devices						


- Vehicle device contracts were signed-off by the national programme in November 2019. However, uncertainty remains around some key dimensions, e.g. coverage extenders and gateways. Revised legislation has been drafted by the DfT in relation to enabling the use of LTE devices by emergency service drivers.

Control Rooms / ICCS

- ICCS vendors are all now contracted to deliver Kodiak software. However, due to various delays in key functionality, Kodiak 11 is now the critical software release necessary before we can safely transition to ESN. This is now referred to nationally as ESN Version 1.0.
- Each ICCS vendor has now produced an Interface Control Document (ICD) that specifies how other Control Room systems (e.g. voice recording) can interface and connect to the upgraded ICCS.
- Arrangements for ICCS upgrades (i.e. timelines and costs) are still being finalised.

Coverage

- The national programme has not yet released details of its proposed coverage 'menu solutions', including their costs. These solutions are designed to help forces mitigate any potential coverage 'not spots', considered to be outside of EE's contractual obligations. The Minimum Standards For Transition (MSFT) have now been signed-off by the Gold Group which gives all forces assurance that ESN delivery will be operationally viable.
- ESN Assure 1.1 coverage testing is under way with a clear focus on availability at Critical Operational Locations (COLs) and contracted roads.

Risk trend		Pending further scrutiny of the FBC and IPPs, the risk score has been reviewed and is considered stable.
Assurance	Limited	Whilst TVP has a Business Change lead in place and established budgets and monitoring, this is a Home Office programme and TVP's ability to impact on national outcomes is necessarily limited.

Consequences:

Solution is unfit for purpose.

Current Mitigation

28/10/2021: On 16th September 2021, senior HC/TVP stakeholders re-confirmed their involvement in First Office Application (FOA) for NEC. This means HC/TVP will be the FOA User Organisation for the NEC ICCS to load ESN V1 onto a production environment. This will provide early sight of an ESN capable ICCS and will allow hardware updates to be incrementally installed. The ESMCP Team have submitted a draft of an ESN FOA understanding/agreement between the Home Office and HC/TVP which included the caveats and conditions required to reassure on any concerns over any risk to operational integrity.

26/07/2021: Our regional programme regularly attends meetings of the Control Rooms Working Group (CRWG), Business Change Assurance Group (pBCAG), Technical Assurance Group (pTAG), User Configuration Working Group (UCWG). This provides access to the latest information and provides an opportunity to influence on national policies, processes, devices and assurance in relation to all upgrades, timelines and costs.

Owner:


Brian Barnes
Paul Feazey

Completion date:

Ongoing


Work continues to align the regional mobilisation plan with a National Police template. Once the new IPP is released (v 5/6), the team will revisit local mobilisation planning.		
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SR 84:	If the current recruitment trends continue, TVP will fail to reach the number of officers required to mitigate the impact of abstractions caused by the new entry routes into Policing 2020/21.				Risk owner:	ACO Chase / T/ACC Bunt
					Risk leads:	Troy Daniels / Carl Mason
Impact:	2	Likelihood:	4	Risk score:	8	
Risk Action:	TREAT	Date raised:	Aug 2019	Review date:	22/10/2021	Next review date: 31/01/2022
Context:						
<p>The risk that numbers of deployable Officers will fall below sustainable levels has now manifested and the Force is anticipated to experience a de facto reduction in deployable personnel in the August Tier 1 figures.</p> <p>There has been limited success in trying to reduce abstractions to specialisms, temporary local transfers and Force projects from ICR, added to the reduction in students becoming Independent Patrol Status (IPS) due to the limited intakes since November, there was only an increase of 9 deployable PCs between February and July 2021.</p> <p>The number of deployable PCs on the ICR remains stubbornly below the projected requirement for providing a sustainable service and this is unlikely to change before the New Year (when the intakes from 2021 start to become FIP at a greater rate that abstractions currently stand).</p> <p>However, the impact of Protected Learning is then expected to increase beyond sustainable levels. Officer welfare will continue to be impacted due to the duty changes and rest day cancellations to meet business as usual.</p> <p>The increased use of Uplift officer numbers to support specialist departments may also place a strain on force deployability and its capacity to provide enough experienced officers and tutors in response roles, particularly if routine transfers of officers away from ICR returns to previous levels. However, the changing of timings in Uplift recruitment to protect deployability in ICRs is creating resourcing gaps in some areas, notably PVP.</p>						

Risk trend		This risk has materialised into an issue as the routine transfer of officers from the ICR has returned and the reduction in students becoming IPS due to the limited intakes since November 2020.
Assurance	Limited	Cross-department governance has been established and the risk regarding deployable officer numbers are discussed at the Workforce Board and Tier 1 Resourcing meeting. 90 day rules for transfer outside ICR continues to be applied.
Consequences:		
<ul style="list-style-type: none"> - The number of deployable officers will potentially fall below sustainable levels for much of 21/22 - Reduction in TVP ability to meet public needs, potentially creating risk to public - Negative impact on officer welfare and morale through an increase in cancelled rest days, overtime and restrictions on annual leave. - This may result in further retention issues. 		
Current Mitigations		Owner:
SR74 and SR86 address a range of actions to improve recruitment and retention and attrition rates in the short to mid-term which will contribute to mitigating this risk.		ACO Chase
T&R produce a monthly briefing report detailing resources available for patrol against establishment. This is also a predictive model, showing where we might be later in the year.		Carl Mason
BAU governance structures have been established with TVP and BNU to monitor dropout rates from DHEP/PCDA.		Christine Kirby
Future Mitigations		Completion date:
Sustain deployable staffing levels at LPA ICR level in such a way as to minimise abstractions in the longer term		Ongoing
2021/2022 Uplift numbers confirmed by Home Office. Impact on establishment confirmed and developed into a medium term workforce plan		Complete
Modelling of LPA allocation of uplift numbers to be undertaken and aligned.		Complete
22/10/2021: Governance structure in place and reporting into the Workforce Board. Reg 13 process has been developed and implemented.		Complete
Governance structures for monitoring DHEP/PCDA dropout rates have been developed.		Amanda Thomson
Adoption of policy and process for circumstances where officers are unable to complete their probationary period through operational redeployment for a period of time that prevents their meeting of academic gateways nearing completion.		Complete

SR 85:		Risk owner:	ACC De Meyer
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**CHIEF CONSTABLE'S MANAGEMENT TEAM (CCMT) AND
JOINT INDEPENDENT AUDIT COMMITTEE (JIAC) REPORT**
Official
Risk Management & Business Continuity update
1 August – 31 October 2021

	Resource shortfalls in CSI and Quality team having impact on achieving CSI accreditation and service delivery				Risk Lead:	Kay Hannam / Steve Sugden	
Impact:	3		Likelihood	3		Risk score:	9
Risk Action:	TREAT	Date raised:	Feb 2020	Review date	28/10/2021	Next review date:	31/01/2021
Context:							
Following a UKAS assessment of the CSI department (Aylesbury), TVP failed to be recommended for accreditation to the ISO standard 17020. The Forensic Regulator requires CSI units to be accredited by October 2020. A revisit by UKAS was planned for Summer 2020; however, due to COVID-19, this was delayed to April 2021. This date had been further extended to October 2021 and CSI was looking to move their assessment date to June/July 2021. UKAS has now postponed this assessment and we await further instructions from UKAS/FSR as to the revised planned timings. Recruitment of roles into the CSI and Quality team continues to address the shortfall experienced. Progress towards accreditation remains steady with some challenges around COVID-19 restrictions. FSR has extended the deadline to October 2022 and CSI remain on track to meet this target.							
Risk trend		There has been no changes to the risk and it will remain the same until the recruitment into the CSI and Quality team has been fulfilled.					
Assurance	Limited	Progress to manage this risk has been steady with recruiting key roles to mitigate this risk. Until now, the control arrangements have been limited. Now new starters are in place, we will be re-assessing the assurance levels.					
Consequences							
<ul style="list-style-type: none">- Inability to deliver the requirements of the Forensic Regulator and unable to achieve accreditation. Productivity reduced by extra work demands on CSI. Poor victim service through limited number of visits possible per day. Quality team support limited as stretched because stretched between several forensics disciplines.- Potential for reputational risk and complaints from victims.- When FSR gets statutory powers the lack of accreditation may invoke improvement orders or fines - unsure until powers given.- Major crime commitments unpredictable and impacting further on progression of accreditation- There will be a requirement for all staff to declare in their evidential statements that they are not accredited. This may lead to challenges in court although not many forces will have the accreditation by this time. There is also a chance that CPS may cause issues over charging for non-accredited work. None of this is clear as yet but the Forensic Regulator will soon hold statutory powers meaning more pressure on the Force to achieve it.							
Current Mitigation					Owner:		Completion date:
15/07/2021: Vacancies are reducing after successful recruitment drives – however, CSI still suffering from steady turnover of staff – recruitment ongoing at Tier 1 and 2.					Kay Hannam		Ongoing
Recruitment ongoing in CSI to fill existing posts.							
Future Mitigations					Owner		Completion date
28/10/2021: CSI Aylesbury now in steady state with implementation actions complete and ready for UKAS assessment in Jan 2022.					Kay Hannam		Ongoing with a target October 2022

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Dedicated roles committed to delivery of accreditation requirements.		
04/05/2021: Continue to engage with FCN and TF. We sit on the CSI Work stream and National Quality Managers (NQM) meeting which enables sharing and learning.	Kay Hannam	Ongoing
Engagement with Transforming Forensics and the expert networks to gather national learning and advice (ongoing agreed).		
28/10/2021: This post has been filled from within. Recruitment for replacement Quality and Performance Officer starting.	Kay Hannam	31/08/2021
Internal review of CSI re-structure due in Jan 2021 to establish benefits & success and identify any new risks/issues – solutions.		

SR 86:	If the Force does not reduce officer and staff avoidable turnover, whilst demand and the complexity of policing increase, TVP will be unable to meet existing and future demands.				Risk owner:	ACO Chase
					Risk leads:	Troy Daniels
Impact:	2	Likelihood:	3	Risk score:	6	
Risk Action:	TREAT	Date raised:	Feb 2020	Review date:	22/10/2021	Next review date: 31/01/2022
Context:						
<p>The scoring of this risk has not changed. Although 202/21 turnover reduced to the lowest level since 2011/12, opening up of the wider economy following the COVID-19 pandemic, workforce shortages and rising wages in some parts of the economy has seen the force's avoidable turnover since the last quarter, officer rolling turnover has increased from 5.3% to 6.7%. This is an average of 36 leavers per month this quarter, well over the original anticipated turnover of 23. TVP has had an average of 24 joiners per month in 2021, meaning we are now losing more officers than we recruit. Avoidable turnover is the main issue, increasing from 3.2% to 4.3%. This is mostly due to a sudden increase in resignations, from an average of 9 per month in the previous quarter to an average of 16 this quarter. Transfers out have also increased from an average of 3.6 per month previous quarter to 6.9 this quarter.</p> <p>Currently the Force is still able to commit to providing it's service delivery to the community, however if this increase of attrition continues rise then the impact in the development and opportunities of staff and officers will become challenging, as the remaining workforce will feel the pressure to feel the gaps. The current position is being closely monitored and will be continually assessed over the winter period. Actions are being taken within our internal remit however we have to recognise that there are external factors that will make opportunities outside the organisation more attractive.</p>						

Risk trend		While turnover has recently increased markedly, mostly due the economy opening up since the pandemic and rising cost of living the risk remains complex with many factors outside the control of the organisation. The score will be reviewed post winter to understand the further impacts on the organisation and our ability to meet existing and future demands.	
Assurance	Reasonable	The Workforce Board continues to address retention within the Force and have been delivering initiatives before the December 2020 deadline. During the pandemic, avoidable turnover has remained low for both police officers and police staff. These numbers continue to be tracked through the Workforce Board. The Programme Board has a risk and issues register which is used to track both the recruitment and retention.	
Consequences:			
<ul style="list-style-type: none">- Impact on public facing services with potential risks to public safety, as well as reputational issues.- Inadequate staffing numbers across both specialist and general roles, which impacts on our abilities to meet targets in the short-term and our longer term force resilience.- Negative impacts on staffing morale as a result of work patterns and increased demand on existing staff.- An imbalance in recruitment may cause further risks to be considered around training and mentoring capacity, which will need to be monitored.- Further consequences are linked to SR84, which considers future abstraction rates			
Current Mitigations		Owner:	Completion date:
Turnover data has been analysed to identify trends in turnover and projections of estimated turnover into the future.		Troy Daniels/ Supt L&D (Retention)	31/03/2021 (Completed)
22/10/2021: This action has been suspended because of COVID which changed the factors and parameters of the predictive model.			Closed (to be reviewed at a later date)
Predictive model of turnover analysis has identified that the force is not asking adequate questions at exit to enable the prediction of turnover. Force is reviewing exit questionnaire and exit process to improve understanding of turnover.			
22/10/2021:			Complete
Development and delivery of retention interventions in Departments and LPAs.			
22/10/2021: Actions have been completed with the exception of staff career pathways which is still ongoing.			Ongoing


The Retention project established and will address:		
<ul style="list-style-type: none"> Line management Work environment Terms & conditions Staff career pathways - ongoing 		
Future Mitigations		
Uplift needs and impact being identified and mitigating actions developed.	Supt. L&D (Retention & Uplift)	Completed
Use evidence-based predictive modelling to quantify future demand on the Force.	Troy Daniels	Closed due to COVID impact on data

SR 87:	Failure to fulfil red, amber and green critical activities as monitored by Op Restore.				Risk owner:	C/Supt France
Impact:	4	Likelihood:	1	Risk score:	4	
Risk Action:	TREAT	Date raised	April 2020	Review date:	29/10/2021	Next review date: 31/01/2021
Risk update:						
Operation Restore continues to manage the Force's response to COVID, and prepare for the potential disruption in resilience due to the combination of seasonal flu and COVID over the winter months. The success of the vaccination programme and the high rate of vaccinated staff in conjunction with the changing to the isolation rules from the 16 August has meant there has been a significant reduction in the need for staff to isolate following close contact with a COVID positive case. The Force's Lateral Flow testing programme has been delivered force-wide, and the final phase of home testing has allowed for the on-site workplace testing to be stood down as staff can access the test via workplace collect. The regular use of the test kits has helped keep asymptomatic COVID cases out of the workplace and protect the Force's resilience.						
Risk trend	↔	No change to the risk score. We have been challenged in our resilience due to the number of infections and test, track and trace process; however critical functions have been maintained.				
Assurance	Reasonable	This risk continues to be actively managed through a gold command structure who are providing direction and oversight during the pandemic. There are well-established governance structure for Op Restore which are supported by working groups. The COVID Gold Resource Management structure has been stood down however there are processes in place to monitor staff resilience and to stand up working group with key stakeholders if overall absences reach 7%.				

Risk cause:		Consequences:
<ul style="list-style-type: none"> - Reduced policing capacity through failure to provide officers and staff with sufficient PPE to protect them from infection and minimise the spread of infection across the Force. - Inability of staff working from home to use required systems due to ICT equipment and network constraints. - Diversion of significant resources to deal with a severe unforeseen incident (e.g. terror attack) - Policing demand levels are higher than planned for - Insufficient numbers of available or recallable officer, staff and management to allow for resilience. - Unable to obtain mutual aid when required, (e.g. resources from other Forces or the military) 		<ul style="list-style-type: none"> - Public safety concerns - Vulnerable people not identified - Victims of crime not responded to. - Insufficient prevention, detection, and timely investigation of criminal activities. - Increasing backlog of investigation and other work - Reputational damage. - Additional financial implications (e.g. overtime) - Unmitigated public disturbances
Current Mitigation		Owner:
<p>29/10/2021: This process continues to be ongoing. There are also regular Op Restore Risk Review meetings, which identify and new risks or changes to existing risks that may affect critical activities.</p> <p>Regular review and updating of a consolidated list of all critical activities as identified and RAG rated by HoD and LPA commanders.</p>		T/C/Insp Pickering
<p>26/07/2021: This continues. Oversight of abstractions, CEV numbers and working from home data is review daily and reported to DMM. T&R own the Force Operating Status process to include both COVID and BAU resilience matters. The COVID Bronze meeting continues to look at trends and pinch points, which feed to gold as appropriate.</p> <p>Tracking and forecasting officer and staff availability and unavailability regularly, including deciding if changes to policy/guidance are needed (e.g. in respect of PPE, contact with the public, and working environment).</p>		Carl Mason
<p>29/10/2021: To reflect the reduced demand and that many functions have been integrated into BAU, the Op Restore team has reduced significantly and comprises of Silver (T/C/Insp), 1 Insp, 1 Temp and 1 ASO.</p> <p>Rotation of officers and staff in Op Restore to prevent fatigue and mitigate key person dependence</p>		T/ACC Metcalfe
<p>29/10/2021: New national guidance on COVID Secure workplaces have been implemented (removal of 2m / occupancy rule). New principles of maximising space, minimising density and maximising ventilation allows a local</p>		T/C/Insp Pickering

<p><i>risk based approach to increase service delivery, whilst protecting the welfare of staff. H&S coordinators are working with local leads to review and update workplace risk assessments. Op Restore work closely with the H&S team to ensure consistency and capture / share learning.</i></p> <p>Protect the welfare of frontline officers and staff by introducing social distancing measures, e.g. cancellation of conferences, large meetings and most training, utilising teleconference facilities, remote working where possible.</p>		
<p><i>29/10/2021: In addition to the above, the capacity principle of Working Smart (50%) provides the space for staff that are in the workplace to spread out and minimise density.</i></p> <p>Ongoing review though Op Renew of the ability to increase organisational capacity whilst maintaining the safety of staff to COVID risks, taking opportunities from the increased safety arising from vaccination (lower risk may allow some staff who previously could attend the work place to do so if and when needed) and taking learning from COVID work to date to prepare for a third wave to maximise COVID secure practices</p>	T/C/Insp Pickering	Ongoing
<p><i>29/10/2021: 4 models of Lateral Flow testing have been delivered force-wide. The final model (home testing) has allowed the preceding model, on-site workplace testing, to be stood down. Via, Workplace Collect, staff currently have universal access to home Lateral Flow testing kits. Their regular use helps keep asymptomatic COVID cases out of the workplace. 33,000 LFDs have been voluntarily recorded on SSAMI and 10,000 test kits are in force for distribution over Autumn / Winter.</i></p> <p>Expand Lateral Flow Testing capacity to include home testing, to reduce the risk of in work positive cases leading to clusters of isolations</p>	T/C/Insp Pickering	Ongoing
<p><i>29/10/2021: Engagement continues with the LRF, and currently no LRF, TCG or SCGs are stood up.</i></p> <p>Engagement with the LRF to establish and modelling or reasonable scenarios in relation to third wave to inform planning</p>	T/C/Insp Pickering	Ongoing
Future Mitigations	Owner	Completion date

SR 88:	Inability to perform business as usual and change activities (non-critical activities) for a sustained period due to the disruption caused by COVID-19.	Risk owner:	T/ACC Metcalfe
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Impact:	2	Likelihood:	1	Risk score:	2		
Risk Action:	TREAT	Date raised:	April 2020	Review date:	08/11/2021	Next review date:	31/01/2022
Context:							
When this risk was initial raised at the start of the pandemic, there were concerns that the Force would be unable maintain business as usual activities and change initiatives whilst the Force focussed on maintaining critical activities as they prepared for staffing resilience to be impacted due to COVID. With the effective implementation of preventative measures introduced by Op Restore, such as vaccination programme, availability of lateral flow testing and supporting departments with appropriate PPE provision and in addition the roll out of laptops enabling agile working, the risk has reduced and the Force is delivering business as usual activities. There are currently two departments flagged on the Force Operating Status, Custody which is red and Forensics which is amber, however the challenges experienced in Custody are a wider strategic risk which is recognised on the strategic risk register. The learning from the processes that were implemented during the pandemic was captured under Op Renew and is now under the Working Smart programme, such as agile working.							
Risk trend		The likelihood of this risk has reduced to reflect the current position the Force is in, business as usual activities have continued in the majority of areas and there is not a sustained risk that the Force is unable to deliver these activities due to COVID-19.					
Assurance	Reasonable	This risk continues to be actively managed through the Force Operating Status and BAU. The Gold Commander for Op Restore is also the owner for this risk, which ensures that there is consideration for BAU.					
Risk cause:				Consequences:			
<ul style="list-style-type: none">- Reduction in resourcing levels across the Force due to staff and officers are off sick, self-isolating or caring for a dependant.- Prioritisation and focus on maintaining critical activities has left minimal capacity and resources to continue with BAU and Change activities.- Lack of availability of ICT equipment and systems to enable remote working for all staff and officers.- Government lockdown has reduced BAU partnership and community engagement activities to inadequate levels.- Inability to maintain BAU due to external agencies also impacted by COVID-19 and government lockdown, e.g. closure of Crown Courts.- Insufficient availability of enabling departments e.g. ICT and Procurement, due to redeployment or resources to support COVID-19 priorities.				<ul style="list-style-type: none">- Departments / LPAs have a reduced number of staff and officers to perform business as usual activities and change activities.- Partnership working and community engagement significantly impacted.- Potential for a significant backlog of work within departments / LPAs which is unmanaged for a sustained period during COVID-19, e.g. administration, low level crime, etc.- Significant uncertainty on when COVID-19 will end and what the reasonable time period to recover services.- Change projects cost over-runs due to insufficient enabling resources to provide continuation.- Re-prioritisation / re-baseline of the Change programme portfolio of work potentially causing significant impact to the Force if delayed.- Potential adverse reputation.- Impact to officer and staff performance management and development (e.g. training courses on hold, PDRs incomplete)			

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		- No oversight on tracking which business as usual activities have ceased and the impact to the Force.	
Current Mitigation		Owner:	Completion date:
<i>08/11/2021: Ongoing - HoD and LPA Commanders continue to track their BAU activities and flag concerns through Op Restore, Force Operating Status and the Force DMM.</i>		All Senior Leaders	Ongoing
HoD / LPA Commanders to track BAU activities that have paused to enable management of potential backlog and identify and mitigate areas which could materialise into an issue.			
<i>26/04/2021: Op Renew has been stood down to reflect the current impact of COVID and the return to BAU</i>		T/C/Insp. Pickering	Ongoing
Ensure backlog of BAU and Change activities is captured in the recovery planning program of work to reduce the strain on enabling departments.			
Communication to external partner agencies on the work that has ceased and why, where necessary.		LPA Commanders & HoD.	Complete
Communication and engagement with victims and witnesses if they are impacted by BAU activities ceasing during COVID-19.		LPA Commanders & HoD.	Complete
<i>26/04/2021: Op Restore monitor and provide tactical advice on Covid absences and update Silver / Gold Group monthly and the FDDM weekly. Bronze Covid T&R group will be stood up if total absence reaches 7%</i>		T/C/Insp. Pickering / T&R	Ongoing
Monitoring staff and officer absent from work levels to understand the impact on departments / LPAs			
Future Mitigations		Owner	Completion date

SR 89:	Welfare and wellbeing of our staff and officers will be substantially impacted for a sustained period of time due to COVID-19.				Risk owner:	ACO Chase
					Risk leads:	Katrina Hancox
Impact:	3	Likelihood:	3	Risk score:	9	
Risk Action:	TREAT	Date raised:	April 2020	Review date:	01/11/2021	Next review date: 31/01/2022
Context:						

There has been a significant amount of work conducted to prevent and mitigate this risk, since it was identified in April 2020 at the beginning of the pandemic, and this work continues to ensure it is embedded into service delivery and toolkits and resources available to our people. Staff who can are continuing to work from home, if they can do so effectively. Reported sickness levels reduced to a low level compared to previous years, however we are now starting to see an increase in sickness absence when compared to the same periods in previous year. This will continue to be monitored closely by the Force and forms part of the success measures in the Strategic Plan, which is reviewed at the Force Organisational Performance Group. The move to permanent working from home, for a significant proportion of the workforce, may mask unreported wellbeing/productivity issues and/or provide opportunities for staff to work more flexibly reducing absence that otherwise would have been taken as sickness /dependant leave. As we head into the winter months with increased social interactions and traditional respiratory coughs colds and flu viruses, sickness absence rates are likely to return to pre-pandemic levels. Service Governance and Improvement analysts are undertaking an initial analysis of sickness absence data: it is too early to identify trends, cause and effects. There are Welfare Bronzes within the Force to support line managers and staff, and Wellbeing leads to promote and provide resources to mitigate the impact on staff who feel affected by lockdown fatigue, stress and/or isolation from working from home, suffering anxiety or the effects of long-term COVID symptoms. Daily Lateral Flow Testing has been introduced by the Force, and will hopefully lead to staff being reassured about returning to the workplace and minimise the impact on self-isolation.


Resilience papers have been produced by Op Renew Silver and Tasking & Resilience (T&R) for Op Restore and Renew Gold to sign off as required. Guidance and communication continues to support - the Coronavirus Portal available on the Knowzone continues to provide comprehensive guidance and toolkits with reminders about how to access development and wellbeing support services.

Risk trend		The risk score remains the same.
Assurance	Reasonable	There is good indication that this risk is being managed effectively with People Directorate working closely with Op Restore and Op Renew to ensure that staff are supported during this pandemic. There is a People working group which is linked into Op Restore and Op Renew Silver group and representatives from People Directorate, T&R and L&PD at the Gold and Silver groups.
Causes:		Consequences:
<ul style="list-style-type: none"> - National guidelines outside of policing control (e.g. school closures, isolation from family) - Sickness - Self-isolation - Unmitigated frustrations - Exposure to illness, trauma and IOD - Fatigue and lack of motivation of continued working from home requirement. - Fatigue and pressure for critical functions, working at work, to provide front line service. 		<ul style="list-style-type: none"> - Constantly changing environment, which may cause excessive anxiety, stress and uncertainty. - Increase in sickness and fatigue levels. - Increase in reported feelings of isolation and mental health issues. - Ineffective and inefficient working. Potential behaviour misconduct. - Build-up of annual leave and overtime. - Reduced resourcing and resilience levels impacting on service delivery and Force performance. - Increased ongoing demands on line managers, tutors, trainers, Employment and Wellbeing Services.

<ul style="list-style-type: none">- Cumulative impact of dealing with and balancing work/life/family issues resulting from impacts of COVID-19 on economy and wellbeing- Impact of COVID-19 on family and friends- Impact of home schooling and those with caring responsibilities.		
Current Mitigations	Owner:	Completion date:
<p>Health and Wellbeing</p> <p><u>03/08/2021:</u> Daily LFT has been introduced for staff to support in their return to the workplace, to minimise the impact of isolations and to reduce anxiety for staff who may be concerned regarding the risk of catching COVID in the workplace.</p> <p>Nearly 19,000 LFT have been recorded on SSAMI, helping us track the virus within the Force. Workplace home test collecting kits have been issued to 62% of the workforce helping to prevent the spread of COVID and reduce transmission amongst colleagues.</p> <p>Five daily contact testing sites have been established within the Force to support the COVID secure measures within the Force and reduce isolations and the spread of COVID in the workplace.</p> <p>Messaging continues to be provided by Op Restore on 24 July on self-isolation and on the 19 July on the route out of lockdown, to inform staff of the Force's plans and position regarding COVID. Staff are encouraged to continue to work from home where they can do so effectively and COVID secure measures remain within the workplace.</p> <p>Vaccination uptake has resulted in 79% (officers) and 84% (staff) reporting at least 1 vaccination on SSAMI (as at 19 July 2021).</p> <p>Staff who have booked annual leave and then required to self-isolate can get their annual leave days back if the leave is cancelled before the date it is due. This protects important annual leave days and reduces unnecessary stress if staff were concerned their leave would be used for isolation.</p>	Michelle Higgins and Lucy Haynes	Complete and BAU
<p>In progress 02/11/20 to supplement existing guidance and toolkits where necessary.</p> <p>Further work identified and being scoped by Wellbeing leads to promote and provide resources to mitigate the impact on staff who feel affected by lockdown fatigue, stress and/or isolation from working from home, suffering anxiety or the effects of long term COVID symptoms.</p>	Michelle Higgins and Lucy Haynes	Complete and BAU
<p><u>03/08/2021:</u> Training updates continues to be monitored and tracked through Op Restore/Op Renew Silver. Risks regarding training is also captured on the Op Restore/Op Renew risk register.</p> <p>On-going solutions to prioritise licensed activity (First Aid / Personal Safety / Driving). Ongoing monitoring in place to manage risks and respond to emerging issues such as national lockdown announcements.</p>	John Donachy / Jackie Lovell	Ongoing
<p>Resourcing and Resilience:</p> <p>Critical recruitment and on boarding activity for Officers, Specials, Contact Management, Detention Officers continues to provide resilience and deliver required growth in establishment levels</p>	John Donachy	Ongoing

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Avoidance (during pandemic) of the cancellation of Rest Days by T&R	Carl Mason	Ongoing
Adherence to rostered shift times and a move away from Late(s) at weekends where no NTE exists.	John Donachy	Ongoing
Creation of a rotating Force Reserve, providing rest and recuperation and a support for major incidents, further reducing potential disruption to home life	Carl Mason	Ongoing
Reduction of movement between LPA's for cover purposes		Ongoing
Reduction in overtime		Ongoing
Cessation of Force Operations, removing disruption to duty rosters		Ongoing
		Ongoing
<u>Future Mitigations</u>		
Analysis on increase in force sickness levels conducted by PD with support from SGU.	Lucy Hayes	December 21
NPCC Wellbeing Survey opens 25 October – 12 December 2021. Report available in spring 2022.		May 2022

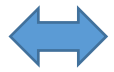
SR 90:	Failure to predict and plan for changing policing demand				Risk owner:	C/Supt Kidman
Impact:	3	Likelihood:	1	Risk score:	3	
Risk Action:	TREAT	Date raised:	April 2020	Review date:	26/04/2021	Next review date: 31/07/2021
Context:						
Mitigation activity is continuing, with Strategic Governance, Service Improvement, Force Intelligence and Corporate Communications working together to deliver horizon scanning, organisational analysis, demand insight, intelligence development and community sentiment. The output informs response and recovery Gold Commanders, resource deployment and short, medium and long term planning.						
Risk trend		There has been no changes to the risk score since the last update and work continues to manage this risk.				
Assurance	Reasonable	This risk continues to be actively managed through Op Renew and Governance & Service Improvement. The Gold Commander for Op Restore and Op Renew is also the owner for this risk and can provide alignment and adapt to changing policing demand.				
Risk cause:				Consequences:		
<ul style="list-style-type: none"> - Routine operating procedures for capturing, tracking, and analysing policing demand data are weakened. - Partnership and community engagement have reduced to inadequate levels so reducing external input to policing priorities. - Stopping the collection and consideration of external inputs that would give a picture of criminal and other policing demands and provide input to priorities. 				<ul style="list-style-type: none"> - Inappropriate perspective of external demand environment and expectations as to policing priorities - Failure to acquire additional officer and staff capacity in good time to meet policing demands - Sub-optimal deployment of available officer and staff capacity - Unattended public unrest 		

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| <ul style="list-style-type: none"> - Not identifying or mis-forecasting COVID-19 impacts on the number and types of crimes and policing activities generally (including discontinuities such as cybercrime and fraud). - New or significantly increase external demands are imposed (e.g. providing security in hospitals, much tougher action on breaches of 'stay at home' requirements). - Not giving sufficient consideration to different COVID-19 scenarios (e.g. single vs multiple lockdowns, length of COVID-19) and their different consequences for policing demand. - Inadequate forecasting and planning procedures. | <ul style="list-style-type: none"> - Delays to dealing with both expected and unexpected areas of policing demand. - Potential knock-on for critical activities allocation. - Failure to identify vulnerable individuals |
|---|---|


Current Mitigation	Owner:	Completion date:
<p><i>08/11/2021: Ongoing - LPAs have continued to maintain working relations through with local authorities during the pandemic. The SIAG is now meeting virtually and representatives from Strategic Governance and Local Policing attend this meeting. In addition, Op Restore link in with Local Authority Health Boards.</i></p> <p>Maintain communication with community partners and agencies (including SIAG) to seek external input on changing context and policing demands.</p>	LPA Commanders & HoD	Ongoing
<p><i>26/04/2021: Ongoing - Service Improvement and Force Intelligence have been delivering demand insight and intelligence development to support the Force.</i></p> <p>Maintain reliable operating procedures for capturing, tracking, and analysing policing demand data.</p>	Ed Herridge	Ongoing
<p><i>26/04/2021: Ongoing - Strategic Governance have been delivering horizon scanning and organisational analysis to inform senior leaders on consequences of the different COVID-19 scenarios to aid decision-making.</i></p> <p>Maintain forecasting and planning procedures and adapt to include consideration of the potential consequences of the different COVID-19 scenarios, especially distinctions between lockdown periods and loosening periods as well as the eventual recovery post-COVID-19.</p>	Cat Hemmings	Ongoing
<p><i>26/04/2020: Ongoing - Corporate Communications have continued to track community sentiment, through various channels, such as social media.</i></p> <p>Staying alert to trends and opinions outside the Thames Valley</p>	Michelle Campbell	Ongoing

Be mindful of the loss of any information quality, should TVP decide to stop collecting and considering certain external inputs.	Ed Herridge	Ongoing
Future Mitigations	Owner	Completion date

SR 91:	Inability to deliver ICT support services / technical / digital capabilities / information access and sharing enabling remote working across the Force for a sustained period.				Risk owner:	ACO Lattanzio	
Impact:	2.2	Likelihood	2	Risk lead	John Faux		
Risk Action:	TREAT	Date raised:	April 2020	Review date:	31/10/2021	Risk score:	4.4
				Next review date:	31/01/2022		
Risk update:							
<p>At the start of the pandemic a significant amount of work was performed by ICT and Op Restore to enable staff to work remotely, and during this period ICT have accelerated the roll out of a number of programmes to allow users to work from home effectively. These include the roll out of Window 10 laptops, MS Teams and extensive work to bolster the current network and firewall capacity to accommodate DEMS, Teams and CMP. ICT have made network changes which has increased the bandwidth and the capacity plan for the networks with BT has been completed. ICT continue to monitor the situation with third parties availability and to date no material issues have been experienced. The demand on the ICT Service Desk remains however additional set of actions are in progress against a formal plan which is reviewed weekly by ICT Gold to mitigate this and reduce the pressure on resources to an acceptable level.</p> <p>The SD focused plan is starting to show improvements with a reduction in waiting time for chat and telephony and an overall trend in reducing incidents as we mature into the new technology such as W10, Teams and EOL. In the near future the ICT portal is being revamped which will improve user “self help” capability and we continue to focus on internal processes to improve agent effectiveness. Of the 6 new positions 3 have been filled and 3 are recruited awaiting start date</p> <p>Additional COVID technical capability have been required and the impact of this on ICT resources were taken by Force Development and Change leads to the DCC Collaborations board with decision by DCCs to prioritise these over existing Change portfolio projects. As COVID related work continues through 2020 some projects have been pushed out to FY21/22.</p>							
Risk trend		No change to the risk score. There has been a significant amount of work by ICT to reduce the risk of being able to deliver remote working for a sustained period and increased our capability to deliver this through laptop roll outs and increasing bandwidths which has reduced the likelihood. Once the demand on the ICT Service Desk stabilises to an acceptable level, then there is potential for the risk score to be reduced further or closed.					


Assurance	Reasonable	There is reasonable assurance that this risk is being actively managed with control measures being implemented. A monthly performance pack is produced by ICT and presented at JCOG. It includes ICT's top risks and issues, demand on service management, progress of in-flight projects and programmes, as well as the wellbeing of ICT staff.	
Cause:		Consequences	
<ul style="list-style-type: none"> - Insufficient laptops and smartphones available to allow for staff and officers to work remotely. - Limited audio conference capabilities. - Additional stress on the Force's network due to a high volume of remote working. - Systems and processes are ineffective (e.g. uncorrected failures, capacity limitations, inadequate command & control) - Financial constraints - Statutory or Legislative frameworks dis-allowing data access/sharing - Lack of available resources or inability to commit to activity and milestones by Third party suppliers due to COVID-19 - Additional levels of stress on ICT Service Desk resources due to sustained high volume of demand 		<ul style="list-style-type: none"> - Work productivity is reduced. - Potential backlog of work is created. - Staff and officer frustrations due to inability to work effectively. - Strain on existing ICT infrastructure and resources. - Unplanned financial expenditure due to disruptive impact using third parties. - Information cannot be accessed or shared to identify vulnerability. 	
Current Mitigation		Owner:	Completion date:
28/07/2021: Laptop rollout across HC and TVP complete. Accelerated rollout of Windows 10 laptops – approx. 3000 across TVP and HC, starting with ICR and Neighbourhoods in TVP.		Op Restore BC Lead and ICT	Complete
Accelerating Office 365 delivery programme, and new communication capabilities will be available including Force wide instant messaging, screen sharing and audio chat in the first phase via Microsoft Teams. The second phase of delivery will focus on collaboration capabilities such as file sharing and repositories, planning collaboration tools and new features in Microsoft OneNote for working together. The first phase of this delivery is due to commence Wednesday 15 April with the second phase following after on Monday 4 May.		Op Restore BC Lead and ICT	Phase 1 Complete Phase 2 O365 complete
Future Mitigations		Owner	Completion date
A formal paper is being produced to articulate the challenges faced on the ICT Service Desk with the increased volume of demand, associated detailed risks and impacts, together with options for mitigation and recommendations.		Mike Lattanzio	Complete
Work to complete network software improvements through Netmotion and ZScaler to help decrease traffic on our internal Force networks has been completed on the mobile phone platforms but is still needed across our PC and server estate.		Mike Lattanzio	Complete

<p>Risk mitigation activities for the ICT Service Desk are continuing to plan, key categories of mitigation include:</p> <ol style="list-style-type: none"> 1. Capacity increase: (6 additional staff added post DCC approval), 2. Reduce demand: Improved focus on Problem Management, resolving problems that lead to multiple incidents (good progress made to reduce incidents, ongoing) 3. Improved automation: implementation of virtual agent and self-serve and help (VA implemented to good effect reducing time on Analysts, self-serve increased e.g. password resets. Next step widen scope of VA to all contacts via CHAT. Overall service levels improved, call and chat wait times still outside of SLA but improved substantially in last quarter. 	Mike Lattanzio	Improvement work ongoing. Target completion for VA across all CHAT contacts end November.
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SR 92:	Inadequate recovery of services, operations, and activities once the COVID-19 situation has been declared 'ended'.				Risk owner:	T/ACC Metcalfe
Impact:	3	Likelihood:	1	Risk score:	3	
Risk Action:	TREAT	Date raised:	April 2020	Review date:	08/11/2021	Next review date: 31/01/2022
Context:						
<p>The Force has responded accordingly to protect our most vulnerable employees, reviewing all new guidance and legislation, and internal practice to ensure risk is mitigated but that critical business areas can continue. Op Renew has stood down, and all the key learning has been taken and developed further under Working Smart programme. There are two departments highlighted on the Force Operating Status with impacted resilience, Custody which red and Forensics which is amber, indicating that all other departments have recovered and operating normally. There is currently no end in sight for COVID, and the impact and demand on policing will reduce over the next few years. It is likely that after this Autumn / Winter it will be one of several respiratory diseases circulating and like the Influenza will have a BAU policing response.</p> <p>Op Renew has stood down and key learning and change has been either incorporated into BAU or shared with the Working Smart programme.</p>						
Risk trend		This score has reduced to reflect the ongoing recovery departments have been working through in last 12 months, initially through Op Renew and any key learning has been incorporated into BAU or delivered through the Working Smart programme.				
Assurance	Reasonable	This risk continues to be actively managed through a gold command structure who are providing direction and oversight during the pandemic. There are well established governance structure for Op Restore which are supported by working groups whose frequency have reduced to reflect the move back to BAU and the current COVID related demand.				
Risk cause:				Consequences:		
<ul style="list-style-type: none"> - Insufficient funding to allow for the additional recovery activities beyond business as usual and critical activities (e.g. funding for change projects) - Inadequate planning to recover services (including having an early view of what recovery will require and could look like and reviewing and updating thinking and 				<ul style="list-style-type: none"> - Planned recovery activities are not carried out after COVID-19 has ended. - Gaps and delays in strategic planning generally - Inefficient resumption of change projects 		

plans regularly over time- including consideration of the different COVID-19 scenarios). <ul style="list-style-type: none">- Not recognising sufficiently in the planning that recovery work could be substantial and require careful management alongside Op Restore/BAU.- Inadequate linkage with Op Restore during both recovery planning and at the cutover when recovery implementation commences.- Departmental management do not buy into the recovery plan.- Insufficient organisational learning and memory is recorded during the COVID-19 period.	<ul style="list-style-type: none">- Unfulfilled policing obligations.- Increase in uninvestigated crimes- Failure to provide justice for victims on a timely basis or at all- Lost opportunity to develop insights and make potential future improvements.	
Current Mitigation	Owner:	Completion date:
Ensure activities that have been deferred and/or work backlogs not covered by the remit of Op Restore are recorded and shared with the recovery planners.	T/C/Insp Pickering	Ongoing
<i>08/11/2021: A smaller Op Restore team remain to coordinate and respond to the reduced COVID demand.</i>	T/C/Insp Pickering	Complete
Define and implement a robust recovery planning and review process and assess the impact of the different COVID-19 scenarios.		
Where a change project is to be resumed, ensure due consideration is given to its efficient recovery. Gain the buy-in and appropriate engagement of senior leaders to support recovery throughout COVID-19.	T/C/Insp Pickering	Ongoing
<i>08/11/2021: 4Rs work completed, presented to CCMT and shared with the Working Smart Project</i>	T/C/Insp Pickering	Complete
Ensure records and analysis are maintained to support appropriate Organisational learning and memory.		
Future Mitigations	Owner	Completion date

SR 93:	Unintended legal and regulatory breaches of a policing operational/criminal justice nature during COVID-19.	Risk owner:	DCC
		Risk Lead:	Zoe Luno - lead Supt. Kirby


	[of a nature and materiality that results in external intervention, financial consequences, or adverse publicity]					Philip Paling Colin Paine / Sue Murphy Marion Peuleve
Impact:	2	Likelihood:	1	Risk score:	2	
Risk Action:	TREAT	Date raised:	April 2020	Review date:	12/08/2021	Next review date: 31/10/2021
Context:						
There are no significant updates received for this quarter and the majority of the actions listed below are deemed as BAU by departments. Learning and Development have completed their two actions regarding maintaining first aid training and personal safety training.						
Risk trend		There is no change to the risk score and ongoing activities continue to be monitored.				
Assurance	Reasonable	Each department has continued to ensure this risk hasn't materialised through introducing new process or enhancing existing controls. There is reasonable assurance that this risk is managed effectively.				
Cause:				Consequences		
<ul style="list-style-type: none"> - Inability of officers and staff to quickly absorb and implement high volumes of new legislation, regulations, or standards - Inadequate controls and risk mitigation around agreed changes to internal policies and processes - Existing operational controls are disappplied or substantially weakened, e.g. solicitors conducting interviews by phone. - Inability of officers and staff (e.g. due to stress, resource/priority pressures) to operate existing adequate controls to required legal and regulatory standards and time requirements (e.g. 28 day rule for bail in front of courts). - Change projects that have legal or regulatory implications are suspended or delayed and cannot implement in time - Second line assurance/oversight or third line internal auditing activities are stopped or delayed - 'virtual' courts are new and untested and could be ineffective - 				<ul style="list-style-type: none"> - <u>Safeguarding measures fail</u> to protect vulnerable victims and witnesses due to reduction in staff numbers and non-compliance of legislation, e.g. reduction of Domestic Violence Protection Orders (DVPOs) used, anti-social behaviour, etc. - <u>Reduction in successful prosecutions</u> due to an increase of inadmissible evidence at court and ineffective 'virtual' courts - <u>Policing approach is not aligned with COVID-19</u> legislation and expectations: <ul style="list-style-type: none"> o Imbalance between enforcement and encouragement o Non-compliance of Fixed Penalty Notices (FPNs) issued for COVID-19 related incidents. - Financial costs of correction, recovery, compensation, and sanctions. - Members of the public are put at risk - Unplanned remedial work is required to address failings - Additional second line assurance work is required - Additional internal audit work is required - Damaged reputation - Officers and staff put at risk if their personal data has not been processed correctly or has been shared 		

	- Investigation and Criminal Justice processes/outcomes are put at risk if information is not processed correctly		
	-		
Criminal Justice's Mitigating Actions		Owner:	Completion date:
Effective prosecution: <ul style="list-style-type: none"> Enhance existing CJ and CPS process for reviewing case files to ensure evidence is in line with legislation and national standards including quality assurance measures. 		CJ	Ongoing
Aligning and complying with COVID-19 legislation <ul style="list-style-type: none"> Changes to policing procedures communicated to all staff Tracking and reviewing the use of FPNs by the Force Audit process in place to ensure the proper use of FPNs, identify non-compliance which will be reviewed and addressed; identifying and dissemination individual and organisational learning 		CJ	Ongoing
<i>06/04/2021: Processes are well established to manage this risk. Government have released legislation and the roadmap out of lockdown which will enable the Force to prepare and send out planned communications to officers in a timely manner.</i>		Op Restore Silver	Complete
Ensure the risk of material legal and regulations are communicated to the Force.			
Criminal Justice's Mitigating Actions		Owner:	Completion date:
Documentary and Operational compliance - Ensure the risk assessment process continues and that operational guidance to officers and staff reflect the risk posed by COVID-19 is duly assessed when changes to internal policies and procedures are being considered.		Philip Paling	Ongoing
<i>27/10/2021: Personal Safety Training compliance for deployable Police Officers and Special Constables across the Force is high at 77.23% with a further 481 Officers currently enrolled for re-accreditation. The mitigation measures taken during Covid enabled TVP to optimise the number of Officers in Licence for mandatory skills. PST Module 2 (Development Module) restarted delivery in Oct 2021, aimed at Front Line Officers. Risk Assessments for all training activity are in place, and there have been no significant Covid outbreaks resulting from Personal Safety Training, despite the requirement for periods of close contact, all of which have risk mitigation measures in place.</i>		Jackie Lovell	Complete
Maintain Statutory or mandatory training – Officer / staff training example Personal Safety			
<i>27/10/2021: First Aid Training mandatory re-certifications have retained the use of 50% on-line learning to continue to manage classroom sizes and optimise the number of Officers and Staff who can be trained</i>		Jackie Lovell	Complete

<p><i>and kept in licence. Risk Assessments instigated a number of risk mitigation measures and these have been strictly adhered to, with the result that there have been no significant outbreaks of Covid during First Aid training. The Force purchased some additional equipment to ensure risk of contamination was minimised and also a decontamination chamber to enable the sterilisation of equipment for fast turnaround. This proved to be very cost effective. Enhanced First Aid Training has also adhered to strict safety measures and again, no outbreaks have been reported, despite the required period of close contact. The current Force First Aid Licence compliance rate for deployable Police Officers and Special Constables is 75.66% with a further 456 Officers and Staff enrolled for re-certification. The compliance rates for Enhanced First Aid and Medics is around 90%. Classroom numbers are planned to increase in Oct/Nov 2021 in line with Covid guidance to ensure we can maintain this performance.</i></p> <p>Maintain Statutory or mandatory training – First Aid</p>		
Comply with Working Time Directive. - Working Time Regulations 1998 (as amended), Police Regulations 2003	Duties Management	Ongoing
Vetting's Mitigation Actions		
<p>Biometric and identification: 12/08/2021: Further work being done around biometrics in general with regards to categories of staff that we conduct biometrics on. CCMT paper to follow. Biometrics still being taken on day 1 and is proving successful. It may be something we can leave in place for the future as hit rate is low therefore low risk to the organisation. ID checks are continuing also to be taken on day one and less are coming through unsigned proving this has also been a success so again we could consider leaving this in place. It is worth noting this is for police officers only.</p> <ul style="list-style-type: none"> - Biometric and ID checks to be deferred to day 1 when a recruit joins TVP (i.e. a job offer is made conditional on satisfactorily clearing such checks upon joining). 	Vetting	Complete and ongoing
JIMU's Mitigating Actions	Owner	
Ensure clear guidance and responsibilities are communicated to officers and staff	Marion Peulevé, Head of Information Management	Complete and ongoing
Implement fast track process to assess and mitigate data protection and information security risks regarding accelerated ICT development and ensure sign off from the Senior Information Risk Owner (SIRO)	Marion Peulevé, Head of Information Management	Complete and ongoing

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Implement process to track agreed mitigations proposed in SIRO sign off papers	Mike Lattanzio, Head of ICT / Marion Peulevé, Head of Information Management	Complete and ongoing
Implement process to confirm/revert Senior Information Risk Owner decisions post COVID-19	Amanda Cooper, Director of Information	Complete and ongoing

SR 94:	Reputation, trust and public confidence in the police is damaged to the extent that 'policing with consent' is not possible for a prolonged period during and post recovery from COVID-19.				Risk owner:	DCC
Impact:	2	Likelihood:	2	Risk score:	4	
Risk Action:	TREAT	Date raised:	April 2020	Review date:	12/08/2021	Next review date: 31/10/2021
Context:						
Work continues from various areas of the Force to mitigate this risk. The LPAs continue to actively engage within their communities, statutory partners, voluntary groups, IAG and community groups.						
Risk trend		There is no change to the risk score and activities continue to ensure the impact and likelihood remain low with controls in place.				
Assurance	Reasonable	This risk is being managed actively across the LPAs and Op Restore to ensure that actions that TVP take not damaging to the relationship we have with the public and trust and confidence remains. LPAs have maintained their working relationships with their partners in the communities and the public through their IAG forums.				
Cause:				Consequences		
<ul style="list-style-type: none"> - Persistent TVP failure to meet operational targets and public expectations - Inappropriate TVP officer and staff behaviour during COVID-19 (could be knowingly so or through misunderstanding of TVP guidance and approach) - Negative media coverage (both fair representation and misrepresentation of TVP's own behaviours) - Negative media coverage of other police forces' behaviours in a way that affects TVP's public image - TVP fails to effectively inform and assure the public (e.g. through key websites and neighbour watches) on a continuing basis 				<ul style="list-style-type: none"> - A significant section of the public no longer willingly accepts TVP policing with consent during the COVID-19 restrictions and TVP becomes an enforcer - TVP is unable to reach vulnerable groups - TVP's standing and effectiveness with the TV LRF is materially weakened - TVP's standing with the SIAG is materially weakened - TVP's standing and engagement with its communities and partners/agencies is materially weakened - Much thought and effort will need to be given to both reaching vulnerable groups and rebuilding trust with the Thames Valley communities generally after COVID-19. 		


- Lack of TVP effective engagement with the various Thames Valley communities and partners/agencies, including the TV LRF and the SIAG
- TVP is not tuned in enough to its changing public image.

Current Mitigation		Owner:	Completion date:
<p><i>26/01/2021: The TVP contribution to the Partnership response to COVID-19 has increased in recent months, supplying the Chair for the LRF, the newly formed Vaccination sub-group and continued dedicated police support, as well as specific responsibility internally for Contact Tracing and Lateral Flow Testing and Operational Support. LPAs are continuing with engaging in their communities.</i></p> <p>Maintain existing partnership working processes and efforts (e.g. TV LRF, Thames Valley community partners/agencies, SIAG, neighbourhood watches) – for confirmation that things are working well</p> <p>Take a positive approach to influencing/managing the key Thames Valley media</p> <p>Maintain proactive messaging and PR to the public (e.g. through social media and websites) and give due consideration to negative contacts received</p> <p>Ensuring that guidance delivered to police officers and staff is unambiguous as to expected standards and behaviours.</p> <p><i>12/08/2021: With the main enforcement legislation being removed around gatherings, facemasks etc the only COVID incidents we are being called about are suspected isolation breaches and people leaving hotels. In total these average around 40 incidents a week.</i></p> <p>Identifying, considering and adapting to evolving national policing policy, guidance and standards relating to COVID-19 (directly and indirectly related)</p> <p>Develop and implement a medium term plan to restore TVP's policing approach to policing by consent – should the risk have already happened or be expected to happen</p>		LPA Commanders	Ongoing
		Michelle Campbell	Complete
		Michelle Campbell	Complete
		Michelle Campbell	Complete
		Op Renew Silver	Complete
		Op Renew Silver	Ongoing

SR 95:	The demand placed on the MASH teams is continuing to increase and continues to exceed capacity				Risk owner:	ACC De Meyer
					Risk Lead:	Supt Knibbs & DCI Darnell
Impact:	2.4	Likelihood:	3	Risk score:	7.5	
Risk Action:	TREAT	Date raised:	August 2020	Review date:	28/10/2021	Next review date: 31/01/2021
Risk update:						

A bid for an additional six resources was agreed as part of the Annual Planning Process. Until the additional resources are in post, overtime is being offered to staff and a specific code has been set up to monitor the overtime expenditure of staff who are allocated to clearing the backlog. There has been significant work to reduce the likelihood of this risk which includes to the following:

- Whilst there are backlogs in adult safeguarding and difficulties in being able to consistently discharge our statutory duties in a timely manner, it is anticipated that this will become less common-place with the increase in resources becoming more established and experienced.
- Domestic abuse referrals which contain a completed DOM5 are now within manageable ranges for the MASH since the implementation of robotic automation processes.
- Service Improvement is supporting MASH to resolve challenges around those DA notifications that do not contain a completed DOM5.
- Responsibility for Probation checks have been reallocated to PPU
- Attendance rates at ICPCs has increased to 91% force-wide. Challenges around RCPC attendance are being reviewed by a MASH working group – as reflected in the MASH 2020 12 month review (only available in draft format currently)
- Responsibility for DVDS has been reallocated to DAIU
- Welfare and morale of the MASH is being managed with the introduction of learning sessions, newsletters, admin days for supervisors and POD systems. The outcomes of these introduced actions are being monitored to assess if they would satisfy inspectorates (Ofsted/JTAI/HMIC)

Risk trend		The risk score has reduced to reflect the significant work that has been undertaken by the MASH team to reduce the level of demand and the backlogs they were experiencing.
Assurance	Reasonable	Controls have been implemented to manage this issue, and there is engagement with senior leaders and external partners. Risk and issues are documented and shared at CCMT.
Cause:		Consequences
<p>There are a combination of factors that have caused this risk which are outlined below:</p> <ul style="list-style-type: none"> - The MASH has experienced a continued rise in referrals of Domestic Abuse, Child Abuse and Adult Protection. This workload is generated by both internally by officers and external partners. - There establishment has not increased in line with the demand experienced and annual increases and are now relying on staff and supervisors to do overtime to cover peak periods, weekends and public holidays. - Force-wide guidelines are not being consistently followed, and are adapted by each MASH to meet local requirements rather than 		<ul style="list-style-type: none"> - Failure to prevent harm to vulnerable children or adults. - Failure to discharge our statutory duties to safeguard adults and children in Thames Valley. - Significant backlog of Adult Protection Referrals being reviewed by a MASH support officer or supervisor. Some adult protection referrals are not being assessed for sharing with partner agencies for up to 15 working days. - Significant backlog of Domestic Abuse referrals being reviewed by a MASH support officer or supervisor. Some domestic abuse referrals are not being assessed for sharing with partner agencies for up to 10 working days. - Probation checks not being completed in time for the NPS and CRC.

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<p>reflecting Operational Guidance. This has reduced the ability for the Force to implement a single approach to perform efficiently and effectively.</p> <ul style="list-style-type: none">- Supervisors attendance at back-to-back strategy meetings has meant there is little capacity to perform other duties and rendered them largely inaccessible to their team.- Probation checks and Domestic Violence Disclosure Scheme assessments were previously completed by the MARAC Co-ordinators within the DAUUs. These legacy functions were inherited by MASH Domestic Abuse risk assessors.- A lack of a standardised approach for requesting police information by partner agencies, which is contributing to the workload.	<ul style="list-style-type: none">- Attendance rates at Initial Child Protection Conferences (ICPC) and Review Child Protection Conferences (RCPC) at unacceptable levels.- Backlog in Claire’s law disclosure requests/ enquiries – up to a month.- Significant loss of trust from our partners (Local Authorities).- Adverse reviews from Ofsted, HMICFRS, and Joint Targeted Area Inspection (JTAI). Welfare/morale of staff in the MASHs	
Current Mitigation	Owner:	Completion date:
<p>28/10/2021: All new recruits are now in post. MASH have a 0.5 FTE vacancy across the force, and 4 team members on/due to go on maternity (all Berks)</p> <p>A bid has been submitted for six new Mash Support Officer posts via the Force annual planning process.</p>	Supt Knibbs	01/09/2021
<p>28/10/21: Ffirst draft of MASH review update. Awaiting SMT/CCMT sign off. Work ongoing locally, particularly with Bucks and RBWM to reduce use of strat meetings by utilising MASH checks and discussions.</p> <p>Berks MASHs to move to Strategy Discussions to replace the hour long Strategy Meetings, which meant supervisors were in back to back case meetings all day. This negates their ability to manage the queues and wider demands on their teams.</p>	DCI Darnell	Ongoing
Future Mitigations	Owner	Completion date
<p>28/09/21: As above</p>	DCI Darnell	Part 1 – Complete
<p>Implement MASH review 2020 internal recommendations</p>		Part 2 – Ongoing
<p>14/07/2021 –second letter sent: survey closure 18th July.</p> <p>Write letters for Chief Constable (CC) to send to Chief Execs (health and social care), for D/Supt Mears to send to Heads of Services (health and social care) and LPA Commanders advising them of external recommendations to increase consistency and coherent level of service investing resources where needed.</p>	Supt Knibbs	Complete

28/09/21: As above, awaiting confirmation from review	DCI Darnell	31/07/21
Assess impact of survey		
Paper to CCMT for final decision based on partnership feedback	Supt Knibbs	31/07/21
Implement external recommendations pending partnership feedback and further CCMT paper	Supt Knibbs / DCI Darnell	31/12/ 2021
28/09/21: No actions required. Op Iodine resulted in no specific actions for MASH	D/Supt Fletcher	Complete
Knife crime backlog plan prepared, awaiting review and sign-off from Gold.		
28/09/21: Op Encompass now live: strat requests/police/MASH checks under construction	DCI Darnell	Phase 1: Jan 2021 - completed
Utilise Technology / Robot to support the MASHs.		Phase 2: 31/07/2021
		Phase 3: 31/12/21


SR 97:	There is a potential risk that a lack of governance and leadership regarding missing and exploitation could lead to inconsistencies across the Force in respect of vulnerable people who are missing and/or exploited and could impact public confidence in us.				Risk owner:	ACC De Meyer
					Risk Lead:	Supt Clare Knibbs
Impact:	2.5	Likelihood:	3	Risk score:	7.5	
Risk Action:	TREAT	Date raised:	Nov 2020	Review date:	31/10/2021	Next review date: 31/01/2021
Context:						
There will be no pilots supporting this review. It has been deemed unnecessary and too resource intensive to have any meaningful value. The exploitation review is being conducted by the VRU and after a productive meeting on the 18 th Oct, the VRU author, DI Rachel Taylor has a clearer direction in which to focus the review. They anticipate being able to provide a first draft report to the Vulnerability strategic group on the 8 th Nov with a final report ready for CCMT in Dec 2021. It is anticipated that the SIR recommendations will all be complete.						
The Missing hubs are in the process of a re-structure and a re-definition of the role of the missing coordinator. Plans are in place to consult with staff in Dec after the outcome of the exploitation review in Dec, and move to a new operating model of a North and South Hub in April 2022. Once the exploitation work has been removed from the missing hubs, further plans to expand the role of the coordinators into the front end and triage will begin.						

Supt Clare Knibbs has taken the lead for Missing and is coordinating the work alongside Supt Gilmour and Chris Ward in the VRU. Governance is now very clear and accountability for all missing sits with PVP. Governance for Exploitation sits with VRU.

There is still improvement to be had in terms of operational delivery of missing investigations, and potential for better risk and demand management on LPA's. The standardised approach of the central missing hubs will assist this, but a local footprint will remain with coordinators continuing to work on LPA's and be visible.

Risk trend		No changes to the risk score.	
Assurance	Limited	This is a new risk and further time is required to assess the assurance level for this risk.	
Cause:		Consequences	
<ul style="list-style-type: none">- Sub-optimal governance, insufficiently defined leadership, not yet coherent regime for identifying, understanding, allocating and managing risk.- Arguably overstated assumption concerning the overlap between missing and exploitation.- Insufficiently defined objectives and insufficient communication of the same.- Lack of operational guidance, standards and role definition.- Lack of training for specialists and uniform staff.- The missing and exploitation computer system (Elpis) is inefficient, not fully fit for purpose and not universally adopted by key partners.- Uncertainty in respect of how exploitation intelligence is managed.- Frontline officer lack of competence and confidence in practice relating to exploitation.- Sub optimal partner-LPA-OCU interoperability.		<ul style="list-style-type: none">- Inadequate response to the exploitation of particular people.- Incoherent and inconsistent service to exploitation victims and partners.- Duplication of effort with associated inefficiency.- Public confidence reduced.	
Current Mitigation		Owner:	Completion date:
Gold group led by ACC Crime and CJ established to review the issues identified in a Service Improvement Review (SIR) on Exploitation.		ACC De Meyer	Complete
31/10/2021: Missing review complete. Missing hubs to be re-structured. Exploitation now formally with VRU and the work will be removed from the hubs (report due Dec 2021)		Simon Steel	Complete
Decision on the future of M&E Hubs – M+E hubs to be disbanded as Missing and Exploitation to be managed separately. Distribution of roles to remaining staff is reliant on completion of Missing review (D/Supt Fletcher).			

31/10/2021: VRU Review taking place and outcome to be reported in Dec 2021.	D/Supt Gilmour	Ongoing
Ownership of the Service Improvement Plan - Exploitation. 31/10/2021: Supt Clare Knibbs PVP now lead for missing not Simon Steel	Simon Steel	Complete
Ownership of the Service Improvement Plan - Missing		
Future Mitigations	Owner	Completion date

SR 98:	Pressures on capacity and capability of custody service, caused by resourcing shortfalls including high rates of staff abstraction, and the application of COVID- secure processes				Risk owner:	D/Supt Kirby
Impact:	2.8	Likelihood:	4	Risk score:		C/Insp. Hahn
Risk Action:	TREAT	Date raised:	February 2021	Review date:	29/10/2021	Next review date: 31/01/2021
Risk update:						
As a result of the tactical plan detailed below, the current custody sergeant and detention officer resourcing situation has been stabilised enabling consistent operational delivery. Unfortunately, the national shortage of nurses and issues with staff retention has meant that there are now insufficient Health Care Professionals to safely resource the custody 6 suites 24/7. Whilst the wider custody resourcing issues remain the current focus of both the Gold and Silver groups is therefore addressing the critical HCP resourcing situation.						
Whilst the main issue up to his point has been maintaining Detention Officer resilience, which has been temporarily addressed through the use of the custody reserve, this is no longer sustainable and the Force is now experiencing serious Custody Officer resilience issues due to an increase in officers placed on to adjusted duties, very high annual leave rates and other unpredictable abstractions. With no readily accessible pool of reserve custody officers, from the 6 August 2021 the current resourcing situation has become critical.						
Risk trend		The likelihood of this risk has increased to a 4, and the overall score is 11.2 as the HCP resourcing is now at a critical state and this risk has become an issue.				
Assurance	Reasonable	A monthly Chief Officer led gold Group in place, supported by a weekly Silver group to maintain operational delivery. A Custody COVID Bronze meeting takes place on a weekly basis with representatives from each Custody suite, and key stakeholders including external providers (e.g. healthcare provider), to discuss the key risk areas and action plans to mitigate them.				
Risk cause:				Consequences:		


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<ul style="list-style-type: none">- Insufficient number of Custody Sergeants (Sgts) available- Insufficient number of Detention Officers (DO) available- Intermittent closure of custody suites- COVID-19 impacting resilience- Increase in arrests during COVID applying pressure on Custody- Different work streams within the Force applying additional pressure on Custody, e.g. Investigations and Out of Court Disposals.- Insufficient health care professionals due to national nursing shortage and retention challenges	<ul style="list-style-type: none">- Unable to meet the Force's commitments and Operational Priority Outcomes 2020/21.- Custody relying on a limited pool of reserve officers to cover gaps in roles (e.g. Sgts and DO).- Same officers are repeatedly ask to backfill Custody from the reserve pool which has a knock on effect with gaps being left in other areas;- Welfare concerns for officers who are working longer hours (e.g. increased referrals to OHU due to stress and fatigued officers);- Increased workload and responsibility for officers on duty as they are under resourced and dealing with a higher volume of arrests;- Reduction in the number of Sgts and DO wanting overtime to cover shifts;- ICR transporting detainees further distances to available Custody suites.- Closure of suites due to insufficient health care provision – displacement of demand on to fewer number of staff risks increasing further staff attrition	
Current Mitigation	Owner:	Completion date:
<p><i>28/10/2021: An additional DO course has just commenced to increase the establishment by a further 7 DOs – Currently 134</i></p> <p>Agreement by Finance to permit recruitment of DOs in excess of establishment numbers, currently allowing an additional 10 x FTE (from 120 to 130 FTE) – current numbers are at 126 FTE.</p>	C/Insp Hahn	Ongoing, pending finalisation of Custody Review
<p><i>28/10/2021: The OHU review has been completed and staff have either returned to the workplace or are working through priority redeployment</i></p> <p>Attendance management – COVID workplace abstractions – All ‘shielding’ Sgts are now back in workplace – Op Restore has prioritised the OHU review of the 15 x DOs who are currently ‘shielding’ to develop plans for their return to the workplace.</p>	A/Insp Ince / OHU	Complete
<p><i>28/10/2021: New process has now been agreed with the People Directorate and communicated to DODMs</i></p> <p>Attendance management – improve managerial capability and grip for DOs by extending Peoplesoft and SSAMI access to Detention Officer Delivery Managers (DODMs)</p>	Insp Philpot	Complete
<p><i>28/10/2021: Currently only abstracting 2.7 ICR staff/day for PCDO cover</i></p>	Det Supt Kirby	Ongoing

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Interim measures to cover short term gaps by utilising ICR officers to cover DO shifts (Custody Reserve) – this is in place but causes strain on ICR resilience – options being developed to reduce dependency on this option linked to strategic custody review	Chief Supt Metcalfe	
Governance is in place via Custody Review meeting structure and associated practitioner meetings (e.g. daily custody management meeting and custody strategy group). Daily CJ COVID-19 custody management meetings continue to be held.	Det Supt Kirby	Ongoing
28/10/2021: Additional DO course currently running	C/Insp Hahn	Complete
Recruitment – options to increase DO course intakes and expedite these		
Recruitment – options to transfer at risk front counter staff to DO posts	C/Insp Hahn	Complete
28/10/2021: Reduced to monthly	ACC De Meyer	Ongoing
Weekly Chief Officer gold Group established		
28/10/2021: Permanent closure from December but will continue to provide 'pop up' TACT suite	Det Supt Kirby	Complete
Temporary closure of Newbury (to reopen when TACT arrest made)		
Work commenced to identify trained sergeants who are able to be temporarily redeployed back in to custody to cover the critical gaps	Carl Mason / People Services	Complete
28/10/2021: This is an ongoing contingency as required	Det Supt Kirby	Ongoing
Temporary reduction in Milton Keynes cell capacity to half capacity to release staff as a contingency		
28/10/2021: Operating model now in place to safely accommodate COVID-19 suspects in all suites	Det Supt Kirby / C/Supt France (COVID Gold)	Complete
Review of COVID operating model to consider increasing the suites that can manage those suspected to be infected with the virus to reduce reliance on Banbury and enable its closure as an additional contingency		
28/10/2021: This is progressing as part of custody strategic review	C/Supt Rai & Det Supt Kirby	December 2021
Develop a custody succession policy to address issue with staff not being posted in to custody once trained		
Establish a weekly Silver meeting with Mountain Healthcare to manage the current risks and develop a longer term resolution strategy	Det Supt Kirby	Complete

Urgently explore and implement mitigating options with Mountain Healthcare to mitigate risks created by HCP resourcing gaps e.g. use of remote assessments, low risk suites etc.	Inspector Alex Ash / Inspector Phil Ince	November 2021
Future Mitigations	Owner	Completion date
<p>28/10/2021: <i>The Custody Review is ongoing, and:</i></p> <ul style="list-style-type: none"> CCMT have now agreed to move to a 5 or 4 suite model with work progressing to deliver a new suite in Maidenhead and identify a viable central suite for Oxfordshire. New custody sergeant shift pattern aiming to 'go live' from January 2022 Further paper regarding future DO resourcing model being presented to CCMT in November for a decision <p>Custody Review (commissioned by CCMT): Sgt cover can be improved/stabilised/developed within the existing establishment (even with fewer numbers) but DO numbers are not adequate: work is ongoing (i.e. shift pattern review – see below).</p> <ul style="list-style-type: none"> Appointed project lead is Insp Philpot and work streams have been initiated: The shift pattern review has commenced including Resource Management and staff associations. The consultation stage/ communication strategy now commencing, inclusive of Sgts and DOs. The Federation are currently surveying the sergeants with the aim of expediting this aspect of the review. This work will develop options for DO numbers and alignment of Sgt and DO shift patterns for effective attendance management. Benchmarking with other forces to improve methods of managing DO attendance if differential shift patterns are to remain (in progress) Shift pattern alignment may permit WBA Sgts in custody, easing custody succession pressures on LPAs An estates review is linking resourcing to estates decisions to secure future resilience. 	Det Supt Kirby	Sept 2021 (options for D/O numbers/shift patterns by July 2021)
Run an additional Detention Officer course in October to address resourcing gaps	Emma Baillie	Complete
28/10/2021: <i>This was not possible due to timeframes</i>	Emma Baillie	Complete
Increase Custody Officer Course from 6 to 12 to increase pool of trained staff.		

SR 99:	Poor crime recording may impact on the Force's ability to understand demand, respond effectively and provide the best service to victims, as well as affect trust and public confidence.				Risk owner:		DCC (as Chair of the CDI Gold Group)
					Risk Lead:		Cat Hemmings / Claire Widdison
Impact:	2.8		Likelihood:	3		Risk score:	8.5
Risk Action:	TREAT	Date raised:	April 2021	Review date:	28/10/2021	Next review date:	31/01/2022
Context:							
In May, HMICFRS completed the Victim Services Assessment inspection activity (as part of the new PEEL methodology). Whilst the Force are awaiting formal written feedback, information provided in the 'hot debrief' was very positive and showed the significant progress that the Force has made, particularly in relation to the accuracy and timeliness of crime recording. In addition, the extra resources provided to the Force Crime Registrar Unit have made progress in reducing the backlog of tasks (applying crime outcomes, reclassifying and cancelling crimes) improving the quality of data in Niche. The CDI Gold Group (chaired by DCC) and Tactical Group (chaired by FCR) remain in place delivering the CDI Action Plan, including training, communications, audit schedule and the provision of improved management information to support learning. The new CDI outreach team are providing an effective link between the FCRU and operational teams to embed knowledge and learning at an individual, team, department and Force level. Having made substantial improvements, activity is now focussed in the remaining key areas (e.g. where incidents are recorded rather than full crimes), and embedding / sustaining knowledge and improvements.							
Risk trend			The risk score remains the same.				
Assurance	Reasonable	There is a well-established gold group running to focus on Crime Data Integrity to drive improvement in this area.					
Cause:				Consequences			
<ul style="list-style-type: none">- Systemic issues with the recording, reclassifying and cancelling of crimes, contributing to errors and backlogs.- Despite training roll-out, officers and staff are still too frequently failing to correctly identify and record crimes, particularly those within incident reports and more complex crimes.- Supervision remains inconsistent, leading to incorrect cancellation requests and erroneous application of outcomes.- Insufficient audit capacity impairing ability to identify and share learning at an individual, team and function level in a timely fashion.				<ul style="list-style-type: none">- Failure to detect victim vulnerability and provide the appropriate level of support.- Decline in trust and public confidence.- Poor outcome from HMICFRS Victim Services Assessment inspection.- Non-compliance with the national crime recording standards (NCRS) and national standards for incident reporting.- Reputational damage from adverse media attention.- Backlogs impacting on wellbeing of officers and staff throughout the process.- Poor crime data resulting in a misrepresentation of performance and understanding of demand, with further consequences for effective decision making.			
Current Mitigation						Owner:	Completion date:

An effective strategic and tactical structure that identifies and manages risks presented by inaccurate crime recording	DCC Jason Hogg	Ongoing
28/10/2021: that is written and progressing and there will be a new one each year signed off by the Gold Group	DCI Colleen Lavery	Complete
Action plan to address all areas – process, training, systems, functions, comms, culture - to improve CDI Face-to-face and Moodle training developed and rolled-out for call handlers, supervisors and Sergeants. 'Bite-size' Moodle training developed for all officers.	DCI Geoff Robinson	Complete
28/10/2021: Review of the audit schedule is complete and will be going to Gold in November for sign off.	DCI Colleen Lavery	End Nov 2021
Review of audit schedule to focus activity and timeliness of learning dissemination.		
28/10/2021: This is still a work in progress and shortlisting has just been completed.	DCI Colleen Lavery.	End Jan 2022
Increase resources in FCR Unit to address backlogs, and complete Process Evolution demand / resource review.		
Future Mitigation	Owner:	Completion date:

SR 100:	There is a risk that the backlog of cases in the Criminal Justice System (CJS) in both Magistrates and Crown Courts, may lead to sustained pressure and challenges for the Force to secure justice for victims and prosecute offenders within an acceptable timescale.				Risk owner:	Supt. Craig Kirby
					Risk Lead:	Paul Powell / David Colchester
Impact:	2.5	Likelihood:	4		Risk score:	10.0
Risk Action:	TREAT	Date raised:	April 2021	Review date:	31/10/2021	Next review date: 01/02/2022
Risk update:						
In summary, as the pandemic evolves TVP have been made aware that the courts across the Thames & Chiltern (TVP, Beds & Herts) area are recovering at a slower rate than the rest of the country. This slower rate of recovery is now improving and recent data shows the area being much closer to the national average. The rate in the Magistrates Courts will be further mitigated by an intensive Trial Blitz period during the first two weeks of November at High Wycombe and Reading. The wording of the risk was previously amended to include the Magistrates Court to reflect the backlog concern of a high volume of ongoing cases. A Recovery and Trial Blitz plan has driven many of the improvements necessary to address the backlog and this continues to be monitored through fortnightly CJS Bronze calls.						

Crown Court volumes have stabilised, now reducing and capacity has significantly increased from levels pre-COVID / Reduced Sitting Days to early 2019 levels. This is allowing far more trials to be listed and heard than previously was the case.


There is high demand nationally on Judicial Recorder's (Judges) availability to sit in the extra Crown Court capacity, which in Thames Valley is hampering full trial loadings and impacting on the Witness Care Unit, who have warned all the relevant witnesses, but then have to cancel the witness attendance when a trial is cancelled at late notice. The case is then having to be adjourned and re-listed.

CPS had highlighted that the volume of repeated adjournments was contributing to the backlogs, which they had identified some being linked to the number of late files and further work submissions received from TVP. This has been a significant focus on Police teams with support through the relatively new Justice Gateway and improvements are being noted. CPS remain robust to avoid constantly chasing and reworking the case files and we continue to monitor the volume of case discontinuances with the associated impact on victim satisfaction, risk management and safeguarding.

TVP continue to chair the weekly CJS Bronze Group which has been actively working on the multi-agency recovery action plan which is currently focusing on:

- Trial Blitz – Currently taking place - 1st – 12th November 2021 (week 1 HWMC and week 2 RMC)
- Focus on prioritisation of vulnerable cases – included in the Trial Blitz and beyond.
- Improving PSR writing and sentencing to reduce backlog of incomplete cases – TV Probation still struggling with 'in court' resources and timeliness of report writing.
- Work to address adjournment culture – CPS being more robust in court.
- Improve agencies understanding of the data – recent data (end of Sept) shows good progress of reducing the backlog in the Mags Court, with the Crown Court demonstrating good recent improvement. (See national court report for context and data table of MC cases).

The TVP Witness Care Unit has successfully recruited a dedicated RaSSO Witness Care Officer to provide focused support to victims and witnesses in these cases to mitigate the impact of delay and associated disengagement

Risk trend		Although this is still an issue the risk score has reduced as the position with the courts backlog is now recovering more quickly as planned and the impact of the risk has reduced. Once the Trial Blitz period is completed we should a further reduction in outstanding Mags Court case volumes.
Assurance	Reasonable	There is reasonable assurance that this risk is being worked on and a recovery plan has been produced to track progress. Local gold and bronze groups established with key stakeholders including representatives from the Crown Prosecution Service (CPS), her Majesty's Court and Tribunal Service (HMCTS), the Youth Offending Teams (YOTs), Probation and the defence community etc., to coordinate the cross CJS response and recovery plans across the Thames Valley and clear the backlog.
Cause:		Consequences
Before the start of the pandemic, the Crown Courts were already under pressure due to budget cuts causing a reduction in the number of Judge's sitting days across England and Wales, with a reduction from a total of 108,000 days a year		- Prolonged uncertainty and welfare concerns for victims and witnesses involved in complex and serious criminal cases.

to 86,000. This pressure was then further compounded by the COVID-19 pandemic with the court closures required during the first lockdown in 2020 causing a significant backlog in the CJS. Since the lifting of the restrictions and the courts re-opening, the Crown Courts have found it challenging to adapt and implement the COVID secure measures required to hear cases in a safe environment, so capacity remains reduced. The restricted response by the Crown Courts has meant there is now a backlog of 56,000 cases across England and Wales.

In the Thames Valley region, we have 3 Crown Courts operating back at near Pre-COVID levels. Reading Crown Court has 8 trial courts operating, Oxford 4 and Aylesbury 4 courts, including running an additional court at Amersham. At this stage, there has been no indication that 'Nightingale courts' will be opening in our area in the immediate future.

- Increased delays result in higher rates of witness and victim attrition which reduces the ability to effectively prosecute cases and therefore effectively manage the risk from offenders and secure justice.
- Prolonged uncertainty for suspects involved, as legislation has extended the Custody Time Limit (CTL) for those remanded in custody while awaiting a trial in a Crown Court from 182 days to 238 days.
- Increased and sustained pressure on police resources, particularly within our Witness Care Unit (WCU) who are having to provide support to increasing numbers of victims and witnesses for longer periods of time. As at 28th Oct 2021, the WCU had experienced a 36% increase in demand compared to pre-COVID for both Mags and Crown Court cases. (down from 39% in Sept)
- Adverse local and national media attention which may impact the public's trust and public confidence within the Criminal Justice System (CJS).

Current Mitigation		Owner:	Completion date:
03/11/2021: <i>Still being attended</i>		DCI Paul Powell	Ongoing
Force representation at regional NPCC CJ meetings			
03/11/2021: <i>The Bronze meeting is held fortnightly and the Gold meeting every 3 months (next one 9th Dec)</i>		DCI Paul Powell / David Colchester (LCJB)	Ongoing
Local Gold and Bronze groups established with key stakeholders including representatives from the Crown Prosecution Service (CPS), her Majesty's Court and Tribunal Service (HMCTS), the Youth Offending Teams (YOTs), Probation and the defence community etc., to coordinate the cross CJS response and recovery plans across the Thames Valley.			
03/11/2021: <i>A Trial Blitz & Recovery Plan has been established which outlines activities that are being progressed to address the backlog.</i>		D/Supt Craig Kirby	Ongoing
Continue to support innovation within the courts aimed at addressing the backlogs.			
03/11/2021: <i>WCU resources in place and further funding is being sought for more.</i>		DCI Nicole Murphy	Complete


Additional temporary resource for our WCU to enable them to effectively manage the increased volume of cases		
Development of a bespoke victim support role for Rape and Serious Sexual Offence (RaSSO) cases recognising the specific risks around extended delays in these being resolved.	DCI Jon Groenen	Complete
<i>03/11/2021: Live Link remains the principle method of Police Officers giving evidence – accepted practice.</i> Deployment of additional Livelink technology to enable police witnesses to give evidence remotely and therefore improve our ability to support trials, even at short notice.	DCI Nicole Murphy	Ongoing
<i>03/11/2021: A proposal was accepted at the Victims & Witnesses Delivery Group on 10th August 2021 and work has commenced to scope the details of how a remote V&W support centre could be delivered.</i> Exploration of creating dedicated evidence centres to enable victims and witnesses to give evidence to court remotely in a supportive and safe environment, to reduce the risk of attrition.	DCI Nicole Murphy	Ongoing
<i>03/11/2021: Evidence shows good performance improvement in respect of the force use of OoCD and adoption of the 2 tier framework.</i> Continue to develop our use of out of court disposals to ensure all suitable cases are being diverted away from the courts to reduce demand where appropriate.	DI Jim Holmes	Ongoing
<i>03/11/2021: Messaging has been sent out by CCMT to reinforce the need for complete and timely file submissions to be prioritised by staff.</i> Develop strategy to address the volume of late files and further work submissions including the development of a more robust escalation process and a targeted communication campaign to highlight the importance of this work with our frontline teams	D/Supt Craig Kirby, C/Supt Rai, DCS Hunter	Ongoing
<i>4/11/2021: CJ met with the South East HMCTS senior management team to explore opportunities to improve the timeliness of RaSSO and DA trials as these are currently having to be delayed to prioritise cases with a custody time limit (remands).</i> TVP and HMCTS committed to progressing local and national work, including promoting the TV area to pilot innovative opportunities to build capacity. Meeting between TVP, HMCTS and CPS leads scheduled in another month to progress this action.	D/Supt Craig Kirby	Ongoing

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SR 101:	Inability to meet current and future demand of Illicit Image of Children (IIOC) referrals which may impact the Force's ability to safeguard children from harm.				Risk owner:	C/Supt Weems	
					Risk Lead:	C/Insp Milne	
Impact:	2.7	Likelihood:	4	Risk score:	10.7		
Risk Action:	TREATED	Date raised	July 2021	Review date:	04/11/2021	Next review date:	31/01/2022
Risk update:							
Work continues to manage this risk as the volume of IIOC referrals received by the NCA continue to apply pressure within the Force. CCMT has agreed for a resource uplift in the Force Intelligence Bureau and Covert Authorities Bureau, which will support early assessment and intelligence development and attribution work. The use of robots is also being explored to assist in automating some processes to improve the efficiency in handling the referrals and reduce backlogs.							
Risk trend	New	A new risk adopted to the Strategic Risk Register.					
Assurance		This is a new risk and the assurance level has yet to be determined.					
Cause:				Consequences:			
Significant increase in the number of Illicit Image of Children (IIOC) referrals submitted to Thames Valley Police (TVP) by National Crime Agency (NCA) from NECMEC (National Centre for Missing and Exploited Children). This has culminated in a backlog of cases through numerous points across the organisation (Force Intelligence Bureau, Central Authorities Bureau, POLIT/CAIU/PPU, high tech forensic teams, LPAs and partners). This does not include the extra demand generated by the UCOL teams to target offenders online, or that the force is now auctioning all FIP High and Low referrals as per national guidance and HMICFRS direction. At every stage, resourcing and procedures reflect pre-pandemic establishment levels, however there are a number of checks that have been suspended by FIB to reduce demand but this serves only as a short term solution. The growth of online activity during the pandemic plus greater attention to the issue by overseas law enforcement agencies and social media companies, has caused a several times increase in referrals, leading to between 350 and 400 cases for Thames Valley at various stages of enforcement and risk management. It is also anticipated that once online companies return staff to the workplace as restrictions ease and reduce the reliance of AI this will also see an increase in referrals.				<ul style="list-style-type: none">- Whilst high risk cases are always prioritised, medium and low risk cases (the majority) take longer to reach safeguarding and resolution points.- Demand on the various teams is unassailable, with officers and staff working on larger case-loads. The packages currently pass through too many hands, and attract delay at every point. Addressing capacity at one pinch point simply overwhelms the next. Whole system change is required to resolve this complex matter. The impact of the increase on referrals will also impact on the demand on PPU and the ability of TVP to manage the number of RSOs in the force. Demand is only likely to increase further, with even greater back-logs and case-loads.- Ultimately, delays to safeguarding opportunities for children and families and delays to managing offenders. Internet enabled devices remain in police property for too long.- Public trust and confidence is impacted if there are delays to safeguarding opportunities for children and families- Adverse media attention- Adverse audit inspections (e.g. HMICFRS)			
Current Mitigation					Owner:		Completion date:

Assessment of risk at point of receipt to consider risk grading (high risk take priority)	C/Supt Weems	Ongoing
Regular review meetings between FIB and POLIT	C/Supt Weems	Ongoing
Liaison with NCA/ Child Exploitation and Online Protection Command (CEOP) to consider front-end demand opportunities	C/Supt Weems	Ongoing
04/11/2021: CCMT has agreed a bid to increase resources in Force Intelligence Bureau by three staff.	Jess Milne	Complete
Increase in temporary staff (three posts) in FIB to support early assessment and intelligence development	Jess Milne	Complete
04/11/2021: In addition to the above, CCMT has agreed an increase in two staff in the Covert Authorities Bureau	Jess Milne	Complete
Small increase in staff in Authorities Bureau to support attribution work.		
Overtime made available across all teams.	C/Supt Weems	Ongoing
Significant media campaign and joint working with partners (LA's and charities) to reduce the risk posed and educate.	C/Supt Weems	Ongoing
Op Secutor - 2 x focused months of action to reduce the backlog of packages held on LPA's in anticipation of the increased flow of referrals.	C/Supt Weems	Ongoing
Future Mitigations	Owner	Completion date
End to end review underway to make short term (resource uplift) and longer term (system change) recommendations for CCMT.	C/Supt Weems	Ongoing
Reduce the number of blockage points and increase the capability (technology) and capacity (reduce demand or increase resources) of all teams, with a focus on intelligence, PVP and CSI departments.	C/Supt Weems	Ongoing
Explore best practice across the country and consider innovative means of managing risk, safeguarding children and bringing offenders to justice	C/Supt Weems	Ongoing
Explore the use of robots to automate some of the processes.	C/Supt Weems	Ongoing

SR 102:	Demand exceeding capacity within Public Protection Unit (PPU) may lead to challenges in managing Register Sex Offenders (RSO) effectively, impacting public safety, trust and confidence.				Risk owner:	C/Supt Hunter
					Risk Lead:	DCI Darnell
Impact:	2.1	Likelihood:	4	Risk score:	8.4	
Risk Action:	TREAT	Date raised:	August 2020	Review date:	20/10/2021	Next review date: 31/01/2021
Risk update:						

Pressure continues within PPU and demand is exceeding capacity. A revised shift pattern was introduced and at this stage, it is too early to understand the impact this may have on mitigating the risk.		
Risk trend		This is a new risk.
Assurance		This is a new risk and no assurance level has been given.
Cause:		Consequences
<p>The resourcing constraints within PPU is identified in the FMS 2 highlighting that demand is exceeding capacity and to meet future demand will be unmanageable if resourcing levels remain the same. Internal reviews have been conducted to improve the position (e.g. Process Evolution Review in 2018 of PPU requesting for additional resources and another review in 2019 to address the gaps raised in FMS2, to identify areas to improve efficiency and effectiveness within current establishment). No additional resources were allocated however changes have been made within PPU including moving Cat 2 and 3 MAPPA demand from PPU to IOM (without increased establishment for IOM), increase in the use of technology and the introduction of ESafe for monitoring the computers of RSOs, training and operational guidance and develop a bespoke welfare package for OM's created by People Services and Occupational Health. However backlogs have still materialised and demand continues to increase due to:</p> <ol style="list-style-type: none"> 1. Significant increase in the number of Illicit Image of Children (IIOC) referrals submitted to Thames Valley Police (TVP) by National Crime Agency (NCA) from NECMEC (National Centre for Missing and Exploited Children). The conviction rate for IIOC/POLIT is very high which then has an impact on the numbers of RSOs requiring management by PPU post-conviction. Internationally on-line offending has increased by approximately 148%, and the true impact of this at a local level is yet to be fully realised. 2. The issue is further compounded with demand set to increase when the backlog of Crown Court cases is cleared, and demand on the PPU to manage RSOs post-conviction. 		<ul style="list-style-type: none"> - Increased risk of RSO reoffending causing emotional and physical harm to individuals. - Delays in safeguarding potential victims - Adverse media attention causing reputational damage. - Damaging relationships with partner agencies as we are unable to meet demand causing reputational damage. - Public trust and confidence is impacted in the Force's ability to manage RSO effectively. - OM's welfare concerns due to the volume and pressure of managing RSOs causing stress and anxiety. - Backlog materialised in managing RSO (e.g. visits, risk assessing RSOs via Active Risk Management System (ARMS) and developing risk management plan (RMP)). The current backlog for RMP's is 280 and ARMS is 310. - Adverse audit inspections (e.g. HMICFRS) - Failure to meet statutory requirements under Sexual Offences Act 2003 and Criminal Justice Act 2003


3. Increase in further relevant offences committed by RSOs (breaches / IIOC etc.) discovered during their management / visits. This was previously allocated to Force CID teams, however in 2019, post a critical incident review and due to the detailed knowledge of the OMs they are now retained within the PPU. The number of breaches being identified by the OMs has increased significantly due to the training and investigative mind-set of the team. This is clearly positive as it reduces the risk to the public and the risk of further offending but applies more pressure and demand on resources.

A comparison of the management of RSOs vs resources against other police forces in the region, highlighted that TVP has the lowest allocated resources (total OMs 32.82) and the highest number of RSOs to manage (2790 of which 1808 are actively managed), resulting in each OM managing 55 RSOs. HC has a total of 2266 (of which 1451 are actively managed) RSOs and 55 OMs with individual OMs managing 26 RSOs. APP recommends that each OM should not manage more than 50 offenders, and no more than 20% should be high risk or above, we currently have 5 officers/staff managing between 20 and 25%.

Current Mitigation		Owner:	Completion date:
Revised PPU shift pattern to assist in reducing backlog of outstanding RSO visits		DCI Darnell	September 2021
Future Mitigations		Owner	Completion date
Uplift bid as part of the annual planning process to increase establishment to meet current and future demand.		DCI Darnell	TBC

SR 103:	The revised Attorney General guidelines on Disclosure has applied significant demand and pressure on the Force, which may impact the Force's ability to secure justice for victims and prosecute offenders within an acceptable timescale.				Risk owner:	ACC De Meyer
					Risk Lead:	Supt Kirby and DCI Groenen
Impact:	2.8	Likelihood:	4	Risk score:	11.2	
Risk Action:	TREAT	Date raised:	July 2021	Review date:	28/10/2021	Next review date: 31/01/2022
Risk update:						
Work continues to be progressed by Criminal Justice to address this risk and the significant additional demand placed on crime investigation. An extensive operational guidance has been developed for staff to follow, and training for the Evidential Review Officers who act as a gateway to the CPS for our ICR staff						

to prevent non-compliant cases being submitted has been completed. The National Redaction Principles have now been published, and incorporated into the Data Protection Webinars and revised operational guidance. Current mitigations have been completed with the exception of one, the E-Disclosure project, and further work to reduce the impact and likelihood of this risk is dependent on the outcome from the Annual Planning Process.

Risk trend		The risk score remains unchanged.
Assurance	Reasonable	There is reasonable assurance that this risk is being mitigated, with operational guidance and training being rolled out across the Force.

Cause:	Consequences
<p>On the 31 December 2020, the Attorney General revised guidelines on Disclosure (AGG) and Director of Public Prosecutions guidance on charging (DG6) were introduced, which is placing additional demand on the Force, due to the following:</p> <ul style="list-style-type: none"> - Increase in the volume of relevant, unused material that must be made available to CPS, at the pre-charge stage, when requesting a charging decision. - Significant amount of work is required by staff to redact the additional material prior to submission to comply with the Data Protection legislation. - It is estimated that redaction of data for each case takes an average of 4-5 hours, which is being completed over a period of time as and when staff have capacity. This adds to the delay of progressing cases in an acceptable timeframe. - More work is required by investigatory staff to determine what information/evidence meets the disclosure test and needs to be scheduled and made available to the CPS to comply with the guidelines. - 55% of submissions to the CPS are compliant, with the remaining requiring further work to comply which is causing further delays. - Staff may not be using the software Adobe Pro, which is used to redact data, to its maximum functionality. - Capability gap identified with ICR staff and disclosure practice. 	<ul style="list-style-type: none"> - Potential increase in victims and witnesses becoming disengaged due to the length of time to progress cases. - Demand on ICR to prepare cases and redact evidence within an acceptable timeframe may result in a backlog materialising. - Loss in public confidence in the Force's ability to progress cases through the Criminal Justice System (CJS) and bringing offenders to justice. - Potential adverse media with victims and witnesses reporting their experience to the local and national press, causing reputational damage. - Increase in failing to meet CPS criteria, leading to rejection of file submissions, requiring further work and delaying justice - Potential of increase in data breaches due to the additional volume of evidence/information required to be redacted for each file submission. - Staff frustrations and disengagement if file submissions result in a no charge by the CPS. - Staff frustration and disengagement leading to a reduction in file submissions to CPS, impacting on Force performance - Potential increase in the use of out of court disposals, as an alternative to submitting cases to CPS. - Potential increase in non-compliant submission to the CPS, increase time delays, impacting Force performance. - The additional work required in file preparation may adversely impact on Detective recruitment.

Current Mitigation	Owner:	Completion date:
Capability		

Revised Operational Guidance. Disclosure operational guidance has been re-written and made available.	Strategy Unit	Complete (08/01/2021)
Bespoke training for ICR staff on TIA days in the form of a case study webinar. This webinar teaches the basics of disclosure and applies the amendments, including training the IMD, to a case study. <i>27/10/2021: Training is now complete.</i>	Jon Groenen (Criminal Justice)	Complete (18/05/2021)
Evidential Review Officer (EVO) training. Bespoke ERO training has been delivered to all EROs directly. They act as the gateway to CPS for our ICR staff and will prevent non-compliant cases being submitted to CPS. <i>27/10/2021: National Redaction Principles have now been published. This has been supported in force through Data Protection Webinars and revised operational guidance.</i>	Jon Groenen (Criminal Justice)	Complete (01/09/2021)
Redaction Principles. Work is ongoing nationally to agree redaction principles with the CPS. This will provide clarity and certainty to staff regarding what redaction is required.	Jon Groenen/Karin Williams-Cuss (Criminal Justice)	Complete (01/10/2021)
Disclosure Tactical Advisors. County based disclosure tactical advisors have now been recruited. In the short term their role will be dedicated to supporting ICR staff through these changes. They will visit LPAs on a daily basis offering 'disclosure surgeries' to assist staff on a 1:1 basis. Longer term the role will also support LPAs in serious crime investigation, offering tactical advice and support on disclosure strategy for complex cases.	Jon Groenen (Criminal Justice)	Complete (01/04/2021)
Disclosure Champions Network. The network of disclosure champions is made up of volunteers from LPAs and specialist departments. Membership has been refreshed and bespoke inputs on the amendments have upskilled members. LPA staff can identify their local champion on the intranet and contact them directly for advice.	Jon Groenen (Criminal Justice)	Complete (30/06/2021)
Capacity		
<i>27/10/2021. This project is dependent on the ACESO replacement project (Forensic led) to ensure any output from the replacement kiosks can be supported by new software. Ongoing.</i> E-Disclosure project. This project is reviewing options for software solutions that allow a faster review of digital documents. Once a solution has been identified funding will be applied for through the annual planning process.	Criminal Justice/Forensics	Ongoing Expected completion date Q1 2023.
Adobe Pro. In order to mitigate the redaction demand TVP have procured an enterprise licence for Adobe Pro. This allows every member of staff access to the software. Using this software reduces the	ICT/Criminal Justice	Complete (30/01/2021)

amount of time taken to redact material. The latest version of the software is now available to all. Operational guidance has been written and webinars have been used to improve staff capability.		
Future Mitigations	Owner	Completion date
27/10/2021: Awaits outcome of Annual Planning Process submission.	Jon Groenen (Criminal Justice)	TBC
Redaction Unit - The introduction of a redaction unit, based centrally in CJ is to be explored. This will remove the administrative burden from front line officers allowing them to use their time more effectively.		

SR 104:	Inability to meet HMRC 'Making Tax Digital' (MTD) requirement within the requested timescales, resulting in HMRC fines to Thames Valley Police (TVP)				Risk owner:	ACO Waters
Impact:	2.3	Likelihood:	3	Risk score:	6.9	
Risk Action:	TREAT	Date raised:	July 2021	Review date:		Next review date: 31/01/2022
Risk update:						
APTOS V10 upgrade is progressing however there is a risk that if there are any delays to this programme and we fail to meet the March 2022 deadline, this will have a significant impact to monthly budgeting and spending within TVP.						
Risk trend		New risk added.				
Assurance		This is a new risk and no assurance levels have been confirmed.				
Cause:			Consequences:			
HMRC have moved to MTD in the last couple of years which organisations need to comply with, and the capability for TVP to meet this would have been delivered under the Equip programme. However due to the Equip programme closing we have failed to meet this deadline. An extension has been applied for from HMRC till March 2022 and approval has now been received (August 2021). HMRC are requesting evidence to prove we can meet the March 2022 extension applied for. APTOS V10 upgrade includes the MTD capability to meet HMRC requirements and work has commenced on delivering this upgrade however the order for APTOS V10 was only placed 18 August so at this time we are unable to provide a definitive date for implementation and if the March deadline will be met.			<ul style="list-style-type: none"> - Shortfall in budget, impacting the Force's ability to deliver key services such as BAU, projects and programmes. - Reputational impact with HMRC if we fail to deliver, - Potential reputational impact with the public if we are not able to deliver on initiatives impacting them. - Adverse outcomes from audit 			

TVP and OPCC receives approximately £1.25m a month from HMRC in cash reimbursement. This money is essential to TVP budgets, and the ability to spend from it and invest in BAU and projects. If we are not in a position to MTD, then the Force and Office of the Police & Crime Commissioner (OPCC) could be significantly fined. HMRC have stated that no further extensions will be given post the March 2022.			
Current Mitigations		Owner:	Completion date:
APTOS V10 upgrade covered under Next Steps programme		Andrew Grimley	TBC
Future Mitigations			

SR 105:	Lack of appropriately skilled ICT resources to carry out Force Change and potentially support BAU operational services				Risk owner:	ACO Lattanzio
					Risk lead	John Faux
Impact:	2	Likelihood	3	Risk score:	6	
Risk Action:	TREAT	Date raised:	July 2021	Review date:	01/11/2021	Next review date: 31/01/2022
Risk update:						
Noticeable increase in difficulty in recruiting due to widening salary gaps in some "hot skills" area mainly the technical areas. Some attrition due to much higher salaries available in private sector.						
Risk trend	New	New risk added to the Strategic Risk Register				
Assurance		The assurance level is to be confirmed as this is a new risk.				
Cause:				Consequences		
As extensively reported in the National press, there is currently a 24 year high in business growth which is driving the fastest growth in worker demand since Jan 1998. The steepest demand growth is in IT and Computing and Hotels and catering. Analysts claim the risk is caused by a combination of events but primarily coming out of COVID and Brexit certainty. This situation drives risks for Joint ICT in three areas:				As a result of either losing existing ICT staff or an inability to recruit new staff there is both a potential risk of failure in our operational systems and services as well as extensive delays in our ability to deliver planned Force Change Programmes and Projects		

1. High demand will result in higher salaries in both permanent and contract markets, this may attract a number of our more experienced ICT staff to look elsewhere, especially given the high levels of continued demand in Force and general feeling of fatigue amongst our workforce.	Resource flight risk - A high risk that ICT permanent and contractor staff will leave for better paid roles and/or longer term contracts. We are already seeing this occur. Cost & delivery - Unable to recruit permanent resources will result in either longer extensions of contractor resources and overspend in staffing and/or project budgets or delays to projects Cost & delivery – unnecessarily losing a contract resource and having to recruit, on-board and get up to speed leads to approx.. £20-£30k each time and 1-3 month in delays.		
2. We will struggle to compete in the marketplace when it comes to recruitment for both permanent and contract staff.			
3. Our often inability to offer longer term contracts (6-12 months) and late renewal of contracts for contractor resources often results in unnecessary losses of key contract resources.			
Current Mitigation		Owner:	Completion date:
Create proposal to Finance and Governance & Change (TVP) and Corporate Services (HC) to release project funding earlier so as to prevent late and unnecessarily short term contract extensions, gain approval and make necessary changes		Mike Lattanzio	30 th July 21
Based from individual 121's create heatmap across ICT staff to identify most likely flight risk staff and impacts		Mike Lattanzio	16 th July 21
Based on heatmap ensure training & development plans and career path roadmaps are appropriate		Mike Lattanzio	30 th July 21
Based on heatmap review any individuals with unacceptably high workloads and put plans in place to reduce/smooth workloads.		Mike Lattanzio	30 th July 21
Carry out gap analysis on open positions, heat map red roles and all high attrition risk roles, Business case being created for Market data adjustment.		John Faux	End Nov
Perform a worst case scenario impact assessment over our change portfolio		Jon Clement	16 th July 21
Conduct ELT improvement series of workshops to improve inter team working and morale amongst the teams		Mike Lattanzio	End Sept (1 st workshop completed)
Future Mitigations		Owner	Completion date
Put communications plan in place to provide staff certainty on future mode of working to remove any anxiety in workforce		Mike Lattanzio	30 th July 21 (for plan)
Obtain latest market salary data to ensure appropriate salaries are being applied to both perm and contract remunerations, assess major gaps and make recommendations		Mike Lattanzio	16 th July 21



**CHIEF CONSTABLE'S MANAGEMENT TEAM (CCMT) AND
JOINT INDEPENDENT AUDIT COMMITTEE (JIAC) REPORT**

Official

**Risk Management & Business Continuity update
1 August – 31 October 2021**



Assess alternative resource provision models with external organisations such as 'resource bench' whereby specific key roles can be on-boarded at short notice and a fixed price	Mike Lattanzio	30 th 15 th August
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**CHIEF CONSTABLE'S MANAGEMENT TEAM (CCMT) AND
JOINT INDEPENDENT AUDIT COMMITTEE (JIAC) REPORT**

Official

**Risk Management & Business Continuity update
1 August – 31 October 2021**



Appendix B - Risk scoring matrix

likelihood score	simple description	guidance
4	Probable	80% to 100% chance this will happen or the matter has already become an issue
3	Likely	50% to 80% chance this will happen
2	Possible	10% to 50% chance this will happen
1	Unlikely	less than 10% chance this will happen

impact score	public impact	reputation	economic	legal	organisational resilience	disruption (based on the Force's ability to manage the risk with current resources)
4	Damage to critical systems, including loss of 999 service.	Failure to meet a number of local and national performance indicators - possibility of intervention or special measures. Picked up in the national media.	Financial impact over £10m	Potential corporate manslaughter charge. HSE brings charges or serves a Prohibition Notice. Home Office intervention. Loss/disclosure of information marked TOP SECRET and/or resulting in sustained reputational damage to the Force. Impact on national security or a serious breach of personal or human rights.	Significant impact on staffing levels which impacts on Force ability to deliver critical public facing services. Loss of technology which impacts on critical public facing services (long-term P1 system failure).	No existing processes in place to manage the risk. Significant levels of immediate investment in resources are required to mitigate the risk.
3	Major impact (1 to 3 days) on non-critical public facing services. Significant/long-term (more than 3 days) impact on central services, which affect public services	Failure to meet a series of critical targets which impacts on a number of performance indicators. Adverse external audit report prompting immediate action. Highlighted in the local media.	Financial impact from £5m to £10m	Temporary HSE intervention or an Improvement Notice issued due to a major incident. Force or PCC prosecution with significant financial cost. Intervention by the PCC. Loss or disclosure of information marked SECRET and/or resulting in serious reputational damage to the Force, threat to life, or threat to operational activity.	Significant impact on staffing levels which impacts on Force ability to deliver internal functions and services. Prevention of access to intelligence placing prosecutions, placing front line officers and staff at risk. ICT issue which impacts across the whole Force.	Existing processes have a limited impact on mitigating the issue, and significant new processes are required to manage similar risks in the future. Long-term planned investment in resources required to manage future risks.
2	Moderate impact (less than 1 day) on non-critical public facing services. Impact on central services across more than one area.	Failure to meet a series of operational targets or a critical target. Adverse internal audit report prompting timed improvement/action plan.	Financial impact from £1m to £5m	HSE involved in investigating a significant incident. Civil litigation receiving adverse publicity and financial cost to the Force or PCC. Loss or disclosure of information marked OFFICIAL-SENSITIVE.	Loss of non-critical internal ICT services across the Force.	Existing processes can mitigate the immediate elements of the issue, but some work is required to change processes for the future. Risk can be managed within existing Force resources and additional spending can be approved within existing budgets.
1	Minor impact on local or departmental services.	Failure to meet individual operational targets. Minor contravention of internal policies.	Financial impact up to £1m	Local incident - local review. No legal or regulatory breaches. Small scale loss or disclosure of information marked OFFICIAL.	Short-term loss of non-critical ICT locally. Short-term impact on local and departmental staffing levels.	Risk can be managed using existing processes. Risk can be managed within existing departmental resources.

Appendix C - Assurance criteria

Risk summaries include an assurance level, using the following definitions:

Substantial	The governance, risk management and control arrangements are strong, although some minor action may be required to improve efficiency or effectiveness.
Reasonable	The governance, risk management and control arrangements are good, although some action is required to improve efficiency or effectiveness.
Limited	The governance, risk management and control arrangements are limited and action is required to improve efficiency or effectiveness.
Minimal	The governance, risk management and control arrangements are weak and significant action is required to improve efficiency or effectiveness.

The levels of assurance provided are based on the risk summary and input from the risk owner and/or risk lead, the additional documents supplied which outline the more detailed activities, and benchmarking where this is available. This also includes how effective mitigating actions have been in the past, and confidence around the potential effectiveness of future actions.

Appendix D - Managing risks criteria

Projected completion and target dates are recorded based on the following:

	Action completed
	Action on target
	Deadline missed

Airwave outage 22/11/2021

JIAC update

Overview

- At 0300 on Monday 22nd November a complete Airwave outage over 2 regional clusters (Midlands East and Capital City London) occurred
- Airwave contingency equipment failed, leaving no ability to use the network at all
- Airwave initially reluctant to acknowledge issues
- Force command structure quickly in place
- Officers returned to station and then deployed via MS Teams and mobile phone
- No impact on public-facing service delivery
- Service restored and stable by 0900

Lessons learnt & Next Steps

- Learning
 - Unclear where plans for complete Airwave outage (Op Soundwave) held
 - Challenges with roles and responsibilities between Contact Management and ICT, and reporting of initial incident
 - Communication with other blue light partners prompt and effective

- Next Steps
 - Working group set up for 17th December – ICT, Contact Management and Strategic Governance Unit
 - Business Continuity training for Force Incident Managers
 - Strategic Governance Unit – build power outage Business Continuity exercise
 - Review Airwave MIR once available

OPCC STRATEGIC RISK REGISTER UPDATE

JIAC Summary

In accordance with the Operating Principles of the Joint Independent Audit Committee (JIAC), the Committee has the following responsibilities in respect of the management of risk and business continuity:

- Consider and comment upon strategic risk management and business continuity management processes, and
- Receive and consider assurances that business continuity and organisational risks are being managed effectively and that published goals and objectives will be achieved efficiently and economically, making recommendations as necessary

The attached report provides an annual overview of risk management and business continuity management policy and processes adopted by the Office of the PCC (OPCC) together with the most recent quarterly progress update report.

<p>Recommendation:</p> <p>The Committee is invited to review and note the report as appropriate.</p>		
<p>Chairman of the Joint Independent Audit Committee</p> <p>I hereby approve the recommendation above.</p>		
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">Signature</td> <td style="width: 50%; border: none;">Date</td> </tr> </table>	Signature	Date
Signature	Date	

Risk Management Introduction

Effective risk management is one of the foundations of good governance. A sound understanding of risks and their management is essential if the PCC is to achieve his objectives, use resources effectively, and identify and exploit new business opportunities. Consequently, in common with all significant public and private sector bodies, the Office of the PCC has an established control framework - which mirrors that used by the Force - for ensuring that areas of risk are identified and managed appropriately across its activities.





OPCC Risk Summary

There are six current strategic risks identified on the OPCC risk register, as listed in table below.

The table shows the direction of travel of each risk score and the current risk management status as agreed by the OPCC Senior Officer Group (SOG). A more detailed description of the risk, including rationale for any change in risk level, is then provided in the individual risk summaries which follow.

Scoring is based on a 4 x 4 risk assessment matrix and the direction of travel, and the risk scores from the last quarter are included to provide a clear indication of the magnitude and direction of any change.

All risks have been reviewed and re-scored with input from the relevant OPCC risk owners.

Risk description and link to full document	Previous risk and score (I x L)	Dec 2021 Risk Score (I x L)	Trend	Risk Owner	Current Risk Action
OPCC 19 - Victim services The demand for victim services could exceed the supply available from PCC-commissioned contracts / service providers	6.0 (2.0*3.0)	6.2 (2.1*3)		Helen Wake	TREAT
OPCC 33 – Inability to recruit professionally qualified finance staff The potential inability to recruit professionally qualified finance staff to critical vacant roles (e.g. Corporate Accountant post; Chief Finance Officer & Deputy Chief Executive post) may result in the PCC being unable to discharge his statutory duties (e.g to prepare and publish the annual statement of accounts in accordance with statutory deadlines)	7.5 (2.5*3.0)	5.2 (2.6*2)		Ian Thompson	TREAT
OPCC 35 - Police misconduct hearings may not be able to take place due to lack of Legally Qualified Chairs (LQCs) Possible lack of LQCs to sit on misconduct hearings resulting in police misconduct hearings being unable to take place	n/a	4.9 (1.9*2.6)	New	Vicki Waskett	TREAT
OPCC 23 - New demands on OPCC Failure to respond to new additional statutory responsibilities; increased volume of service demand and/or changes in type of service demand for services provided and/or commissioned by the OPCC	4.1 (2.0*2.0)	4.0 (2.0*2.0)		Paul Hammond	TREAT
OPPC 36 – Victim Services contracts end dates Possible risk to specialist victim service provision from March 2023 when the initial term of the PCC-commissioned service contracts end	n/a	3.6 (3*1.2)	New	Helen Wake	TREAT
OPCC 34 - Inability to secure staff The potential inability to recruit and retain staff within the context of the changing employment market place may undermine the OPCC's ability to deliver the PCC's new Police and Criminal Justice Plan 2021-2025	3.8 (1.9*2.0)	3.5 (1.9*1.8)		Paul Hammond	TREAT

The above risks are listed in current priority order, as identified by current scoring. Risk summaries include an assurance level, using the following definitions.

Risk Scoring Matrix

likelihood score	simple description	guidance
4	Probable	80% to 100% chance this will happen or the matter has already become an issue
3	Likely	50% to 80% chance this will happen
2	Possible	10% to 50% chance this will happen
1	Unlikely	less than 10% chance this will happen

impact score	public impact	reputation	economic	legal	organisational resilience	disruption (based on the Force's ability to manage the risk with current resources)
4	Damage to critical systems, including loss of 999 service.	Failure to meet a number of local and national performance indicators - possibility of intervention or special measures. Picked up in the national media.	Financial impact over £10m	Potential corporate manslaughter charge. HSE brings charges or serves a Prohibition Notice. Home Office intervention. Loss/disclosure of information marked TOP SECRET and/or resulting in sustained reputational damage to the Force. Impact on national security or a serious breach of personal or human rights.	Significant impact on staffing levels which impacts on Force ability to deliver critical public facing services. Loss of technology which impacts on critical public facing services (long-term P1 system failure).	No existing processes in place to manage the risk. Significant levels of immediate investment in resources are required to mitigate the risk.
3	Major impact (1 to 3 days) on non-critical public facing services. Significant/long-term (more than 3 days) impact on central services, which affect public services	Failure to meet a series of critical targets which impacts on a number of performance indicators. Adverse external audit report prompting immediate action. Highlighted in the local media.	Financial impact from £5m to £10m	Temporary HSE intervention or an Improvement Notice issued due to a major incident. Force or PCC prosecution with significant financial cost. Intervention by the PCC. Loss or disclosure of information marked SECRET and/or resulting in serious reputational damage to the Force, threat to life, or threat to operational activity.	Significant impact on staffing levels which impacts on Force ability to deliver internal functions and services. Prevention of access to intelligence placing prosecutions, placing front line officers and staff at risk. ICT issue which impacts across the whole Force.	Existing processes have a limited impact on mitigating the issue, and significant new processes are required to manage similar risks in the future. Long-term planned investment in resources required to manage future risks.
2	Moderate impact (less than 1 day) on non-critical public facing services. Impact on central services across more than one area.	Failure to meet a series of operational targets or a critical target. Adverse internal audit report prompting timed improvement/action plan.	Financial impact from £1m to £5m	HSE involved in investigating a significant incident. Civil litigation receiving adverse publicity and financial cost to the Force or PCC. Loss or disclosure of information marked OFFICIAL-SENSITIVE.	Loss of non-critical internal ICT services across the Force.	Existing processes can mitigate the immediate elements of the issue, but some work is required to change processes for the future. Risk can be managed within existing Force resources and additional spending can be approved within existing budgets.
1	Minor impact on local or departmental services.	Failure to meet individual operational targets. Minor contravention of internal policies.	Financial impact up to £1m	Local incident - local review. No legal or regulatory breaches. Small scale loss or disclosure of information marked OFFICIAL.	Short-term loss of non-critical ICT locally. Short-term impact on local and departmental staffing levels.	Risk can be managed using existing processes. Risk can be managed within existing departmental resources.

Assurance Criteria

Substantial	The governance, risk management and control arrangements are strong, although some minor action may be required to improve efficiency or effectiveness.
Reasonable	The governance, risk management and control arrangements are good, although some action is required to improve efficiency or effectiveness.
Limited	The governance, risk management and control arrangements are limited and action is required to improve efficiency or effectiveness.
Minimal	The governance, risk management and control arrangements are weak and significant action is required to improve efficiency or effectiveness.

The levels of assurance provided are based on the risk summary and input from the risk owner, the additional documents supplied which outline the more detailed activities and benchmarking where this is available. In future this will also include how effective mitigating actions have been in the past, and confidence around the potential effectiveness of future actions.

OPCC 19 – Victims services

Risk summary: The demand for victims' services exceeds the supply available from PCC-commissioned contracts / service providers

Consequences:

- The demand for victims services could exceed current supply
- The quality and/or quantity of service provided to victims is adversely affected
- Reputational damage for the PCC

Risk Owner: Helen Wake

Reviewed: 6/12/2021

Next Review Date: March 2022

Context: Although small changes in demand for services are to be expected, larger changes outside expected and planned limits could stretch resources, affecting the quality of services provided. Furthermore, there is a national concern about the incidence of 'hidden' crime such as domestic and sexual abuse (see also Risk 'OPCC 23', below). Close monitoring of referral rates and demand on services is undertaken through OPCC contract management of commissioned services, aided by the in-house Victims First Hub. Strategic approaches to managing demand through the Hub have been introduced at times of peak volume, such as prioritisation of serious crime and vulnerable people. Service contracts have been varied as necessary and waiting lists introduced for some services. Specialist victims' services contracts (Young Victims and Adult Specialist Services), launched in April 2020, mitigate the risks by introducing a strategic partner to coordinate provision and allow a more flexible approach.

Level of Assurance: Reasonable. There are robust contract management processes in place to ensure quality of service provision and good relationships exist between the OPCC and service providers. Some of our service providers are operating at peak capacity and we are working with to reduce their demand and waiting lists. The PCC has initiated an end-to-end review of our current victims services delivery model which will be completed in 2022. In the meantime we will continue to monitor all activity and react accordingly.

Risk Score Trend:



The score has increased since the last meeting but it remains **TREATED**.

The table below summarises the active and future planned mitigating actions

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
<ul style="list-style-type: none"> Recruited additional staff to work in Victims First Hub (now 7 FTE Officers) not including the Hub Manager post. Service provision by commissioned service providers varied by contract negotiation. Prioritise victims support service provision as necessary. Main victims support service contracts initial terms ends in March 2023 but there are options to extend on two of these contracts (see also 'Risk OPCC 36' below) External funding 3 additional BAME ISVA posts has been extended to March 2023. Additional funding secured from MoJ for IDVA and ISVA posts Additional 2-year funding secured from MoJ for DA and SV services Additional funding secured for MoJ critical support fund The VF Hub is working closely with TVP on understanding why and how Automatic Data Transfer system has increased referrals significantly. A review of Rape Referrals in the VF Hub and VFSS has been completed and proposed recommendations will be implemented 	Helen Wake	Ongoing	<ul style="list-style-type: none"> An end-to-end review of our current victims services delivery model has been initiated 	Helen Wake	31/05/2022

<ul style="list-style-type: none">• The processes relating to victims of Action Fraud have been amended following research from the Victims Commissioner's Office• SAFE! have employed a Referral Liaison Officer and have a new website to support an easier referral process• A new OPCC Head of Victim Services started on 1st November 2021					
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OPCC 33 – Inability to recruit professionally qualified finance staff

Risk Summary: The potential inability to recruit professionally qualified finance staff to critical vacant roles (e.g. Corporate Accountant and Chief Finance Officer & Deputy Chief Executive posts) may result in the PCC being unable to discharge his statutory duties (e.g to prepare and publish the annual statement of accounts in accordance with statutory deadlines)

Consequences:

- Unable to deliver statutory functions in accordance with national deadlines
- Qualified audit opinion
- Reputational damage – public criticism of PCC and Chief Constable
- Additional work to be undertaken by those staff still in post

Risk Owner: Ian Thompson

Reviewed: 6/09/2021

Next Review Date: March 2022

Context: The OPCC Corporate Accountant post required three recruitment exercises before we were able to appoint a suitable candidate, who is scheduled to take up post on 2nd February 2022. The Chief Finance Officer and Deputy Chief Executive has tendered his resignation and will retire on 31st July 2022.

Level of Assurance: **Reasonable.** Our new Corporate Accountant is due to start on 2nd February 2022. The recruitment process for the Chief Finance Officer & Deputy Chief Executive post is now underway.

Risk Score Trend:



The score has **reduced** since the last meeting but the risk continues to be **TREATED**

The table below summarises the active and future planned mitigating actions.

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
The Corporate Accountant position is being advertised via the Force's premium Linked In service, social media, as well as Public Finance magazine (daily circulation of circa 70,000 finance professionals. In addition, Reed have been asked to identify suitable individuals	Ian Thompson	Ongoing	Our new Corporate Accountant is due to start on 2 nd February 2022		
Recruitment for the new CFO and Deputy Chief Executive will commence in good time to secure a replacement before the current post-holder retires in July 2022	Paul Hammond	July 2022			

OPCC 35 - Inability to hold police Misconduct Hearings

Risk summary: Police misconduct hearings may not be able to take place due to lack of Legally Qualified Chairs (LQCs)

Consequences:

- Police officers may be suspended for prolonged periods of time as there would be no LQCs available.
- Reputational damage for, and loss of public confidence in, the Police and the PCC.
- Cost implications in terms of paying for police officers who are suspended.
- Loss of service of police officers who may be found to have no case to answer but are placed on suspension or restrictive duties for prolonged periods of time.

Risk Owner: Vicki Waskett

Reviewed: 06/12/2021

Context

The context to this risk relates to the case of *The Chief Constable of Avon and Somerset Constabulary v Eckland*.

The Chief Constable of Avon and Somerset seeks to establish that the individual members of Panels (being Legally Qualified Chairs (LQCs) and Independent Panel Members) conducting police misconduct hearings are personally liable for any awards made to officers/former officers in terms of breaches of the Equality Act 2010 should such a case be brought to an Employment Tribunal.

As such, LQCs are deeply concerned by the prospect arising from this case of being faced with unlimited personal liabilities while carrying out their duties. The Home Office accepted a year ago that primary legislation would be required to address this liability issue. However, at this time, no such legislation has been enacted and it is the belief of many LQCs that the Home Office is, for whatever reason, procrastinating. Whilst the National Association of LQCs (NALQC) acknowledges that indemnities currently provided by PCCs offer sufficient indemnity cover, it is suggested however that many PCCs do not have adequate insurance provision for such an eventuality. This matter has been further identified in the submissions of the Association of Police and Crime Commissioners (APCC) within the *Eckland* case, that some PCCs may not be in a position to meet these financial liabilities, should they arise. As such, at a meeting held on 26 November 2021, members of the NALQC voted in favour of not taking on any more misconduct hearings prior to the relevant assurances from the Home Office being provided in terms of adequate immunity from suit.

In terms of other panel members refusing to sit (such as Independent Panel Members and Police Officers), this has not been an issue but it is acknowledged that it could yet represent a potential increase in risk in view of the pending outcome of the *Eckland* case.


Level of Assurance: Limited assurance has been provided at present.

Of 19 LQCs on the Thames Valley list, 2 are still willing to sit on a misconduct panel. As such, misconduct hearings can still go ahead but with limited capacity. Responses are awaited from the majority of LQCs.

Risk Score Trend: NEW This new risk is being **TREATED**

The table below summarises the active and future planned mitigating actions

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
<ul style="list-style-type: none"> Thames Valley PCC has provided the indemnity as requested by the NALQC. As such, at the time of writing, at least 2 LQCs are still willing to conduct hearings on the basis of that indemnity. LQCs with prior commitments are honouring those commitments but confirmation is still sought in relation to some pending hearings. National assurance is awaited in terms of confirmation of judicial immunity from the Home Office pending final outcome of the <i>Eckland</i> case. NALQC update from APAC²E is that primary legislation - if supported by the Home Office - will be no earlier than June 2022. 	Vicki Waskett	Not known	Dependant on the final outcome of the <i>Eckland</i> case	Vicki Waskett	September 2022

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| <ul style="list-style-type: none">• Further enquiries can be made with other LQCs in other areas as to their willingness and availability to sit on misconduct panels within Thames Valley. |  | | | |
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OPCC 23 – New demands on OPCC

Risk summary: Failure to respond to new additional statutory responsibilities, increased volume of service demand and/or changes in type of service demand for services provided and/or commissioned by OPCC

Consequences:

- Failure of PCC to discharge statutory responsibilities
- Reputational damage – public criticism by, e.g. Home Secretary, Ministry of Justice, Victims Commissioner, statutory partners and Police and Crime Panel

Risk Owner: Paul Hammond

Reviewed: 6/12/2021

Next Review Date: March 2022

Context: There has been an incremental shift in actual or proposed PCC additional responsibilities over recent years, e.g.

- Taking on role of police complaints appellate body – the volume of Reviews to be undertaken has been greater than anticipated.
- Gathering performance data regarding criminal justice agencies to facilitate accountability within local criminal justice boards.
- Strengthening the role of PCCs within future probation service arrangements.
- COVID-19 – MoJ requirement for PCCs to allocate ‘extraordinary’ short-term grant funding to providers of Domestic Abuse and Sexual Violence support services (by mid-June 2020 and then another tranche by 1 Nov 2020).
- Home Office review of PCC model – part 1 of the review promotes the proposal to mandate that PCCs take on responsibility for the governance of the local fire and rescue service(s), and part 2 of the review is considering further ways “*to strengthen and expand the role of PCCs, including the role PCCs play in tackling re-offending to help reduce crime.*”

Such developments could have resource implications for PCCs (staff and budget) that may not be specifically funded.

Level of Assurance: **Reasonable.** These developments and associated implications are monitored and considered internally within the OPCC (via SOG, SMG and discussions with the Chief Constable, as appropriate) and externally via relevant, well established, representative bodies (e.g. APCC, NPCC), professional bodies (e.g. APAC²E, PaCCTS) and other stakeholders (e.g. Home Office, Police and Crime Panel, HMICFRS, LCJB).

Risk Score Trend:



The score has **reduced** since the last meeting but the risk continues to be **TREATED**

The table below summarises the active and future planned mitigating actions.

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
OPCC service planning informed by Home Office / APCC / APACE / PACCTS / HMICFRS / LCJB / TVP / OPCC information, advice and guidance	P Hammond	Ongoing			
Ongoing / annual OPCC actions: <ul style="list-style-type: none"> • Monitor and review new HO / MoJ policy initiatives • Annual review of internal OPCC Strategic Delivery Plan • Annual review of Police and Criminal Justice Plan • Annual review of OPCC capacity (staff and budget) and capability 	P. Hammond	Ongoing			
PCC chairs LCJB	PCC	Ongoing			
External scrutiny by Police and Crime Panel.	PCC	Ongoing			
OPCC internal monitoring of performance and service delivery	P. Hammond	Ongoing			
Home Office review of PCC model (parts 1 and 2): Monitor and respond to Home Office proposals	PCC / P Hammond	Ongoing to May 2024 PCC elections			

OPCC 36 - Victim Services contracts end dates

Risk summary: Possible risk to victim service provision from March 2023 when the initial term of the PCC-commissioned contracts end

Consequences:

- Possible reduction in specialist victims services across the Thames Valley
- The quality and/or quantity of service provided to victims adversely affected
- Reputational damage for the PCC

Risk Owner: Helen Wake

Reviewed: 6/12/2021

Next Review Date: March 2022

Context: The PCC currently provides a range of victim support services including in-house provision; the Victims First Hub and externally provided specialist commissioned services. The specialist service provision consists of one in-house service for counselling provision, and three commissioned services; two specialist adult services i.e. the Victims First Emotional Support and Advocacy service (VFESS and the Victims First Adult Specialist Service (VFSS), and SAFE! a service specialising in support for young people.) initial contract term Two of the contracts' (SAFE! and the VFSS ends on the 31st March 2023, both have the option to extend for up to a further two years. The VFESS service contract has already been extended to the maximum length as stipulated in the contract terms.

Level of Assurance: Reasonable.

The PCC has initiated an end-to-end review of the current victims services delivery model which will be completed in 2022. The review provides an opportunity to evaluate current service delivery, advice on possible changes to the current model/contracts and inform future commissioning intentions. If the review recommends re-commissioning elements of service provision, the timeframe to undertake this work by March 2023 is challenging but deliverable. However, the contract extension options in two of the commissioned services allows increased flexibility in the procurement timeline. Additionally, the current in-house provision could be adapted to deliver any gaps in service provision to offer a contingency and assurance of delivery.

Risk Score Trend: **NEW** This new risk is being **TREATED**

The table below summarises the active and future planned mitigating actions

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
<ul style="list-style-type: none"> Options are available to extend two of the three current contracts for up to two years to allow for additional time if required and allowing a possible phased approach should recommissioning be recommended. Timelines for extension options are known. The review will be completed in time to allow for informed decision making in regards to key dates in relation to contract extensions/notice. The VFESS contract cannot be extended further, however, should the review recommend this provision should continue options include recommissioning which is deliverable within the timeframe or integrating this provision into current in house provision. It may be possible to vary current contracts to meet the recommendations of the review, therefore negating the need to re-commission by 2023 - this would need to be by mutual agreement with commissioned service providers and must not be a 'Material Change' to the current contract terms A phased approach can be taken to any adaptations required to the in-house service provision, providing 	Helen Wake	May 2022	Dependant on the outcome of the review	Helen Wake	May 2022

<p>stability to the system and allowing OPCC officers to focus on the highest presenting priorities.</p> <ul style="list-style-type: none">• Within the team at the OPCC there is extensive commissioning experience and specialist subject level knowledge. The team will evaluate the options following the review and have the capability to address them accordingly.				
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OPCC 34 - Inability to secure staff

Risk summary: The potential inability to recruit and retain staff within the context of the changing employment market place may undermine the OPCC's ability to deliver the PCC's new Police and Criminal Justice Plan 2021-2025

Consequences:

- Unable to deliver the PCC's Police and Criminal Justice Plan in full
- Reputational damage, e.g. criticism from the Police and Crime Panel

Risk Owner: Paul Hammond

Reviewed: 6/12/2021

Next Review Date: March 2022

Context: The PCC has recently published his Police and Criminal Justice Plan containing his strategic priorities, aims and objectives. To deliver all elements within the Plan will require a full complement of staff as well as the co-operation of all key stakeholders and partners.

Level of Assurance: Reasonable. The Police and Criminal Justice Plan was published at the end of June 2021 and, therefore, the OPCC Strategic Delivery Plan 2021/22 was reviewed and updated with effect from July. Since taking up his role in May 2021, the PCC has implemented a new staffing structure to align activities with the strategic priorities and objectives set out in the new Plan, and key vacant posts are currently being recruited to.

Risk Score Trend:

The score has **reduced** since the last meeting but the risk continues to be **TREATED**

The table below summarises the active and future planned mitigating actions.

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
The PCC has implemented a new staffing structure to align activities with the new Police and Criminal Justice Plan, and key vacant posts are currently being appointed to	P Hammond	Dec 2021			