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Date: 9 March 2018

Dear Member

JOINT INDEPENDENT AUDIT COMMITTEE

You are requested to attend a meeting of the Joint Independent Audit Committee on Friday 16 March 2018 in the Conference Hall, Police Headquarters South, Kidlington at **12.00pm**.

Yours sincerely

Paul Hammond Chief Executive

To: Members of the Joint Independent Audit Committee

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• CC/DCC to update Committee Members in relation to the firearms storage issues

Date of next meeting 13 July 2018 at 10.30am in the Conference Hall, Police Headquarters South

MINUTES OF A MEETING OF THE JOINT INDEPENDENT AUDIT COMMITTEE HELD AT POLICE HEADQUARTERS, KIDLINGTON ON 13 DECEMBER 2017 COMMENCING AT 10.00AM AND CONCLUDED AT 12.10PM

Members Present:

Dr L Lee (Chairman)(LL), M A Day (MD), Mrs A J Phillips OBE (AP), Dr G A Woods (GW), Richard Jones (RJ)

Present:

A Stansfeld (Police & Crime Commissioner)

M Barber (Deputy Police & Crime Commissioner)

F Habgood (Chief Constable)

J Campbell (Deputy Chief Constable)

A Cooper (Director of Information)

P Hammond (Chief Executive, OPCC)

L Waters (Director of Finance)

I Thompson (Chief Finance Officer, OPCC)

N Shovell (Chief Internal Auditor, OPCC)

A Shearn (Principal Auditor, OPCC)

C Roberts (Executive Assistant to the PCC)

S Holland (Governance & Service Improvement)

Apologies:

M Grindley (Director, Ernst & Young)

A Balmer (Manager, Ernst & Young)

34 MINUTES OF THE LAST MEETING HELD ON 12 SEPTEMBER 2017

Minute 4 This action was for AC to provide an update paper to the Committee members regarding cyber security risk. Actions and feedback had been received and a briefing paper had been prepared which was shortly being presented to JCOG. AC would provide an update the JIAC members at the next meeting.

<u>Action:</u> AC to provide an update on cyber security risk to the Committee members at the meeting on 16 March 2018.

Minute 5 LL confirmed that he had spoken with AC as to the details of customer suppliers' service levels agreements to seek assurance that they met users' requirements. AC confirmed this was being picked up in the ICT Rationalisation Programme to reduce the number of duplications and complexity in order to move matters forward. LL pointed out that if the expectations cannot meet the user service needs due to financial constraints, then the Committee members need to be informed.

Minute 23 At the last meeting, (third paragraph), DCC Campbell went through how the force manage 'operational risks' which worked on local authorities data. The Strategic Governance Unit would be introducing a process whereby all risk registers were analysed to identify and understand strategic themes and areas of commonality for review at Chief Officer Level. The Risk Report would be broader for the Committee members and information on how individual risks were merged together would be available if required. DCC Campbell indicated that in order to finalise this paragraph he would discuss this with the Committee members outside of today's meeting.

<u>Action:</u> DCC Campbell to finalise paragraph 3 of Minute 23 with the Committee members outside of today's meeting.

Minute 32 The Chair went through the Minutes of the last meeting and noted in Minute 32 the words ...'had two highly confidential and private meetings with GK and NS in June this year...' and replace instead with the words ... 'had two meetings with GK and NS in June this year...'

<u>Action:</u> CR to amend Minute 32 of the 12 September 2017 minutes with the agreed replaced sentence and re-upload to the OPCC website.

The Committee APPROVED and AGREED the Minutes.

35 TVP RISK MANAGEMENT REPORT

The report provided an overview of the Risk Management policy and processes adopted by Thames Valley Police covering the strategic risk management framework, training, analysis of the Strategic Risk Register and potential risks to be considered shown at Appendix A.

DCC Campbell explained that the force was going through a review of internal processes under the umbrella of the governance framework and for the desire for Committee members to have an understanding of context and to give the right level of information and reassurance of strategic governance to them. DCC Campbell confirmed a discussion had taken place with LL last week and part of the review was to make sure the information the Committee members are receiving, discharges the committee's responsibilities.

Key risks were identified in the Summarised Strategic Risk Register for August 2017 to October 2017 were as follows:

SR56 Livelink, Risk Owner ACO Amanda Cooper

A proposal to replace Livelink with a SharePoint for both TVP and HC was agreed by the Collaboration Programme Board in June. A bid for funding for 2018/19 was being considered in the capital bids process and the appointment of a project manager is awaited.

SR65 Gazetteers out of date, Risk Owner ACC Hardcastle

CHARM and OASIS were being replaced with an ESRI Locator Hub (CMP) but a risk still remains between the ESRI gazetteer and the out-of-date Compass gazetteer which as a result gives the potential to move to one single gazetteer across both forces. This would be running in early spring next year.

SR69 Reduced funding, Risk Owner DoF Linda Waters

DCC Campbell noted that the force do not expect the level of national funding to change but that this risk is regularly reviewed and managed.

SR74 Force resilience (Workforce Resilience Gold Group)

The force has a significant number of officers below establishment which has placed additional risk on the Strategic Risk Register. The force has never encountered issues with recruitment and have been able to keep recruiting live and regularly, with the force being in a 'recruit rich position'. However, the force are down by 89 police officers and a Gold Group meeting is now being chaired by Dr Steven Chase to discuss the immediate risks and put in place the recruitment of temporary police investigators to fill these gaps. The force are seeing positive outcomes because of this and confirmed the Risk Register was being monitored monthly and reported back to CCMT thereafter.

DCC Campbell went on to discuss the risks that were considered and de-escalated to the local risk register at the FRMG dated 9 October 2017. The Intel chipsets (ICT) were raised as a potential risk. The National Firearms Licensing Management System (NFLMS) was at the end of its useful working life and as a result, was unstable and slow which appeared to be due to networking demands.

The work planned for the up and coming months included the Strategic Governance Unit which would be formalising a framework for extracting key risks from the Change Delivery and the Digital Transformation programmes. These were all different programmes of work which were managed by SRO's. If required, DCC Campbell could give the Committee members sight of this work. The review of existing risk matrix was to facilitate ease of use and to make sure that this was being used correctly.

RJ indicated that it was good to hear that the framework was working well although if thousands of calls came in and this was not being assessed correctly, things could go wrong and therefore a review of this process would be welcoming by the Committee members. The Committee members agreed and confirmed they would like to seek assurances and a process of how risks were identified so threats to the organisation were dealt with correctly. The risks were constantly under review and a practical presentation on risks by the force to the Committee members would show just how the force manage an understanding within the force. This presentation to be managed outside of this meeting and arranged between the force and Committee members.

<u>Action:</u> DCC Campbell to arrange a date for the Committee members to attend a practical presentation on the management of risks by the force.

As to SR74 the Committee indicated that there did not look like any progress had been made. DCC Campbell would get an update from the Gold Group as this was taken very seriously. The force had success in the recruitment of approximately 60 case investigators. The CC commented that the number of police officers applying to join the force was much higher but was a lengthy process with the force trying to find ways of shortening the recruitment stages.

The Committee **APPROVED** and **NOTED** the report as appropriate

36 TVP BUSINESS CONTINUITY REPORT

TVP's Business Continuity Report provided an annual overview of the Business Continuity Management policy and processes together with the most recent quarterly progress report which covered training, learning from business continuity incidents and training exercises.

From a force point of view, there were three Priority 1 incidents which DCC Campbell addressed individually. On 4 September 2017 at 11.23 the Duties Management System (DMS) was reported to be unavailable with the total outage time recorded as 26 hours which had a high impact rating by ICT. The root cause of this was found to be a back-up over running. Once this was stopped, the service was then restored.

On 8 September 2017 at 00:45 the Internet and Police National Computer (PNC) was reported as being unavailable. The total outage time was 1 hour 37 minutes which had a high impact rating due to the PNC being a critical system for the police. The root cause was found to be a fail change made by Vodafone.

On 21 October 2017 at 18:31 a network issue was reported by Abingdon and Milton Keynes Control Rooms. The outage time was recorded as 9 hours 8 minutes. This was a high impact rating due to disconnecting calls. Abingdon and Milton Keynes therefore used a paper fall back for Command & Control. The root cause was found to be a primary BT router which failed to switch over to a secondary one.

The process of Business Continuity is being reviewed to ensure that it is updated and fit for purpose and to ensure the force are compliant with the Government Security Classification (GCS) Scheme. ACC Jason Hogg heads The Counter Terrorism Policing of South East (CTPSE) and the inspection meeting was held on 2 November 2017. The force are currently awaiting the outcome.

The force was currently preparing for a UKAS visit to South East Regional Organised Crime Unit (SEROCU) eForensics and Cyber teams which incorporates a test of their BCP, was held on 10 November 2017. The force awaits the outcome of the test and any additional learning and information will be added into the plan.

DCC Campbell summarised the Business Continuity going forward for the force and the activities which were planned for the next period. The new Governance and Service Improvement department exercise was booked for 11 January 2018. This was in its last stages of being drafted and would be reported to the Committee members accordingly thereafter.

The Committee members had several questions in relation to the Priority 1 incidents. AC commented that lessons had been learned as to the incident on the 4 September 2017 relating to the DMS, but that this had not been mentioned in the summary. Warnings are in place for overloads which are handed over with alerts constantly being monitored.

LL noting that the final sentence for the Priority 1 incident which took place on 21 October 2017 was grammatically incorrect. The final sentence should read... 'The root cause was found to be a primary BT router which failed to switch over to a secondary one'. AC agreed with LL and confirmed that a process was now in place within internal teams in any area although upon review, the incident was external rather than within the force.

The Committee members agreed that the force is very good with processes but need to see clear evidence of delivery of output of these processes and a level of detail (even though it may seem tedious) was necessary to ascertain that that lessons had been learned which would help the Committee members when seeking assurances. One suggestion was that priority 2 events and numbers which escalate to be priority one incidents will be an indication of how well the force is learning from BC disruptive events. AC and DCC Campbell would look into this and noted that the force is always looking to see an improved level of service.

The Committee **APPROVED** and **NOTED** the report as appropriate.

37 OPCC RISK REGISTER

The OPCC Risk Register identified three strategic risks as well as information on how those risks have or are being mitigated.

PH gave an update as to Risk OPCC16, pointing out that the DPCC would join the joint FRS & TVP Chief Officer Steering Group and participate in the development of collaboration work being undertaken by the four services.

Phase 1 of the re-designed Victim Services referred to at Risk OPCC17 would be going live on 1 April 2018.

The office have now had to re-advertise the role for a new PR Comms officer through an agency.

The contract with Victim Support will come to an end on 31 March 2018. The OPCC has been through a tendering process and over the next few weeks a new service provider will be appointed. The Victims Hub, which will be dealing with victim referrals, will be located at the Berkshire Fire & Rescue Service in Reading and staff have been recruited and will be trained.

In respect of Risk OPCC18 there is still a significant funding gap to be filled in in relation to the budget/MTFP and DCC Campbell confirmed that the implications would continue to be monitored although could not see this problem going away for a long time. The OPCC were waiting for the provisional Police Grant settlement to would be announced, hopefully during the week commencing 18 December 2017. The longer the announcement is delayed, the less time the organisation would have to prepare and undertake a public council tax consultation exercise, should one be necessary. In any event, CCMT are required to finalise their service and budget proposals by the middle of January 2018, in time to enable them to be included in the 2018/19 budget reports to be circulated to and considered by the PCC at his Level 1 public meeting on 23 January.

In response to a query from the Committee about staff vacancies within the OPCC, it was confirmed that the role of Governance Manager within the OPCC to be discussed with HR to take into account the extra Data Protection Officer responsibilities which will be incorporated in the job description. PH confirmed that the office had an organisational staff structure which can be forwarded to the Committee members incorporating what roles each member of staff undertakes.

<u>Action:</u> PH to forward the OPCC staff structure, incorporating narrative for each member in the OPCC to the Committee members.

The Committee **APPROVED** and **NOTED** the OPCC Risk Register, the actions being taken to mitigate each individual risk and endorsed the proposed changes to the Risk Register.

38 ERNST & YOUNG POLICE SECTOR AUDIT COMMITTEE BRIEFING

In the absence of Ernst & Young from today's meeting, LL went through the "Police Sector Audit Committee Briefing" by Ernst & Young, focussing on the "Key questions for the Audit Committee". The committee noted a consolidated increase to be made of 2% to all pay points for federated and superintending ranks and the introduction of appropriate targeted arrangements from 2017/18 to allow local management the flexibility for them to make arrangements to make additional payments to the police officers to fill roles and superintending roles.

The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. The new timetable for preparation and approval of accounts to be brought forward with draft accounts needed and prepared by 31 May and publication of the audited accounts by 31 July would provide a challenge for both preparers and auditors of public sector financial statements. LL noted that TVP had already met these deadlines for the 2016/17 accounts.

HMICFRS published a proposed Inspection Framework for 2017/18 which builds on previous experience and knowledge gained from individual knowledge gained from individual force inspections. Key areas of focus and the most pertinent points were 'Leadership' which is seen as

an area that runs throughout the various inspections but would not necessarily have its own grading and, 'Vulnerability' which reflects the national prominence of this area, in particular child protections.

The Committee asked whether the organisation had been successful in obtaining additional funding to counter online grooming. LW confirmed that central government funding (Transformational Funding) had been received as well as funds for South East for feasibility on the business case and regional funding for SERIT regarding technology for the region.

The PCC explained that £2m of special grant would be received for Operation Hornet.

The Committee **NOTED** the briefing given by Ernst & Young.

39 PROGRESS ON 2017/18 INTERNAL AUDIT PLAN DELIVERY AND SUMMARY OF MATTERS ARISING FROM COMPLETED AUDITS

The progress report for 2017/18 provides details in delivering the Joint Internal Audit Plan and the findings arising from the audits that have been completed.

As to audit resources, there were no changes to or impacts on the Joint Internal Audit Team's resource plan for 2017/18 being delivered by the Chief Internal Auditor, Principal Auditor and TIAA Ltd who were the ICT audit providers.

Changes have been made to the Joint Internal Audit Plan 2017/18 since the last JIAC meeting in September. These included the planned ICT Asset Management audit being removed and replaced with an ICT Incident and Problem Management Review which was due to staffing changes within ICT and the Incident and Problem Management being a current issue for ICT that would benefit from an audit to support the improvement process. The Asset Management audit to be considered as part of the 2018/19 audit planning process which had been discussed and agreed by the Director of Information and the Internal Audit Oversight Group. The second change has been made to The Organisational Ethics and Culture audit which had been re-named to focus more on Ethics and Cultural Learning.

As to 2017/18 Performance Indicators, NS summarised the performance measures to ensure audits were completed promptly and to an acceptable standard.

It was noted that copies of Section 2 (Executive Summary) had already been circulated to the JIAC members in advance of today's meeting.

The Joint Internal Audit Team had been notified of one issue by Corporate Finance which related to a petty cash discrepancy at an LPA. This sum was over approximately £180.00.

With regard to asset management, it was noted that in the past there had been problems that assets could not be located and the audit delayed, this was mainly due to staff. It was confirmed that a permanent member of staff had now been recruited and there was progress and no further problems encountered looking at assets.

The Committee **NOTED** and **APPROVED** the progress and changes in delivering the 2017/18 Joint Internal Audit Plan and audit service for the PCC and Thames Valley Police.

40 PROGRESS ON DELIVERY OF AGREED ACTIONS IN INTERNAL AUDIT REPORTS

Progress on delivering the agreed actions in the Internal Audit Report provided details made by managers in delivering the agreed actions in Internal Audit Reports.

The report showed details of the progress made to date and target implementation dates for any current overdue actions. To date there were currently 17 overdue actions which related to 7 audits. The overdue actions were split by priority. It was shown in Appendix 1 that the number of overdue actions that was previously reported at the September 2017 meeting had risen from 4 to 10 and in Appendix 2, the number of outstanding overdue actions reported had fallen from 30 to 17. It was felt that the results were moving in the right direction and progress was taking place.

Within the Back-up and Recovery 2016/17 audit, there was an issue regarding the off-site data back-up storage. An action was agreed to store data backup media securely offsite in the future. However, management decided to accept the risk associated with onsite storage that the backup media was kept in a safe of a specification that meant only a catastrophic loss of access to the site would cause an issue.

DCC Campbell pointed out that the root cause of the firearms storage issue was in relation to the storage and volume which had caused a spike in firearms licensing as well as the amnesty. DCC Campbell noted that no information had been reported to him as being an issue for storage so far as he was aware. The Chief Constable/DCC Campbell would get feedback on this issue and come back to the Committee members with an update for the next meeting on 16th March 2018.

ACC Ross was leading on the Mental Health framework with all parties. The HMIC Effectiveness Report is due in autumn and this would reflect on mental health issues.

<u>Action:</u> CC/DCC to update the Committee members in relation to the firearms storage issues at the next JIAC meeting on 16 March 2018.

The Committee **NOTED** and **APPROVED** the report.

41 PUBLIC SECTOR INTERNAL AUDIT STANDARDS EXTERNAL ASSESSMENT

The report details the background and outcome of the Joint Internal Audit Team's Public Sector Internal Audit Standards (PSIAS) external assessment, specifically the background and external assessment approach, external Quality Assessment Report and the Audit Charter.

It was noted that the cost of the external assessment was £2,500 which was conducted during October 2017 with the outcome being reported to the Internal Audit Oversight Group in November 2017. An external assessment of the Joint Internal Audit Team's compliance with the PSIAS is completed at least once every five years.

The external Quality Assessment Report noted two recommendations and three suggestions. The two recommendations related to:

- Producing an updated Audit Charter; and
- The JIAC undertaking annual reviews of its remit and effectiveness.

The three suggestions related to:

Adding a section to the declaration form at the next revision regarding the Seven Principles
of Public Life:

- Evaluating any specialist data interrogation and analysis software options and applications that are available, and obtaining the best solution that meets the needs of the service; and
- Adding a paragraph to the audit report template which states that the audit has been conducted in conformance with the PSIAS.

NS re-wrote the completed team's External Assessment which is more re-defined and collaborative.

DCC Campbell noted that on the Joint Internal Audit Service Governance Structure (TVP/OPCC), it was not a correct representation that the PCC and Chief Constable reported to the JIAC. It was agreed that these two boxes should be removed. As to the Board and Senior Management Reporting Framework on page 93, PSIAS Ref. 2600, the Committee members would like to see a 'tick' in the 'Approved TVP Chief Constables Management Team' box. NS would deal with this point and discuss the same with LW.

The PCC and Chair thanked both NS and AS for their excellent work throughout the year.

<u>Action:</u> NS to update the Joint Internal Audit Service Governance Structure (TVP/OPCC) by removing the boxes for PCC and Chief Constable.

<u>Action:</u> NS to discuss with LW adding in a 'tick' in the 'Approved TVP Chief Constables Management Team' on page 93 of the Board and Senior Management Reporting Framework as noted by the Committee members.

The Committee **NOTED** and **APPROVED** the outcome of the Joint Internal Audit Team's Public Sector Internal Audit Standards (PSIAS) external assessment and **ENDORSED** the response to the assessment's recommendations and suggestions.

42 DRAFT TREASURY MANAGEMENT STRATEGY STATEMENT 2018/19

The draft Treasury Management Strategy Statement was presented for consideration and endorsement before being presented to the PCC for approval at the next Level 1 meeting on 23 January 2018. The draft included the proposed borrowing and investment strategies, which set out the prudential indicators and treasury management activity limits for the period 2018/19 to 2020/21 which provides the Office of the PCC's treasury service with an operational performance and control framework within which the relevant functions are undertaken. The overall strategy is similar to that adopted by the PCC in the current financial year for 2017/18.

The Treasury Management Strategy Statement and supporting documents enable the PCC to fulfil and discharge primary legislative requirements to adopt an over-arching annual Treasury Management Strategy Statement which sets out how the treasury service supports the PCC's capital investment decisions and the day-to-day limitations on activity through treasury prudential indicators. A Borrowing Strategy which sets out the operational limits to borrowing includes the statutory Affordable Borrowing Limit or 'Authorised Limit'. An Investment Strategy setting out the PCC's criteria when choosing investment counterparties and limited exposure on the risk of loss. A Minimum Revenue Provision (MRP) Policy Statement setting out how the PCC will pay for capital assets through revenue each year and Prudential Indicators and Activity Limits which sets out the operational performance parameters applicable to the PCC's capital finance and treasury management activities. The requirements will also provide an approved framework within which officers will undertake and account for the PCC's day-to-day capital and treasury activities.

IT noted there had not been too much change to the Treasury Management Strategy Statement and summarised the paragraphs relating to Scrutiny and Capital Expenditure and Financing. When looking at the finances of MTCP over a four year period, there were gaps that needed to be

addressed. An important point to note was that the organisation borrowed to fund previous years' capital programmes.

The PCC's current portfolio position as at 31 March 2017 with forward projections was summarised in Table 6 on page 116 and showed the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement or CFR) which highlighted any over or under borrowing.

The PCC approved benchmarks for investment Security, Liquidity and Yield. The purpose of the benchmarks is that officers monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the indicators are to be reported to the PCC, with supporting reasons in the quarterly performance monitoring reports and notified to the Committee members.

The Committee **CONSIDERED** and **RECOMMENDED** the draft Treasury Management Strategy Statement for 2018/19 for approval at the Level 1 meeting on 23 January 2018.

43 ANNUAL ASSURANCE REPORT 2017

The Annual Assurance Report explained how the Committee has complied with each of its specific responsibilities during the last 12 months covering December 2016 to December 2017.

In November 2017 it was noted that TVP was one of only two forces nationally to be awarded an overall grading of 'Outstanding' by HMICFRS in their PEEL Inspection 2017.

One of the priorities for 2017 was for the Committee to keep a close eye on ICT given its impact on the business and the associated risks. The Committee concluded that the level of oversight and monitoring was now in place and sufficient to redress the original concerns regarding the lack of governance on ICT performance and that a detailed report to each meeting was no longer required.

The Committee meetings will be held at key strategic times in 2018 to coincide with the budget process and publication of financial management reports and accounts:

- March to consider the Internal Auditor's Internal Audit Plan;
- July to consider the various end of year reports, the External Audit Plan and Fee;
- **September** to receive the Annual External Audit Letter; and
- **December** to receive the Annual External Audit Letter and agree the Annual Assurance Report of the Committee.

In June 2017 the Committee members received a report on the force's new Governance and Service Improvement Department which would hopefully see benefits and outcomes for this structure in 2018.

Based on the information provided to the Committee during the past year, the Committee confirmed that the corporate governance framework within Thames Valley was operating efficiently and effectively and satisfied that the system of internal audit in Thames Valley was also operating efficiently and effectively.

The Committee continue to attend the Complaints, Integrity & Ethics Panel meetings as observers and to ensure that the Chief Constable's arrangements, and the PCC's oversight of the proper handling of complaints made against the force, were operating effectively and achieved in practice.

The Chair wanted to note key points analysed from the self-assessment survey:

- To be invited to any Force and PCC key internal conference/training as observers; and
- JIAC meetings should be planned for longer than 2 hours to allow for a full debate on items which were lower in the agenda and to increase the meeting time to 2½ hours.

The PCC confirmed he would be delighted if Committee members wished to attend any meetings at OPCC.

On a separate matter, the Chair wanted it noted with there was far too much work involved annually in the preparation of an annual self-assessment report to the PCC and CC. The Chair would instead write to them both to make sure that the Committee members were carrying out their roles correctly and effectively in the future. There were no objections made to this suggestion from attendees at this meeting.

<u>Action:</u> The Chair to write annually to the PCC and CC to ensure the Committee are continuing to carry out their respective roles rather than preparing an Annual Self-Assessment Report.

44 SCALE OF AUDIT FEES

On 4 December 2017 Public Sector Audit Appointments (PSAA) launched its consultation on the scale of fees for the audit of the accounts for 2018/19. This also included PSAA's intentions and indicative estimates for the 5 years of the appointing period from 2018/19 to 2022/23.

For 2018/19 is was proposed that the scale fee for all opted-in bodies should be reduced by 23%, compared to 2017/18. PSAA hoped to maintain this reduction of 23% in fees for the first 3 years but it may not be possible to maintain this reduction for the full 5 years as it was not possible to be certain at this early stage. The combined audit fee for 2018/19 would therefore reduce from £59,288 to £45,652, being a reduction of £13,636.

Audit planning meetings were in place and IT confirmed these were held regularly and also reviewed at the end of each year.

The Committee **SUPPORTED** the Public Sector Audit Appointments with a **RECOMMENDATION** to reduce the scale fee for the audit of the 2018/19 accounts by 23%.

45 ANY OTHER BUSINESS

N/A.

Date of next meeting 16 March 2018 at 12.00pm in the Conference Hall, Police Headquarters South.



JOINT INDEPENDENT AUDIT COMMITTEE FOR THAMES VALLEY POLICE

Report for Information	
Title: Risk Management Update - March 2018	
Executive Summary:	
In accordance with the Operating Principles of the Committee agreed at its first meeting held on 27 March 2013, the Committee has the following responsibilities in respect of risk management.	
Consider and comment upon the strategic risk management processes: and	
 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 	
The attached report provides an overview of Risk Management policy and processes adopted by Thames Valley Police covering such issues as a strategic risk management framework, training, analysis of the Strategic Risk Register and potential risks to be considered.	
Recommendation:	
The Committee is invited to review and note the report as appropriate	
Chairman of the Joint Independent Audit Committee	
I hereby approve the recommendation above.	_
Signature Date	

PART I – NON CONFIDENTIAL

1 Introduction and background

- 1.1 Effective risk management is a cornerstone of good governance. A sound understanding of risks and their management are 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.
- 1.2 This framework is derived from the application of national standards and guidance. The most recent publication to assist with Risk Management best practice is ISO31000: 2009 Principles and Guidelines which seeks to guide users regarding the principles, framework, processes and risk management activities with the aim of assisting the organisation to achieve its objectives.
- 1.3 A strategic framework based on ISO31000 was endorsed by the Force Risk Management Group (FRMG) on 24 July 2012 and revisions are monitored on an annual basis at FRMG. Revised versions of the Strategic Framework with its associated documents were presented for endorsement at the FRMG meeting on 27th February 17. This now takes account of the new structure. This provides guidance in the form of a:
 - Risk Management Strategy
 - Risk Management Policy
 - Risk Register Guide with an alternative 1 page guide available for quick reference.
 - Risk Management Communications Strategy which now accounts for Business Continuity
 - National Decision Model and reference to the Authorised Professional Practice (APP) Risk Principles
- 1.4 ISO has announced that the process of updating ISO31000 risk management standard has started. ISO standards are revised every five years as well as its accompanying Guide 73 on risk management terminology. Any significant changes made as a result of this process will be taken into account by the Corporate Governance Officers.
- 1.5 The Deputy Chief Constable's portfolio covers a range of governance functions in the quarterly meetings of the FRMG where issues of strategic risk are considered. These issues, which may be prompted by entries in local departmental/operational command unit registers, are then scored and managed in accordance with the processes set out in the above framework.
- 1.6 This report should adequately cover the key areas of interest to the Audit Committee. Members may also wish to consider any other areas where they might also wish to receive feedback in subsequent annual reports.

2 Issues for consideration

2.1 The key Strategic risks are:

SR56 Livelink, Risk Owner ACO Amanda Cooper

The Sharepoint project is underway. However, given the dependencies with the National Enablement Programme, Windows 10 and Officer 365, migration of all material from Livelink (and therefore removal of the risk) is at least 18 months away. JIMU is reengaging with Information Asset Owners to ensure their business continuity plans are still fit for purpose. The Sharepoint project manager is also exploring the feasibility and costs of using the tools for migrating information from Livelink to Sharepoint to create a safe copy of the Livelink content which could provide an effective backup in the event of system failure. (Amended Feb 18)

At the February meeting, CCMT requested that we review the current level of impact of this risk, and re-score the risk based on the existing mitigating activities. This work is ongoing.

SR65 Gazetteers out of date, Risk Owner ACC Hardcastle

The current risk is that the gazetteer currently in use in Charm + Oasis is out of date. This will be resolved when CMP is rolled out live as the new Esri GIS Mapping Gazetteer will be used by CMP. It will not resolve the issue with different gazetteer's still being in use by RMS (and various other systems in TVP) until the Esri Gazetteer is adopted by those systems as RMS is moved to a single instance across both HC and TVP. (Amended Feb 18)

At the February meeting, CCMT requested that we review the current level of impact of this risk, and re-score the risk based on the existing mitigating activities. This work is ongoing.

SR69 Reduced funding, Risk Owner DoF Linda Waters

The level of funding received in future years may not be sufficient to maintain the current level of service. The increasing level of demand and the complexity of new & emerging crimes may require a level of resources which is unaffordable. (Amended Feb 18)

SR 74 Force resilience (Workforce Resilience Gold Group)

In the face of increased demand for policing services in recent months, we have experienced recruitment and retention pressures in respect of police officers and some police staff groups. We are currently almost 100 officers below establishment. The primary drivers appear to be retirements and resignations, transfers to other forces and some difficulties in meeting our recruitment targets. This presents a risk to our current policing priorities and the resilience of our workforce. (Amended Feb 18)

Changes since last report:

All Risk owners have updated the status of their risks, based on the progress of mitigating actions.

No new strategic risks have been added.

2.2 The following risks were considered and de-escalated to local risk register at the FRMG dated 20/2/18:

- Issues around availability of fleet vehicles within certain LPAs this is currently being managed as part of BAU through informal fleet sharing and leasing
- The Child Exploitation Framework and Governance review raised a number of risks which are now being actioned, to be completed by May 2018
- Following on from Randox, further pressures have been put on the supply of forensics services due to a company facing financial challenges and others significantly increasing their turn-around times. This may have an impact on service delivery, and procurement are proactively monitoring the situation.

2.3 Work planned for the coming months:

- The Strategic Governance Unit's Internal Audit of Force Risk Management spans November 2017 – May 2018: it will enhance the development work currently being undertaken post go-live of the Unit
- Benchmarking against other Forces and third sector organisations to ensure we are delivering best practice
- Working with departmental leads and LPA Commanders to build on benchmarking and audit outcomes to identify areas where processes can be refined and risk management made more user friendly. Plan to bring proposals for possible new processes to CCMT in April / May after we have results from audit

For note:

3. Financial comments

3.1 The Strategic Force Risk Register identifies a specific risk around funding.

4 Legal comments

4.1 There are no legal implications arising from this report

5 Equality comments

5.1 There are no equality implications arising from this report.

6 Background papers

Public access to information

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where release before that date would compromise the implementation of the decision being approved.	
Is the publication of this form to be deferred? Yes	
Is there a Part 2 form? No	

Name & Role	Officer
Strategic Governance Unit	
Corporate Governance Manager	Patricia Wooding
Governance Officers (Risk Management & Business	Sarah Holland
Continuity)	Mark Horne
Legal Advice	
N/A	
Financial Advice	Linda Waters
Director of Finance	
Equalities and Diversity	
N/A	

OFFICER'S APPROVAL

We have been consulted about the proposal legal advice have been taken into account it	
We are satisfied that this is an appropriate Independent Audit Committee.	request to be submitted to the Joint
Chief Executive	Date
Chief Finance Officer	Date



JOINT INDEPENDENT AUDIT COMMITTEE FOR THAMES VALLEY POLICE



Report for Information	

Title: Business Continuity Update – 16 March 2018

Executive Summary:

In accordance with the Operating Principles of the Committee agreed at its first meeting held on 27 March 2013, the Committee has the following responsibilities in respect of business continuity:

- 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

The attached report provides an annual overview of Business Continuity Management policy and processes adopted by Thames Valley Police together with the most recent quarterly progress report covering such issues as training, learning from business continuity incidents and training exercises.

Recommendation:

The Committee is invited to review and note the report as appropriate.

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 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.
- 1.2 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) also follows the principles within BS25999 Business Continuity Code of Practice and has incorporated a number of key principles from "ISO22301 Societal Security Preparedness and Continuity Management Systems" which was published in May 2012.
- 1.3 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.
- 1.4 A new standard is under development that will focus on the people aspect of Business Continuity. ISO22330 has been drafted and is in consultation.
- 1.5 Oversight of the management of Business Continuity (BC) is provided by the Strategic Business Continuity Co-ordinating Group, which is held bi-annually, and chaired by the Deputy Chief Constable. This Group includes senior members from Property Services, ICT, Corporate Communications, HQ Operations, the Corporate Governance Officers and Corporate Governance Manager.
- 1.6 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.
- 1.7 This report is intended to cover the key areas of interest to the Audit Committee. Members may also wish to consider any other areas where they might also wish to receive feedback in subsequent reports.

2. Issues for Consideration

2.1 The summary of ICT incidents is from November 2017 to January 2018. Following feedback from the Committee Governance have worked with ICT to refresh the reporting process and can now identify whether a business continuity plan has been invoked and whether there are any lessons to be learnt from the incident.

The ICT service performance report on all system and infrastructure incidents has been reviewed to identify any which had the potential to impact business continuity, based on outage time and operational response. There were a total of 36 incidents (Thames Valley Police (TVP) or joint incidents only), three of which were priority one incidents and 33 were priority two incidents. Three incidents impacted on the Contact Management Unit. The root cause of these incidents was either outside of our control or systems needed to be restarted. There have not been any reports of activated business continuity plans.

The priority one incidents were:

On 17 November 2017 at 14.55, users (50%) across multiple sites were unable to access any systems, including users within Contact Management. The total outage time was recorded as 2.75 hours and had a critical impact rating by ICT. The root cause was found to be a faulty links with the core switches at Fountain Court and once these were removed the service was recovered. Performance was monitored over the weekend and the incident was downgraded to a priority three incident to address the faulty links. There were no lessons learnt due to its quick resolution and de-escalation.

On 12 January 2018 at 22.47 PNC was reported to be unavailable nationally. The total outage time was 19 minutes and had a high impact rating due to the PNC being a critical system. The root cause was found to be due to software issue identified by Hendon. Due to differing connections, Hampshire Constabulary (HC) was not affected and TVP will be moving to a similar connection to HC in the future.

On 16 January 2018 at 09.59 there was a further national PNC outage report. The total outage time was recorded as 17 minutes. It was again recorded as a high impact rating. The root cause has not been communicated to Forces however ICT are investigating the recent outages with Hendon due to the increased number.

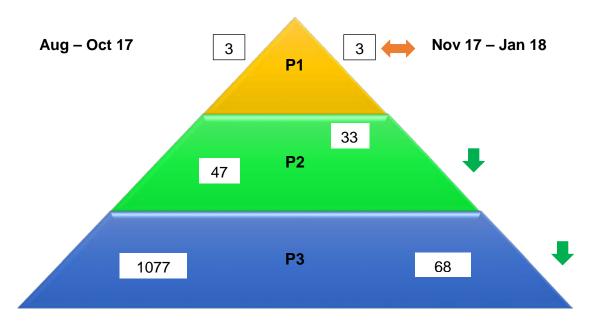
Volume of Priority Incidents

As discussed at the previous meeting, please find below a diagram which shows the volume of priority incidents at each of the levels for both the last reporting quarter (left side) and the current (right side). The coloured arrows on the right hand side provide a visual indication of the trend.

The criteria for each of the levels are as follows:

- **Priority one** relates to incidents which have a potential critical impact at a Force level. These incidents will be responded to within 30 minutes and aim to be resolved within 4 hours.
- **Priority two** relates to incidents which are potentially high impact at a Force level or critical impact for a department. These incidents will be responded to within 60 minutes and aim to be resolved within 8 hours.
- Priority three relates to incidents which are considered low or medium impact at Force level, high impact for a department or high or critical impact for an individual. These incidents will be responded to within 1 day and will aim to be resolved within 3 days.

Priority four incidents have not been included as the majority relate to general service calls.



Please note that data includes joint and TVP only incidents. In the previous quarter (August 17 – October 17), some standard service requests were included in the priority 3 incidents, however these have now been reclassified as priority 4 incidents.

ICT will be reviewing the set criteria for each priority level and Governance will report this criteria to the Committee once it is formalise.

The quarter on quarter volumes reduction plan is very much dependent on user/business activity and technology changes.

2.2 Force-wide Incidents

During in December 2017 a report of an unexplained death was received from RAF Shrivenham. Force Crime attended and a Crime Scene Investigator (CSI) was required however after an initial investigation by Force Crime, it was jointly decided that due to the snow, and delay and risk of getting to the scene, that the Force Crime officer would collect all forensic evidence required.

A complaint was received from the Commander of RAF Shrivenham however this has been investigated by Force Crime and there were no issues with how the case was handled, however the matter has been discussed with Governance and we are now taking some remedial actions around ensuring all BCPs include planning for snow disruptions. In addition, as part of our review of the whole business continuity process, we will be considering whether disruption or building based plans may be better than the current structure of departmental plans.

Custody - 01 December 2017 - Maidenhead Custody Suite was closed at short notice due to heating issues. Alternative arrangements were made to increase the capacity of Aylesbury Custody and direct officers to use alternative sites. This incident was managed as business as usual without invoking the BCP. With Custody managed strategically by Criminal Justice, it allows incidents such as this to be managed easily and would only need to refer to the BCP for more unusual situations.

Records & Evidence Centre (REC), Bicester, Snow and Gas Leak - During December, the Joint Information Management Unit (JIMU) invoked BCPs for two separate incidents. The first was a planned activation, due to the snow. It has highlighted some issues around gritting the site and particularly its operational status due to the specialist departments that are co-located at the site. Strategic Governance are in discussions with Property Services and Finance around this. The second incident was unplanned when a gas leak was reported in the vicinity of the REC. There were some tactical issues identified and there were also concerns around the lack of communication from the Council and the Gas Company.

2.2 Business Continuity – under review:

The current business continuity (BC) activities are:

 The business continuity plans are continuing to be reviewed to ensure they are up to date and compliant with the Government Security Classification (GCS) Scheme.

We are continuing to work with Force Intelligence & Specialist Operations (FISO), Force Crime and South East Regional Organised Crime Unit to understand their needs and ensure all have BCP coverage. We are also working with Hampshire's Risk and Resilience to ensure that the Joint Units also have plans in place.

 The United Kingdom Accreditation Service (UKAS) inspections are all complete. There are no further business continuity actions or recommendations for Governance and Service Improvement to consider. The next cycle of inspections will begin in April so we will shortly be consolidating our activities to ensure we present progress since their last visit.

- The Force Resilience and Business Continuity Practitioners Group has met for a second time and continue to monitor incidents and potential disruptions. We have reviewed the position on the Flu Epidemic and put in place some communications regarding hygiene advice.
- We ran an exercise to test the business continuity plan for Governance & Service Improvement. The session went well and ran through a power outage scenario. There was some minor actions to be taken around ensuring availability of contact details and hard copy documents. There were no major concerns identified and once the feedback process has been completed, we will be signing off the plan.
- The Strategic Business Continuity Co-ordination Group will be meeting on 1st March. We will discuss any key themes around recent incidents and from exercises we have run. We will also be discussing and asking for sign off of the documents reviewed by Strategic Governance and the Practitioners Group, the exercise schedule and discussing the plan for the review of the rest of the process.
- The Corporate Governance Officer met with the Hampshire Constabulary Risk and Resilience Advisor to discuss business continuity processes to learn and potentially align when reviewing our own process. There are some ideas which we can consider aligning with. Governance will have some early discussion with key stakeholders at the Strategic BC Co-ordination Group in March.

2.3 Business Continuity – going forward:

The business continuity activities planned for the next period are:

- Governance will be working with ICT to review their BCP and make some minor changes following their exercise. Further exercises will be booked in due course.
- The Corporate Governance Officers will complete their visits to the senior management teams to engage around the governance processes and seek feedback to help inform the review of processes.
- Governance will embark on reviewing the business continuity process, including the related documentation.

3 Financial comments

3.1 There are no direct financial implications arising from this report.

4 Legal comments

4.1 There are no legal implications arising from this report.

5 Equality comments

5.1 There are no equality considerations arising from this report.

6 Background papers

Public access to information

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Is the publication of this form to be deferred? No

Is there a Part 2 form? No

Name & Role	Officer
Strategic Governance Unit	Sarah Holland
Governance Officers (Risk Management & Business Continuity)	Mark Horne
Legal Advice	
N/A	
Financial Advice	Linda Waters
Director of Finance	
Equalities and Diversity	
N/A	

OFFICER'S APPROVAL

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

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

Chief Executive Date

Chief Finance Officer Date



JOINT INDEPENDENT AUDIT COMMITTEE



Report for Decision: 16 th March 2018	

Title: OPCC Risk Register

Executive Summary:

The OPCC risk register identifies those risks that have the potential to have a material adverse effect on the performance of the PCC and/or the Office of the PCC and our ability to deliver our strategic priorities, as well information on how we are mitigating those risks.

There are currently three discrete risks on the register, as shown in Appendix 1.

The issue with the largest combined residual risk impact and risk likelihood score is that "With crime becoming ever more complex and challenging to investigate and demand on policing services increasing, the level of funding forecast for the next three years is insufficient to deliver the planned outcomes in the PCC's Police and Crime Plan 2017 to 2021" (Risk OPCC 18)

Recommendation:

That the Committee notes the three issues on the OPCC risk register, the actions being taken to mitigate each individual risk and endorses the proposed changes to the risk register.

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 Office of the PCC (OPCC) risk register highlights those issues that could potentially prevent or be an obstacle to the PCC's ability to successfully deliver his strategic priorities and key aims, as set out in his current Police and Crime Plan 2017-2021.
- 1.2 The risk register, attached at Appendix 1, has been produced in accordance with the Force Risk Management guide. All risks are scored on an ascending scale of 1-5 in terms of both 'Impact' (I) and 'Likelihood' (L). The assessed risk score is derived by multiplying the individual impact and likelihood scores. The maximum score is therefore 25 (highest risk). A copy of the risk impact and likelihood scoring criteria definitions and risk assessment matrix are attached at Appendix 2.
- 1.3 Two scores are provided for each risk issue. The first set of scores show the original 'raw' risk assessment, i.e. before any mitigating actions are identified and implemented. The second set of scores shows the adjusted 'residual' risk, i.e. after these mitigating actions have been implemented.

2 Issues for consideration

- 2.1 The Committee needs to be satisfied that adequate and effective systems are in place to ensure all significant PCC risks have been identified and reasonably scored; that appropriate mitigating actions have been identified and are being implemented over a reasonable timeframe, and that both the raw and residual assessed risk scores appear sensible and proportionate.
- 2.2 The issue with the largest combined residual risk impact and likelihood score of 13.4 is the risk that "With crime becoming ever more complex and challenging to investigate and demand on policing services increasing, the level of funding forecast for the next three years is insufficient to deliver the planned outcomes in the PCC's Police and Crime Plan 2017 to 2021" (i.e. risk OPCC 18).
- 2.3 The remaining two risks (OPCC16 and OPCC17) have been reviewed and updated accordingly.

3 Financial Implications

3.1 There are no specific financial implications arising directly from this report. Any costs incurred implementing some of the agreed mitigation actions can and will be contained within the existing PCC approved budget.

4 Legal Implications

4.1 There are none arising specifically from this report

5 Equality Implications

5.1 There are none arising specifically from this report

Background papers

TVP Risk Management User Guide and Instruction

Public access to information

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Is the publication of this form to be deferred? No

Is there a Part 2 form? No

	Officer
Name & Role	
Head of Unit This report has been produced in accordance with the Force Risk Management guide	PCC Chief Finance Officer
Legal Advice No specific issues arising from this report	Chief Executive
Financial Advice No specific issues arising from this report. Any additional costs incurred in implementing mitigating actions will be contained within existing PCC approved budget	PCC Chief Finance Officer
Equalities and Diversity No specific issues arising from this report	Chief Executive

PCC 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.

Chief Executive Date 8 March 2018

Chief Finance Officer Date 7 March 2018

30 APPENDIX 1

URN	OPCC16	Date Raised	7.3.17	Raised By	Shona Morrison	Risk Owner	lan Thompson	Review Date	27/11/2017	Force Objectives	1,2,3,4,5,6			
Risk Description			Consequences						Existing Controls					
			Unable to p	orogress eme	rgency service	es collaboration		PCC and Dep PCC met with 3 lead F&RA members (August 2017). Following review of options, and potential opportunities and constraints, joint decision taken that the current PCC would not actively pursue any F&R service governance changes in the foreseeable future (e.g. no change until after next PCC elections in May 2020 at earliest). The Dep PCC joined the joint FRS & TVP chief officer Steering Group (Aug 2017) to participate in the development of collaborative work being undertaken by the 4 emergency services.						
				mplement nev	w arrangemer	its for dealing w	ith police		sumption is that ties (from CC to		enced PSD staff will continue to discharge function. irrespective of change in legislative			
								Recruitmen	t to Governance	team of OPCC	will increase capacity to meet the legislative requirements.			
			Unable to	deliver key ou	tcomes in Pol	ice & Crime Pla	n 2017 to 2020	Police and	Crime Plan 2017	7-2021 (publish	ed Mar 2017).			
			Unable to o		manage and p	romote enhance	ed, re-designed,	Being mond	otored through th	ne Victims Serv	ices Redesign Project Board (see risk OPCC 17).			
			•		•	fety Fund (CSF) CC's 10% 'top-sl	grant allocation ice' allocation	PCC's prior	ities for use of F	und have been	identified and services and are now being commissioned			
									Monitoring of implementation, service delivery and impact on OPCC capacity and capability is being undertaken via the OPCC internal Strategic Delivery Plan					
Impact	Before Mitig Likelihood													
3.7	3.0	11.0												
Impact	Residual So	ore Risk Rating												
2.1	2.7	5.6												
,	Proposed Action Plan				Action Owner	Target Date		•			Current status			
Review th purpose	ne OPCC staff	structure to ensu	ure it remai	ns fit for	PH	Completed	a) potential implication b) the manifesto c) review of effect d) potential transfer Potential develop i. Police complair ii. Police complair OPCC staff and Fiii. Emergency SepCC – implication iv. Review of future Deputy PCC poeposessistant PCCs	cations for PC commitments tiveness of commitments to be a testing and the commitment of the commitmen	CCs roles and resistand priorities of current OPCC further, services of considered: considered: considered: cony role of PCC and discretionary /staff coration and gov staff responsibilities of deficiency of OPolicy Developm	esponsibilities of the new PCC nctions and per ommissioning responsibilities as 'appellate be responsibilities ernance arrang of: PCC service coent Officers' po	responsibilities ody' for police complaints – potential implications for OPCC staff and PSD function/staff for PCCs in overseeing handling of police complaints by the Force – potential implications for ements:– consideration of potential transfer of responsibility for fire and rescue services to emmissioning arrangements (e.g. victims and witnesses services) sts and roles			
						Completed	(b) Policy Team r	eview - new	victims' service		or current vacant Governance Manager post scheduled for 7 March 2018) s' Support Officer in place Jan 2018; new Policy Development Officer (Partnerships &			
						Completed	development of p up to May 2020). development of fo	e Services:- [proposals. Do In the interiourther collabo	Dep PCC wrote tecision taken by m, Dep PCC joir prative work.	PCC that he we need the joint FE	uthorities (May 2017) setting out proposed process for a joint review of options and collective ould not actively pursue any F&R service governance changes during his tenure as PCC (i.e. S & TVP cvhief officer Steering Group (Aug 2017) to promote and participate in the f changes to PCC statutory responsibilities (i.e. to become 'apellate body') now deferred to			

URN	OPCC17	Date Raised	101/09/20161	Raised By	Shona Morrison	Risk Owner	Shona Morrison	Review Date	07/06/2017	Force Objectives	2		
	Risk Description				Conseque	nces		Existing Controls					
	Gap in service provision services.					ime and/or redu	iced quality of	Plan ADT switch-off, or partial-switch off, prior to contract end to test 'opt-in' pathways. Monitor referral volumes and identify 'Plan B' pathways into relevant services.					
	Loss of existing staff or				•				Plan series of market engagement events to communicate and consult with existing providers on the proposed changes. Seek TUPE advice.				
services	s and contra	cts will not be	Reputational	damage to t	he PCC and th	e OPCC.		Public communications strategy to ensure changes and benefits are communicated. Use Victims Portal to manage referrals/signpost during any interim period.					
-	-	expire on 31	Service costs and/or set-up		met due to exp	ensive interim g	rant funding	Utilise contract extensions as required.					
	Before Mitig	ation											
Impact	Likelihood	Risk Rating]										
4.1	3.0	12.3											
	Residual Score												
Impact	Likelihood	Risk Rating											
3.1	2.7	8.2											
	Proposed Action Plan				Action Owner	Target Date	Current status						
Set up re-o Project Bo		project managem	nent methods a	and	SM/EF	Complete	Project Officer identified. Project plan Produced. Project Board members identified and briefings held.						
Develop, p	promote and	mplement marke	t engagement	plan.	SM/CH	Complete	Dependency with Project plan key milestones. Database of prospective providers exists but needs updating.						
	With TVP, seek alternative ICT solutions to support Automated Data Transfer (ADT) switch-off.				SM/EF	26/03/2018	ICT outline requirements ready for sign-off (includes scoping in relation to contact management). NCALT package under construction and integretion into other training under consideration. Victims Portal live and promoted via new Victims Code operational guidance and other Comms via CJ.						
Seek advi		mplications if ser	vices re-comm	issioned	SM/LJ	Complete	Legal advice sought and agreement in principle reached with Victim Support re TUPE status of VS employees						
		ipport and advoc	acy service (E	SAS)	SM	Complete	Service contract awarded to Thames Valley Partnership						
Implement	Implement LPA pilot				SM/WW	Ongoing	Cherwell/West Oxon, Windsor/Maidenhead and Bracknell/Wokingham LPAs engaged. Briefing materials prepared. New 'opt-in' referral process currently being tried and tested.						
	Develop 'community touchpoints' concept to promote services to public and increase knowledge and referral pathways.				SM/JK	Ongoing	Meetings held with similar, overlapping projects (eg, Safe Places, Adopt a PO). Small steering group identifed and setting up first meeting. Key objective of new Victims Communications Supprot officer (when in post).						
purchasing	Consider different interim funding models, including spot- purchasing services as required, and where efficiency savings could be made in existing services.					Completed	Incorporate finance management into project plan. High level budget for 2018-19 developed, further detail depending on outcomes of TF bids, negotiations with partners, contract extentions etc.						
	Seek to improve services' contact methods, and self-help resources and tools to help reduce demand on services.					31/03/2018	Victims Portal development planned with recrutiment of new Victims Communications Support post.						
All project	All project risks will be managed and own by the Victims review Meeting (VRM) and the Victims Redesign Project Board					Complete	Risk register and Issues Log considered by the Project Board						
Project to be fully integrated into Force transformation and change programmes					SM/EF	Complete	Now linked into Force transformation corporate process and relevant staff attend Force change meetings						

URN	OPCC18	Date Raised	1.12.16	Raised By	lan Thompson	Risk Owner	I lan Ihomneon	Review Date	Jun-17	OPCC/Force Objectives	1,2,3,4,5,6
Risk Description					Conseque	ences		Existing Controls			
	rime becomin plex and chal	9 0 101 111010	1 Level of f against inc	-		ntain the currer	nt level of service	Medium Term Financial Plan (MTFP). 2. Regular in-year budget monitoring			
investiga service	ate and demains	nd on policing , the level of			onstate that he h ce & Crime Plan			2 Close monitoring of Force Delivery Plan and OPCC Strategic delivery Plan			
years is	funding forecast for the next three years is insufficient to deliver the planned outcomes in the PCC's Police and Crime Plan 2017 to 2021			hip working	does not take p	lace at the requ	uired level	Close monitoring of partner's delivery of PCC objectives, particularly CSF grant spend by local authorities			
	Before Mitiga	ation									
Impact	Impact Likelihood Risk Rating										
5.0	5.0 4.3 21.7										
	Residual So	ore									
Impact	Impact Likelihood Risk Rating										
4.0	4.0 4.0 16.0										
	Proposed Action Plan					Target Date	Current status				
1 The balanced budget and MTFP will be presented to the PCC in January 2018					TVP	Jan-18	The Financial Strategy, medium term financial plan (2017/18 to 2019/20), medium term capital plan and the separate report on reserves, balances and provisions were all aproved by the PCC at his Level 1 meeting on 16th November. The budget is balanced in all 3 years, predicated on a further £12 increase in Band D council tax in 2019/20.				
	-	identified throug sed Budgeting p	-	uctivity	TVP	Jan-18	Within the MTFP some £14.227m of productivity plan savings have been identified.				
Police & Crime Plan outcomes will be closely monitored and remedial action taken as appropriate					GE	Mar-18	Progress on the delivery of the Force Delivery Plan and the OPCC internal Strategic Delivery Plan are presented to and considered by the PCC at each of his 'Level 1' public meetings. The PCC's performance and progress in delivering his Police and Crime Plan is scrutinised by the independent Police and Crime Panel.				
		t for start of year ing Community S			SM	Complete	CSF Grant agreements sent to Local Authorities during June				9



JOINT INDEPENDENT AUDIT COMMITTEE



Report for	Decision:	16 th	March	2018
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Title: Draft Annual Governance Statement 2017/18

Executive Summary:

Local authorities, including the Police, are required to produce an annual governance statement (AGS) to show the extent to which they comply with their own code of corporate governance.

Attached at Appendix 1 is a single, combined, draft AGS which shows how the Chief Constable and the Police and Crime Commissioner (PCC) have complied with their joint Code of Corporate Governance during 2017/18.

This is an early draft and further work will be required before the joint AGS is finalised in May, for inclusion within the annual Statement of Accounts for 2017/18 that the PCC and Chief Constable are producing.

The review of effectiveness of the present governance arrangements is still being considered and at this early stage there are NO significant issues that require immediate attention, nor are there any potential issues that may have an adverse impact on the internal control environment during 2018/19 but this may change over coming months before the AGS is finalised.

A further update will be provided to the Committee on 13th July, before it is presented to the PCC and Chief Constable for their consideration and formal sign-off at the Level 1 meeting on 25th July 2018.

Recommendation:

The Committee is asked to review the draft Annual Governance Statement for 2017/18 and provide feedback to officers.

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 CIPFA/SOLACE Good Governance Framework establishes the principles and the standards of governance against which all local government bodies, including police and crime commissioners and chief constables, should assess themselves. *Delivering Good Governance in Local Government* urges local authorities to prepare a governance statement in order to report publicly on the extent to which they comply with their own code of corporate governance on an annual basis, including how they have monitored and evaluated the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period. The process of preparing the governance statement should itself add value to the effectiveness of the corporate governance and internal control framework.

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1.2 The annual governance statement (AGS) should provide a brief communication regarding the review of governance that has taken place and the role of the governance structures involved. It should be high level, strategic and written in an open and readable style. It should be focused on outcomes and value for money and relate to the body's vision for the area.

Local Position

- 1.3 The PCC and Chief Constable have been established as separate legal entities, or 'corporations sole', which means they are both entitled to own assets and employ staff. Accordingly, they must also produce their own Statement of Accounts and Annual Governance Statements (AGS).
- 1.4 The PCC and Chief Constable have approved a joint Framework for Corporate Governance which includes a joint Code of Corporate Governance to explain how the PCC and Chief Constable will comply with the principles of good governance for the public service. The 2017/18 Framework was approved by the PCC and Chief Constable on 31st March 2017.
- 1.5 The draft Annual Governance Statement for 2017/18 is attached at Appendix 1. We have produced a single, combined, AGS which, when finalised, will be published in the PCC (and Group) and Chief Constable Statement of Accounts.
- 1.6 The Governance Framework on pages 2 to 10 [of Appendix 1] explains how the Chief Constable and PCC have complied with the seven key headings from the approved Code of Corporate Governance. This is a more comprehensive update than provided in prior years' governance statements.
- 1.7 The financial management arrangements in Thames Valley are explained on page 8 and 9. This is a key requirement of the Code of Practice on Local Authority Accounting in the United Kingdom.
- 1.8 The Review of Effectiveness on pages 10 to 16 explains how the governance framework has operated in practice during the financial year.
- 1.9 As in previous years there are **no** significant governance issues requiring immediate attention, nor are there any potential issues that will require close

monitoring during 2018/19 to ensure they do not impact adversely on the internal control environment. In coming to this conclusion the Governance Working Group considered a number of key national and local issues and/or potential concerns. The issues, and the reasons they have not been included in an Action Plan, are set out below.

- a. HMICFRS report on Crime Data Integrity TVP are one of the nine Forces inspected to be graded as inadequate. An action plan has been put into place to address the areas identified, both by the Force prior to the publication of the report and subsequently through identified areas for improvement highlighted by the HMICFRS. There was no suggestion that the Force were ignoring calls for service, or were failing to attend and deal with incidents and crimes. The inspection report also found evidence of a strong ethical culture and that officers and staff acted with integrity
- b. Introduction of Force Management Statements during the course of 2018, Force Management Statements will be introduced by the HMICFRS, with all Forces expected to produce their first draft document by the end of May 2018. Revised guidance, and a response to the consultation period that ended in December 2017, has not yet been received. The intention is that the FMS will be an instrument of selfassessment, incorporating an understanding of demand, capacity, capability, assessment of assets, financial state and plans for future delivery of services.
- c. The Contact Management Platform (CMP) Although the CMP has taken a lot longer to deliver and cost significantly more than originally expected or planned for, this was not due to a lack of governance in TVP and Hampshire Constabulary. In practice, Project Boards, Chief Constables and PCCs have been kept updated on progress and key decisions have been taken at the joint TVP/HC collaboration board in respect of variations to system design specifications, delivery and implementation timetables and costs.
- d. Custody contract There have been multiple service failures over the course of the current service contract including custody suite closures that impact not only on the custody function but also the LPAs and wider Force, resulting in some limited additional financial investment into the contract. The majority of these issues are related to staffing and recruitment/staff retention issues. The process has been handled by both Criminal Justice and Procurement and there has been no breach of governance or internal control arrangements. Following mediation the service is showing good signs of improvement. The present custody contract expires on 31 March 2019 and a new tender process is underway.
- e. **Forensic services** TVP procures some of its forensic services through Key Forensics. This company went into administration on 31st January 2018 and a national rescue package is being implemented through the APCC, NPCC and Home Office. Procurement are working with the operational units to manage the position.
- f. **ESN / ESMCP** This national programme is now running approximately 2 years behind timetable, which has implications for both national and local

- budgets. TVP continues to keep a watching brief over national developments and local financial and operational plans are adjusted accordingly. This is not a local governance or internal control issue.
- g. **Force operating model** The new model was implemented on 1st June 2017 which coincided with a significant increase in operational demand, in part due to national terrorist incidents. As would be anticipated with such a large-scale change, there were some implementation issues, which were identified and managed operationally at both Force and local level. These issues did not result from inappropriate governance arrangements.
- h. **National enabling programmes** There are a number of national programmes which will impact on the Force. These are being kept under review by the respective Force leads.
- i. SE Regional IT (SERIT) / SE Regional Integrated Policing (SERIP) Programme – this programme of work is in the discovery phase, and will lead to the identification, scoping and implementation of opportunities for increased regional collaboration across multiple service delivery areas. A governance structure is in place to manage discovery and any projects resulting from the current activity, including the DCCs' SERIP board.
- j. Collaboration Apart from SERIT/SERIP (mentioned above) there are no further significant new collaborative initiatives anticipated or planned for in the near future and, as such, no impact upon governance will occur.
- k. ERP this tri-force project continues to face major delays and challenges. There is a tri-force governance board, as well as local TVP Project Board. Respective PCCs and chief officers are updated on a regular basis. The delays and cost increases were not caused by inappropriate governance arrangements.
- I. HBOS fraud case the PCC has raised concerns locally and nationally as to the impact of a large-scale criminal investigation into banking fraud (such as in the HBOS case) upon the operational budgets of Thames Valley Police. However, the group considered that, in terms of governance, effective mechanisms already exist to ensure the Chief Constable (and PCC) has effective oversight of the financial and operational implications of lengthy and onerous criminal investigations.
- m. **Brexit** exit from the European Union is likely to have some operational and financial impact upon Thames Valley Police but any resultant changes to operational policing and/or the corporate governance framework are unlikely to take effect during 2018/19. This issue will be closely monitored during the year and an update will be provided in next year's AGS.
- n. **Internal audit reports** reports issued during 2017/18 were considered; however, it was felt that there were no outcomes or actions of sufficient seriousness and relevance to qualify as a potential risk to the effectiveness of the overall corporate governance arrangements.
- PCC as appellate body for police complaints the forthcoming changes to the national police complaints system will see a transfer of responsibility for acting as the appellate body in respect of complaints

made against police officers and staff below the rank of chief constable from the Chief Constable to the PCC. The new arrangements will be developed in consultation with the Force's Professional Standards Department (PSD). The formal transfer of responsibility is expected to happen in 2019. As this transfer of responsibility represents a statutory national requirement, there are not considered to be any local corporate governance issues or implications.

p. Governance of Fire and Rescue Services (FRS) – The Police and Crime Act 2017 included provisions for the PCC to take over governance of the FRS, subject to a business case being approved by the Home Office. However, on 16 August 2017 the PCC announced that he will not actively pursue changes to the governance arrangements of the three FRS in the Thames Valley. Instead the 3 FRS and TVP will continue to explore further collaboration opportunities. The Deputy PCC will also sit on the joint TVP/FRS governance board.

2 Issues for consideration

- 2.1 In considering the Annual Governance Statement and the effectiveness of current governance arrangements, the PCC are Chief Constable are invited to consider the following questions:
 - a) Does the AGS provide an accurate representation of the corporate governance and internal control environment in place in Thames Valley Police during 2017/18 and its adequacy and effectiveness?
 - b) From their knowledge of the organisation, are members happy to endorse the statement that there are no significant governance issues requiring immediate attention during 2017/18?
 - c) Are members happy with the list of potential governance issues listed in paragraph 1.9 above and the reasons provided by the Governance Advisory Group for not including them in the 2017/18 AGS?

3 Financial comments

3.1 There are no specific financial implications arising directly from this report.

4 Legal comments

4.1 The Accounts and Audit (England) Regulations 2015 require both the PCC and Chief Constable to prepare a set of accounts in accordance with the CIPFA Code of Practice on Local Authority Accounting in the UK and are subject to audit. The PCC and Chief Constable are both required to produce an annual governance statement.

5 Equality comments

5.1 There are none arising specifically from this report

6 Background papers

Delivering Good Governance in Local Government: Framework Report to the Joint Independent Audit Committee on 15th March 2017

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 The AGS has been produced as a joint statement between the PCC and Chief Constable and explains how the two corporations' sole have complied with their joint code of corporate governance.	PCC Chief Finance Officer
Legal Advice The AGS complies with the requirements of the Accounts and Audit Regulations 2015 and the CIPFA Code of Practice on Local Authority Accounting in the UK	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

PCC 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.

Chief Executive Date 8 March 2018

Chief Finance Officer Date 8 March 2018

Annual Governance Statement 2017/18

This annual governance statement explains how the Police and Crime Commissioner (PCC) and Chief Constable for Thames Valley have complied with their published corporate governance framework for the year ended 31 March 2018, including plans for the financial year 2018/19.

A glossary of terms is provided at the end of this document.

SCOPE OF RESPONSIBILITY

The PCC and Chief Constable were established on 22 November 2012 as separate legal entities ('corporations sole') which means they are both entitled to own assets and employ staff.

The PCC is responsible for ensuring his business is conducted in accordance with the law and proper standards and, consequently, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Both the PCC and Chief Constable are required to, and have, appointed chief financial officers who each have a fiduciary duty to the local taxpayer for securing the efficient use of public funds. Under the Local Government Act 1999 the PCC makes arrangements to secure continuous improvement in the way his functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring a sound system of internal control is maintained and that arrangements are in place for the management of risk. In exercising this responsibility, the PCC places reliance on the Chief Constable to support the governance and risk management processes.

The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, his police officers and staff remain operationally independent in the service of the public. In discharging his overall responsibilities the Chief Constable is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system of internal control which facilitates the effective exercise of these functions.

The PCC and Chief Constable have approved and adopted a Code of Corporate Governance (the Code) which is consistent with the principles of the CIPFA / SOLACE guidance 'Delivering Good Governance in Local Government' (http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition)

This Annual Governance Statement explains how the PCC and Chief Constable have complied with the Code and the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 to conduct a review of the effectiveness of the system of internal control.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The fundamental function of good governance in the public sector is to ensure that entities (i.e. the PCC and Chief Constable) achieve their intended outcomes whilst acting in the public interest at all times.

The governance framework comprises the systems and processes, and culture and values by which the PCC and Chief Constable discharge their responsibilities and through which the police service accounts to and engages with the community. It enables the PCC to monitor the achievement of his strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost effective services including achieving value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

THE GOVERNANCE FRAMEWORK

The key elements of the systems and processes that comprise the governance arrangements that have been put in place for the PCC and Thames Valley Police (TVP) include:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The PCC and the Chief Constable have jointly developed and approved a 'Joint Corporate Governance Framework' which clarifies the working relationship between the PCC, Chief Constable and their respective staff. This includes the code of corporate governance, the scheme of delegation and financial regulations. The Framework is informed by the requirements of 'The Good Governance Standard for Public Services' and is consistent with the seven Nolan principles of standards in public life.

The national Code of Ethics sets and defines the exemplary standards of behaviour for everyone who works in policing, placing an absolute duty on staff. The Code applies to everyone in policing; officers, staff, volunteers and contractors. It applies both on and off duty. It guides behaviour within the organisation as much as it informs how to deal with those outside.

Measures are in place to ensure that the PCC, Deputy PCC and employees of the Office of the PCC (OPCC) and TVP are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. This includes the Anti-Fraud and Corruption Policy and guidance on the acceptance of gifts, loans and hospitality.

The PCC and Chief Constable have transparent and accessible arrangements for dealing with complaints received from the public.

The Force has a Professional Standards Department (PSD) whose role is to uphold the ethical and professional standards of TVP by managing the application of police misconduct regulations, and the administration of complaints by members of the public against police officers and police staff below the rank of Chief Constable. Complaints against the Chief Constable are dealt with by the PCC. The independent Thames Valley Police and Crime Panel (PCP) handles formal complaints made against the PCC.

A Complaints, Integrity and Ethics Panel has been jointly established by the PCC and Chief Constable to facilitate the discharge of their respective statutory obligations around handling and monitoring of police complaints, and to ensure that issues relating to policing integrity, ethics and professional standards are considered in order to maintain public confidence in policing. It does this by providing an annual assurance report to the PCC and Chief Constable.

Both the PCC and Chief Constable demonstrate respect for the rule of law and comply with relevant laws and regulations. Both employ in-house legal advisors to provide assurance of the same and guidance upon lawful decision making. The PCC is independent of Force management and operational decision-making, which is the responsibility of the Chief Constable.

The PCC and Chief Constable create the conditions for all members of the OPCC and Force to be able to discharge their responsibilities in accordance with goodpractice. Guidance originating from the College of Policing is disseminated force-wide by the Learning and Development Team in People Services. Similarly, best practice for PCCs is obtained via the Association of Police and Crime Commissioners (APCC), Association of Policing and Crime Chief Executives (APAC²E) and Police and Crime Commissioners' Treasurers Society (PACCTS), and is disseminated amongst the OPCC.

Entrenched mechanisms ensure that legal and regulatory breaches and misuse of power are dealt with effectively. The PCC and his Deputy are subject to a Code of Conduct that is consistent with the Nolan principles. The Chief Executive of the OPCC is also the designated statutory Monitoring Officer, and the OPCC Governance Manager is Deputy Monitoring Officer, of the PCC's actions and decisions.

B. Ensuring openness and comprehensive stakeholder engagement

The PCC, as a directly elected representative of the public, has made his commitments for policing and crime clear in his election manifesto. In addition, the PCC has a statutory responsibility to consult the Chief Constable and obtain the views of the community and victims of crime about the policing of the Force area, and he must have regard to their views as well as the priorities of responsible authorities before issuing a Police and Crime Plan.

The PCC's Police and Crime Plan sets out his strategic policing and crime priorities and key aims, and how these will be delivered. His Plan is supported by the Force Commitment, Force Annual Delivery Plan, the OPCC's Strategic Delivery Plan and the Financial Strategy. The Police and Crime Plan has due regard to the Strategic Policing Requirement as issued by the Home Secretary and is developed in consultation with the Chief Constable, and informed by the views of the local community, victims of crime and the priorities of other key stakeholders.

The priorities and objectives of the PCC, as informed by the above processes, are clearly articulated and disseminated in the Police and Crime Plan. The Plan must be published by the end of the financial year in which the PCC is elected and, in the Thames Valley, is reviewed on an annual basis to ensure it remains relevant and fit for purpose. In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public.

The PCP meets regularly to review and scrutinise the decisions and actions of the PCC and his performance in delivering the objectives contained in his Police and Crime Plan. It also meets specifically to consider the PCC's proposed annual precept increase, Police and Crime Plan, Annual Report and any proposed appointments to the roles of Deputy PCC, Chief Constable, OPCC Chief Executive and OPCC Chief Finance Officer.

Arrangements have been agreed and implemented for the PCC to hold the Chief Constable to account for Force performance and compliance with other requirements, including a schedule of formal public and private meetings, i.e. regular public meetings with the reports and agendas published on the PCC's website, supplemented by regular private liaison meetings between the PCC and Chief Constable (in respect of which minutes are taken but not published).

The Framework of Corporate Governance defines the parameters for decision making, including delegations, financial regulations and contract regulations. The PCC has published his policy statement on decision making. All formal and significant PCC decisions taken in accordance with this policy are published on the website.

The PCC proactively publishes information to maintain openness and transparency with the public on this same website; in doing so he also meets his obligations under the Elected Local Policing Bodies (Specified Information) Order 2011 and, as a public authority, under the Freedom of Information Act 2000.

The PCC published his 2016/17 Annual Report last June (2017). This explained his main achievements during that financial year and also provided information on operational and financial performance during 2016/17. His 2017/18 Annual Report is due to be published in June 2018.

The Chief Constable has prepared and published the Force Commitment and the annual Delivery Plan. Quarterly Delivery Plan updates are provided to the PCC Level 1 public meeting, and published on the PCC's website, culminating in an end-of-year report of progress against stated objectives.

The Code of Ethics, the Force Commitment and the Force Delivery Plan are published on the TVP website. Information about neighbourhood policing, partnerships and sponsors, corporate events and public misconduct or special case hearings is also published, including details of upcoming hearings and how to attend.

The PCC and Chief Constable regularly attend local authority council meetings across the Thames Valley and provide formal briefings to constituency MPs to brief them on policing and crime issues in their local areas. In addition, the PCP acts as a two-way mechanism to enable Panel representatives to inform the PCC of local policing and crime matters of importance to their respective local authorities, and to brief their authorities of the activities and initiatives of the PCC (and the Panel).

The PCC works with and part-funds local authority Community Safety Partnerships, Youth Offending Teams and Drug and Alcohol Teams across the Thames Valley to support crime reduction and community safety activities in their local areas. Such activities are aligned to the PCC's strategic objectives, as set out in his Police and Crime Plan, and are funded from the PCC's Community Safety Fund. Through working in partnership, these activities not only help the PCC to deliver his strategic objectives but also support partners in achieving their local priorities too.

The PCC is a member of the Thames Valley Local Criminal Justice Board which meets regularly to consider and discuss the performance of the local criminal justice system and any issues or initiatives being addressed individually and collectively by the criminal justice agencies. An Assistant Chief Constable (ACC) represents TVP on the Board. The PCC was Chairman of the Board for the period January 2016 to January 2018.

The Force has appropriate mechanisms for engaging with a variety of institutional stakeholders. The Chief Constable holds regular, quarterly, meetings to which the chief executives of all statutory partners are invited. This is a strategic information sharing and briefing forum for key partners, including Local Authorities, blue light services and health providers. In addition, Local Police Area Commanders routinely engage with the local Authority commensurate to their geographic area, including their Community Safety Partnership. Multiple partnership forums exist across the operational policing landscape, including Multi-Agency Safeguarding Hubs, and joint governance boards meet monthly or quarterly to manage bi-lateral arrangements between Thames Valley Police and Hampshire Constabulary. The Regional DCCs board has been re-named the SERIP Board and meets quarterly to discuss regional change programmes and projects.

The OPCC and TVP communication and engagement strategies explain how local people can interact with the PCC and the Chief Constable to ensure that their views inform decision making, accountability and future direction.

In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public and at what cost. Furthermore, the decisions and actions of the PCC are subject to regular review and scrutiny by the PCP.

The Chief Constable has a statutory duty to make arrangements for obtaining the views of persons within each neighbourhood about crime and disorder in that neighbourhood. Force engagement with the public takes place on many levels, from daily street contact and phone calls through to attendance at public meetings and formal surveys in relation to service priorities, levels and quality. Community Forums have been established across the force area and are active partnerships between the public, statutory and voluntary agency partners and local policing teams. "Have your say" is a consultation and priority setting process which aims to increase public consultation and ensure that the Force tackles issues which most concern communities. In addition, the Force runs 'Cover It Live' on-line events specific to themes or incidents, and has active social media outlets including Facebook and Twitter. The Thames Valley Alert system also enable public engagement en masse.

C. Defining outcomes in terms of sustainable service and economic benefits

The PCC's Police and Crime Plan sets out his strategic policing and crime priorities and key aims, and how these will be delivered.

The Chief Constable has published the Force Commitment and annual Delivery Plan, outlining a clear vision of the organisation's purpose, priorities and strategic intentions, taking account of the PCC's Police and Crime Plan and the Home Secretary's national Strategic Policing Requirement. Progress against strategic objectives is assessed through Delivery Plan Priority Outcomes, and reviewed via the Service Improvement Reviews, Force Performance Group and Strategic Vulnerabilities framework.

The organisation is committed to the identification and consideration of collaboration opportunities with regards systems, processes and resourcing to sustain service delivery and increase the capacity of the organisation without diminishing capability and access to specialist services.

Major partnerships and consortia involving the Force and the PCC are governed by formal collaboration agreements under Section 22A of the Police Act 1996, or by Memoranda of Understanding, as appropriate. Joint collaboration oversight boards provide strategic oversight and an approval process intended service outcomes to be delivered for collaboration activity. These collaboration boards comprise Chief Officers and the PCC from each Force.

There are also partnership arrangements in place with other agencies and stakeholders to manage vulnerability caused by the changing crime landscape, including Multi-Agency Safeguarding Hubs.

The Medium Term Financial Plan (MTFP) and Medium Term Capital Plan (MTCP) ensure that planned activities to support the objectives of the PCC and Chief Constable are financially sustainable in the longer term. The Productivity Strategy is an integral part of the MTFP and identifies where savings and efficiencies can be achieved and hence more resources directed to priority areas. The Local Operating Model Review continues to consider service delivery at LPA-level, managing the policing response and developing the Force Understanding of demand to make best use of resources. The Effectiveness & Efficiency programme has replaced PBB as the methodology adopted to identify the respective costs and priority of services to help direct investment into priority areas to achieve a sustainable service that balances effectiveness with efficiency, ensuring economic viability and benefit.

Risk and business continuity are managed through an operational and change programme framework at a local and strategic level to manage and mitigate threats to achieving outcomes to service delivery. Strategic Risk and Business Continuity is managed within the Strategic Governance Unit, bringing together horizon scanning, local risk registers and change-programme risk and business continuity issues.

The Force and PCC have duties to consider the impact on equality of proposed changes to policies, procedures and practices. Equality Impact Assessments are routinely undertaken by TVP for policies and change programmes to assess impact internally and externally for staff, stakeholders and the public.

D. Determining the actions necessary to achieve the intended outcomes

The Force planning cycle incorporates the annual strategic assessment and PESTELO analysis, financial plans, workforce plans and the Police and Crime Plan to inform the annual Delivery Plan. Measures and intended outcomes are proposed and approved through the Chief Constable's Management Team (CCMT), and monitored through the performance framework.

The Chief Constable maintains MTFPs, which form the basis of the annual budgets and provide a framework for the evaluation of future proposals.

Workforce and asset management plans are developed and approved through the PCC's Level 1 meeting. Activities are then reflected in the Force Delivery Plan and governed through local implementation teams with oversight from Force-level forums such as the CCMT, Force Transformation Board and Strategic Resourcing & Resilience. The Delivery Plan is reviewed on a quarterly basis, with updates against activities published for the public. Through each forum, decision makers receive objective analysis of options to achieve outcomes in line with organisational plans. Programme and project planning incorporates risks, costs and benefits realisation.

Decision-making at all levels of the Force is undertaken within the framework of the National Decision Model, which has the Code of Ethics at its core. The National Decision Model was introduced to ensure a greater focus on delivering the mission of policing, acting in accordance with values, enhancing the use of discretion, reducing risk aversion and supporting the appropriate allocation of limited policing resources as the demand for them increases. Both are now fully entrenched in the Force, to ensure officers have the tools to act lawfully in their decision making and to enable them to use their full powers for the benefit of citizens, communities and other stakeholders.

With regards change programmes, change proposals are governed through Force Change Review Part 1, which co-ordinates and prioritises proposals, assessing them against the organisations strategic objectives, capacity and financial capability. Each proposal is captured through an application, then if appropriate a business case.

In-flight programmes are managed by a Programme Board, chaired by a Senior Responsible Officer. Updates inform the Force Change Review Part 2 to enable co-ordination, planning and the oversight of resources from enabling departments to achieve the desired outcomes. All programmes and projects have strategic oversight through the Force Transformation Board, Collaboration Programme Board, and respective Chief Officer Groups. Collaborated programmes have consideration to and management of shared risks.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The Chief Constable produces a MTFP and a MTCP which are reviewed throughout the financial year alongside the OPCC's reserves to provide an effective framework for decision making. The MTFP and MTCP are closely aligned to the PCC's Police and Crime Plan and the Force Commitment. The PCC approves the MTFP and the MTCP as well as the annual budgets. The PCP must review the PCC's proposed council tax precept increase and make recommendations to the PCC before he formally sets the annual budget in February. Formal budget monitoring is undertaken on a regular basis throughout the year, i.e. it is presented to the PCC's regular public Level 1 meetings between the PCC and Chief Constable (with agendas and minutes published on the PCC's website as well as being reviewed regularly by the CCMT.).

The Productivity Strategy forms an integral part of the MTFP and incorporates the outcomes of initiatives such as Effectiveness & Efficiency or the Estates Asset Management Plan. Under the Productivity Strategy, £10.5m of cash savings were identified and removed from the revenue budget during 2017/18.

Force and Local Police Area Tasking and Co-ordination Group processes enable the regular review of operations, performance and resource deployment in an operational setting. CCMT provides strategic oversight for performance against Delivery Plan measures and priorities, as well as financial plans and asset management plans.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

The PCC and Chief Constable ensure that their statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation. Specialist advice, in areas such as taxation, legal and treasury management, is sourced externally, as this is more practical and cost-effective. The PCC and Chief Constable use the annual staff appraisal process to focus individual employee contributions towards corporate objectives and measures, and to facilitate continuous professional development.

Chief Officers have clearly defined leadership roles and are responsible for implementing strategy and managing the delivery of services within their respective portfolios.

Officers and staff manage their performance and continuous development through the Performance Development Review framework. An annual assessment of competencies and objectives linked to Delivery Plan outcomes is supported by interim reviews and a requirement for senior officers and staff to undertake Continuous Professional Development. The framework also allows for the management of poor performance or attendance where it is identified. The Force has a stated Health and Wellbeing Strategy, along with "A Roadmap to Success – Equality, Diversity and Inclusion to develop the workforce and move towards being increasingly reflective of the communities it serves. The Force is committed to being considered an employer of choice.

Chief Officers have promoted a learning environment climate focussed on continuous service improvement, recognising the importance of independent and peer review when needed. Integral to this is the identification of lessons learned, recommendations and identified areas for improvement through benefits realisation reports, results analysis, individual management reviews, serious case reviews and Her Majesty's Inspectorate of Constabulary, Fire and Rescue Service (HMICFRS) inspection processes.

The PCC appointed a new Deputy to assist him discharge his statutory functions in January 2017. The PCC and Deputy PCC have received appropriate induction training. Ongoing training will include attendance at appropriate national conferences and seminars.

The PCC has also implemented a staffing structure within the OPCC to ensure it has the necessary capability and capacity to support him deliver his statutory functions, such as commissioning services for victims and witnesses. The PCC reviews the workload and capacity of his office via the internal OPCC Strategic Delivery Plan, which allows him to identify workload priorities and staffing needs in accordance with the delivery of his strategic objectives.

The PCC is a member of the national Association of Police and Crime Commissioners (APCC). The Chief Constable and his fellow chief officers are members of the National Police Chiefs' Council (NPCC).

F. Managing risks and performance through robust internal control and strong public financial management

The Chief Constable, officers and staff all recognise that risk management is an integral part of their daily function, in operational, corporate and change environments. The Risk Management Policy is supported by the Risk and Business Continuity Communications Strategy. The management of risk is governed through the Force Risk Management Group, which exists to oversee the continuation of strategic risk management and business continuity processes, take ownership of strategic risk issues and delegate actions to appropriate risk managers, and accept strategic risk reports and recommendations through governance and service improvement, authorise actions and allocate resources where necessary.

The PCC and Chief Constable monitor service delivery effectively via their respective performance regimes.

The PCC has a duty to hold the Chief Constable to account for the performance of TVP generally. The PCC has therefore implemented an effective scrutiny and oversight function. He holds quarterly public meetings at which the Chief Constable is required to demonstrate that the Force is performing against the strategic priorities and key aims in the PCC's Police and Crime Plan, the Home Secretary's Strategic Policing Requirement and the Force's own Delivery Plan. Similarly, the PCC meets monthly with the Chief Constable on a private basis to review and discuss more regularly the general performance of the Force against topical national, regional and local issues. The PCC maintains an HMICFRS tracker to follow up upon any risks to the performance of the Force that have been highlighted by HMICFRS inspections. The OPCC provides an update against its Strategic Delivery Plan to the PCC on a monthly basis via the Senior Management Group meeting. The PCC therefore receives regular reports on service delivery plans and on progress towards outcome achievement of the priorities and aims set out in the Police and Crime Plan.

The Chief Constable holds a quarterly Performance Group meeting together with his management team, regularly attended by the PCC as an observer, in which the Chief Constable reviews performance of the Force against the annual Delivery Plan. The Service Improvement Review framework is a comprehensive schedule of LPA or Departmental review meetings, starting with a period of fieldwork,

and culminating with a meeting, chaired by the DCC with attendance from the local command team, to review findings and set actions. A performance update against the Force delivery plan is considered monthly at the CCMT meetings. This same meeting determines and monitors Force strategy, policies and performance. Gold Groups are set up and managed in response to particular areas of vulnerability or to manage particular areas of performance as necessary, for example in response to a critical incident.

The Chief Constable has implemented monthly Performance Risk Meetings, chaired by the Deputy Chief Constable, in which constructive challenge and debate on operational policies and procedures is encouraged. Each meeting will involve a review of the end-to-end process against policy and procedure, determining areas of risk and problem-solving those areas. The findings of these meetings are fed into the Chief Constable's Performance Group.

The Force Risk Management Group oversees risk management within the Force and is chaired by the Chief Constable. The Group focusses on strategic risks but also monitors risk management processes across the Force, including within change programmes. The OPCC maintains its own risk register

Effective counter fraud and anti-corruption arrangements are in place and are monitored, in the main, by the PSD. The Anti-Fraud and Corruption Policy is updated every two years and is considered and endorsed by the Joint Independent Audit Committee (JIAC) before formal publication.

The Internal Audit Team provides assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control.

A Joint Independent Audit Committee (JIAC) has been established in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and the Financial Management Code of Practice. The JIAC's main role is to provide assurance to the PCC and Chief Constable that the internal control and governance framework, including risk management is operating effectively. It does this by providing an annual assurance report to the PCC and Chief Constable. The JIAC meets in public and reports and minutes are placed on the PCC's website.

The Force manages its information in accordance with the Data Protection Act 1998, the Freedom of Information Act 2000 and the Code of Practice on the Management of Police Information, and this is overseen by the Information Governance Board chaired by the Director of Information. The Joint Information Management Unit leads on information compliance for both TVP and Hampshire Constabulary (HC) and ensures that appropriate policies and procedures are in place. The Joint Information Management Unit is also responsible for providing guidance on lawful sharing of information with partners and maintains a library of Information Sharing Agreements. Information Asset Owners have been appointed to manage the risks to specific information types, supported by a network of data guardians. NCALT training packages on the Code of Practice on the Management of Police Information and the Government Security Classification policy are mandatory for all officers, staff and volunteers who have access to information and completion rates are monitored by the Information Governance Board.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

Financial management arrangements

The Chief Constable produces a MTFP and a MTCP which are regularly reviewed during each financial year and form the basis of the annual budgets, to provide an effective framework for decision making. Formal budget monitoring is undertaken on a regular basis throughout the year, i.e. it is regularly reviewed by the CCMT as well as being presented to the PCC's regular public Level 1 meetings between the PCC and Chief Constable (with agendas and minutes published on the PCC's website).

The Productivity strategy is an integral part of the MTFP challenging the effectiveness of the force and identify savings and efficiencies to help balance the budget whilst achieving the PCC's and Chief Constable's objectives. £10.5m of cash savings were identified and removed from the revenue

budget during 2017/18. The delivery savings within the Productivity Strategy are monitored as part of the regular financial monitoring.

The Chief Internal Auditor reports jointly to the PCC's Chief Finance Officer and the Chief Constable's Director of Finance. The Chief Internal Auditor provides a regular update to the JIAC and also provides an independent opinion on the adequacy and effectiveness of the risk management, control and governance processes.

The financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer of the PCC and the Chief Financial Officer of the Chief Constable (March 2014).

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

The PCC and the Chief Constable attempt to strike a balance between providing the right amount of information to satisfy transparency demands and enhance effective public scrutiny whilst not being too onerous to provide and for users to understand.

The PCC's decisions and actions are scrutinised by the PCP, which includes reviews of significant documentation produced by the OPCC for the benefit of the public. Decisions made by the PCC are published in accordance with a template that ensures they are easy to access and interrogate. Similarly, public reports are compiled in accordance with best practice and scrutinised by the JIAC.

The PCC complies with the Elected Local Policing Bodies (Specified Information) Order 2011 and publishes required information on his website.

The Chief Constable's Corporate Communications department oversee communications to the public on behalf of the Force. In doing so they abide by the corporate style guide, which is designed to ensure communications are issued in an understandable style appropriate to the intended audience. In addition the PCC has his own communications team.

The PCC and Chief Constable both report at least annually on performance, value for money, and the stewardship of resources to stakeholders in a timely and understandable way.

The PCC and Chief Constable maintain a process to assess the extent to which the organisation is applying the principles contained in the Framework of Corporate Governance and publish the results of that assessment in the Annual Governance Statement, including an action plan for improvement and evidence to demonstrate good governance in action.

The PCC and Chief Constable ensure that the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar entities.

The PCC and Chief Constable ensure that all accepted recommendations for corrective action made by external audit are acted upon.

The Joint Internal Audit team has direct access to the PCC, Chief Constable and the JIAC, and provides assurance with regard to the organisation's governance arrangements. The JIAC monitors progress with regards to timely implementation of agreed internal audit report actions.

Both the PCC and Force are subject to external independent scrutiny and review, through the external audit of their financial statements, systems and management arrangements, and through the inspection of policing performance by HMICFRS. The resultant audit and inspection reports are published on both the PCC and TVP websites.

HMICFRS is charged with independently assessing the effectiveness and efficiency of police forces and fire & rescue services, in the public interest. The PCC is required to publish a response to formal

reports issued by HMICFRS. The Force engages fully with the cycle of PEEL inspections, Joint Targeted Area Inspections and Thematic Inspections as required.

The PCC and Chief Constable make best use of peer challenge, reviews and inspections from regulatory bodies (e.g. HMICFRS) and implement agreed recommendations.

Before delivering key services through third party suppliers the PCC and Chief Constable gain assurance on risks associated with service delivery and subject these arrangements to regular review.

When working in partnership, the PCC and Chief Constable ensure that the arrangements for accountability are clear and that the need for wider public accountability has been recognised.

ARRANGEMENTS FOR REVIEW OF EFFECTIVENESS

The PCC and Chief Constable are responsible for reviewing the effectiveness of the governance framework on at least an annual basis. This includes:

a) The Police and Crime Commissioner

The PCC has the following key statutory duties and powers to:

- produce and publish a five-year Police and Crime Plan that sets out the PCC's policing and crime objectives;
- set the annual policing precept;
- secure the maintenance of an efficient and effective police force;
- hold the Chief Constable to account for the exercise of their functions and of those personnel under their direction and control:
- have regard to the relevant priorities of, and act in co-operation with, responsible authorities in exercising their crime and disorder reduction responsibilities, including the making of related grants to any person;
- make arrangements with criminal justice bodies to provide an efficient and effective criminal justice system for the area;
- commission victims services;
- power to take on the responsibility for the governance of fire and rescue services within the Force area; and
- produce and publish an annual report.

The following key governance activities took place during 2017/18 and demonstrate how the PCC has discharged these powers and duties during that year:

- The updated framework for corporate governance was approved on 31 March 2017;
- The PCC submitted his 2017/18 budget and council tax precept proposals to the meeting of the PCP held on 3rd February 2017. The Panel endorsed the PCC's proposed 1.99% increase in council tax precept for 2017/18;
- The PCC allocated £3.0m from his Community Safety Fund in 2017/18 to help improve community safety and crime prevention across the Thames Valley. £2.7m was given to local authorities and £0.3m was retained by the OPCC to help fund Thames Valley-wide initiatives;
- The PCC published his 2016/17 Annual Report in June 2017 to highlight major achievements during his third full financial year in office and to report on operational and financial performance during 2016/17;
- In March 2017 the OPCC updated its Strategic Delivery Plan for 2017/18. This is an internal OPCC management action plan that supports the PCC to monitor the delivery of both policing and non-policing activities, targets and measures within the Police and Crime Plan. Progress reports were presented to the PCC in public meetings on a regular basis throughout the year and the Plan is reviewed and updated each year;
- During the autumn the PCC worked closely with the Chief Constable to update the MTFP (2018/19 to 2020/21);

- The PCC is actively engaged in the oversight and scrutiny of key collaboration activities (e.g. South East region; Bilateral with Hampshire; Chiltern Transport Consortium and the National Police Air Service);
- The PCC represents South East region and Eastern region PCC colleagues on the National Police Air Service Board;
- Four PCC public Level 1 meetings were held in 2017/18, supplemented by monthly private liaison and Performance Development Review meetings between the PCC and Chief Constable, to enable the PCC to hold the Chief Constable to account;
- On 16 August 2017 the PCC announced that he will not actively pursue changes to the governance arrangements of the three fire and rescue services in the Thames Valley
- In January 2018 the OPCC received an 'OPCC Transparency Quality Mark' awarded by CoPaCC, an organisation that compares OPCCs on their statutory requirements to be open and transparent via their website

b) The Force

The CCMT met formally on 12 occasions and the Joint Chief Officers Group (TVP and HC) meet formally on 6 occasions during 2017/18 to determine and monitor Force strategy, policies and performance.

During the period under review, there were a number of changes to the membership of CCMT. ACC Laura Nicholson retired from her role in Counter Terrorism Policing South East & SE ROCU. ACC Jason Hogg transferred from his role in Crime and Criminal Justice to Counter Terrorism Policing South East & SE ROCU. Chief Superintendent Tim de Meyer was promoted to ACC Crime and Criminal Justice.

Among the key discussions during the year was the review of the MTFP, MTCP, the PCC reserves and the Asset Management Plan, as part of the annual budget cycle. The financial plans were considered several times and the associated decisions facilitated the formal approval of the Revenue Estimates and Capital Estimates 2017/18 by the PCC at his Level 1 meeting on 24th January 2017. As part of the annual budget process the Productivity Strategy was reviewed and continues to play an important role in identifying options to address the budget shortfall. Outcomes of the PBB Programme continue to be implemented to support this through the prioritisation of services and expenditure.

Each CCMT meeting reviews Force Change programmes, performance and HMICFRS activity. Strategic Risks and Delivery Plan monitoring reports are included quarterly. Other significant areas of note discussed in 2016/17 include Process Evolution resource modelling, training prioritisation, crime data integrity, the Police and Crime Bill (now Act) and the Internal Audit plan.

The Force Transformation Board met on nine occasions and reviewed all in-flight change programmes, including Contact Management, Operating Model, Emergency Services Mobile Communications Project (ESMCP), Enterprise Resource Planning (ERP) and the introduction of the Governance & Service Improvement department. The Board also routinely receives monitoring reports from Corporate Communications regarding their support of change programmes and progress against productivity and efficiency.

Both CCMT and Force Transformation Board are aligned to bilateral forums including Joint Chief Officer Group and Collaboration Board.

The Chief Constable launched the Force Commitment in April 2016. The overarching commitment of working together to make communities safer is supported by four pillars that include sections for what it means for the public, partners and people working or volunteering for TVP.

The HMICFRS rated Thames Valley as 'Good' in the PEEL inspection areas of Legitimacy and Effectiveness, and 'Outstanding' for Legitimacy. The Force has been graded 'inadequate' in a recent Crime Data Integrity inspection, with a Gold Group established to address identified process issues and an action plan in place.

In April 2017, the new Governance & Service Improvement department came into being, drawing together corporate and strategic elements of the organisation. The four units of the department are Strategic Governance, Policing Strategy, Change Delivery and Service Improvement. The over-arching function is to provide a central point of co-ordination, governance, strategy, policy and guidance development, and internal evaluation of delivery and opportunities for continuous improvement.

c) The Joint Independent Audit Committee

During 2017/18 the JIAC met five times to consider the external audit and internal audit plans for 2017/18, as well as receiving timely updates in terms of risk management and business continuity. The JIAC also received regular briefings, including appropriate written reports, during the year from the PCC, Chief Constable and relevant senior officers. This included specific updates on ICT. JIAC members also attend Force working groups (including the Force Transformation Board, ICT 2020, TVP/HC Bilateral Governance Board, Health and Safety and Performance Group) and other panel meetings (including the Complaints, Integrity and Ethics Panel) as observers to gain a greater understanding of current governance, operational and risk activities and to assist their judgment of the adequacy of the overall Corporate Governance Framework.

The JIAC's Annual Assurance Report for 2017 was presented to the PCC and Chief Constable at their JIAC meeting 13 December 2017. At that time the JIAC was able, based on the information that they had considered collectively or knew about individually, to give assurance to the PCC and Chief Constable that the risk management and internal control environment in Thames Valley was operating efficiently and effectively.

d) The Governance Advisory Group

A joint OPCC/TVP officer governance group operates with terms of reference:

- To provide advice to the PCC and Chief Constable on the application of statutory requirements and guidance relating to issues of corporate governance;
- To review and provide feedback on the effectiveness of the corporate governance systems determined by the PCC and Chief Constable.

A new Joint Code of Corporate Governance, based upon updated CIPFA guidance for police forces, was approved by the PCC and Chief Constable at the PCC's Level 1 meeting on 31 March 2017. Further minor revisions to the Joint Corporate Governance Framework were approved by the PCC and Chief Constable at the PCC's Level 1 meeting on 29 March 2018.

The Governance Advisory Group also developed this joint Annual Governance Statement for 2017/18.

e) Internal audit

The annual report of the Chief Internal Auditor for 2016/17 was presented to the JIAC on 21 June 2017. It contained the following assurance statement on the overall adequacy and effectiveness of the internal control environment:

"On the basis of the work completed by the Joint Internal Audit Team during 2017/18, the opinion on the governance framework, risk management arrangements and internal controls in place is **reasonable assurance**. The system of internal control is good and the majority of risks are being effectively managed.

Areas were identified through our work where the design or effectiveness of arrangements in place required enhancing or strengthening. Where these areas were reported, management responded positively and identified appropriate actions to address the risks raised.

To support this year's overall opinion, additional sources of assurance were utilised where they provided commentary on the effectiveness of the organisation's governance framework or management of risk. The assurances obtained generally provided a positive view of the organisation's arrangements.

Overall, the opinion demonstrates a good awareness and application of effective risk management, control and governance to facilitate the achievement of organisation objectives and outcomes".

f) External audit

On 27 July 2017 Ernst and Young issued unqualified audit opinions in respect of the 2016/17 accounts to both the PCC and Chief Constable, as well as giving an unqualified value for money conclusion. The Auditor was satisfied that the system of internal control put in place by the PCC and Chief Constable was adequate and effective in practice.

g) Her Majesty's Inspectorate of Constabulary

During 2017/18 HMICFRS published a number of reports which were considered by the Force and PCC. All reports are available on the HMICFRS website:

Date published by HMICFRS	National / Force Report	Report Types	Report Title	Date CC Reported to PCC	PCC Response to HMICFRS: Y/N
05-Jul-17	National	JTAI	Living in fear - the police and CPS response to stalking and harassment.	12-Dec-17	N
14-Jul-17	TVP	JTAI	Joint target area inspection of the multi-agency response to abuse and neglect in Wokingham	12-Dec-17	N
19-Sep-17	National	JTAI	The multi-agency response to children living with domestic abuse	Pending	Pending
05-Oct-17	National	Thematic	Abuse of position for a sexual purpose	12-Dec-17	N
24-Oct-17	National	Thematic	Stolen Freedom: the policing response to modern slavery and human trafficking	12-Dec-17	N
09-Nov- 17	National	PEEL	PEEL: Efficiency	12-Dec-17	N
09-Nov- 17	TVP	PEEL	PEEL: Efficiency	12-Dec-17	Y
14-Nov- 17	National	Thematic	A progress report on the police response to domestic abuse	Pending	Pending
30-Nov- 17	National	Thematic	Planes, drone and helicopters: an independent study of police air support	12-Dec-17	N¹
12-Dec- 17	National	PEEL	PEEL: Legitimacy	12-Dec-17	N
12-Dec- 17	TVP	PEEL	PEEL: Legitimacy	12-Dec-17	N
08-Feb-18	National	PEEL	PEEL: Police Leadership 2017	Pending	Pending
15-Feb-18	TVP	CDI	Crime Data Integrity Inspection 2017	Pending	Pending
Pending	National	PEEL	PEEL – Effectiveness	Pending	Pending
Pending	TVP	PEEL	PEEL - Effectiveness	Pending	Pending

The HMICFRS national 'State of Policing – The Annual Assessment of Policing in England and Wales report for 2016 was published on 20 April 2017. The Police Act 1996 section 54(4A) requires HM Chief Inspector of Constabulary to report each year on his assessment of the efficiency and effectiveness of

policing in England and Wales. This assessment covers the full breadth of inspections conducted by HMICFRS throughout the year and provides an overview of the policing in England and Wales.

Where appropriate, the PCC (or OPCC) is invited to attend a debriefing provided by HMICFRS following each inspection. Alternatively, the Chief Constable may provide the PCC with a briefing following an HMICFRS inspection.

Depending on the nature of the report, HMICFRS may also require the PCC to publish a response on his website - within 30 working days - to each relevant HMICFRS inspection report. Responses to all relevant HMICFRS inspection reports have been published.

h) Risk management and business continuity

The Force Risk Management Group met four times during 2017/18 as part of the CCMT strategy meetings. High level strategic risk management and business continuity issues were reported to the JIAC on a timely basis. As at 31st March 2018 there were four risks on the Strategic Risk Register with mitigating actions.

The Strategic Business Continuity Co-ordination Group met once to discuss the strategic resilience panel update, business continuity planning, critical functions review, local resilience forums and business continuity governance (audit, strategy, policy, incident report updates).

Business continuity incidents, categorised by impact, were detailed in quarterly reports to the JIAC, including measures taken to minimise their impact. The majority were related to ICT. The JIAC also received details of exercises to test business continuity plans.

The Business Continuity Management Policy and the Risk Management Policy were reviewed in February 2017. The Internal Auditors have been commissioned to undertake a review of the Risk and Business Continuity processes to assist with their development under the new Strategic Governance model. This audit is due to be undertaken and report in 2018/19.

i) Health and Safety and Environmental Management

An annual report on HS&E was presented to the June 2017 meeting of the Joint Independent Audit Committee for scrutiny. The report covered the key management areas specified within the revised 2013 publication HSG65 'Successful Health & Safety Management' (Appendix A) and documented the continuous improvement of Thames Valley Police policies and procedures for the effective management of health and safety.

The Chief Constable and PCC have published a joint health and safety policy statement outlining their commitment towards securing safe working practices and compliance with applicable health and safety legislation in June 2016. Copies are accessible to all staff via the Intranet, and are displayed on the health and safety notice boards in all premises.

The Health & Safety Management Policy was reviewed and transferred onto the new policy template in January 2018, with no material changes made to the content.

j) Ethics and Integrity

A protocol between the PCC and Chief Constable provides the PCC with overview and scrutiny of complaints handling by the Force. The Complaints, Integrity and Ethics Panel meets every two months and reports jointly to the PCC and Chief Constable. The Panel presented its Annual Assurance Report 2017 to the PCC and Chief Constable on 23rd January 2018. This 2017 Report highlighted that the Panel had scrutinised complaint files covering the following themes:

- Honesty and integrity
- Discreditable conduct
- Confidentiality improper disclosure of information

The Panel was able to provide an assurance to the PCC and Chief Constable that the complaints handling and management arrangements in place within TVP are operating efficiently and effectively.

The Force also has an internal Integrity Sub-Group, chaired by the Head of the PSD, which meets quarterly.

The Chief Constable continues to promote the fundamental importance of TVP officers and staff employing the highest professional standards, principles which are embodied and enforced through the 'Force Commitment' that was launched to the public, partners and staff from April 2016, and which reflect the importance and requirements of the Code of Ethics. All police officers and staff have been required to complete an on-line training package and attend a dedicated Code of Ethics training session. All new Officers and staff receive training on the Code of Ethics as part of their induction.

In 2017/18 the PSD has received and processed XXXX complaints and conduct matters and held XX misconduct meetings and hearings in accordance with the statutory scheme. In addition, the OPCC itself handled 13 complaints made against the Chief Constable in accordance with the statutory police complaints scheme.

k) Thames Valley Police and Crime Panel

During 2017/18 the independent PCP met on five occasions. Key activities undertaken by the Panel during the year included reviewing and scrutinising the PCC's Annual Report for the 2016/17 year; scrutiny and consideration of the PCC's 2018/19 budget and council tax precept proposals, and the PCC's views and intentions on the possibility of pursuing the transfer of the responsibility for governance of the Thames Valley fire and rescue services. Over and above these specific activities, the Panel continued to receive and consider regular reports on the delivery of the Police and Crime Plan strategic priorities and key aims, including the contribution made by other partner agencies, and on matters of topical interest to the Panel. In addition, the Panel operates a permanent Complaints sub-committee as well as ad-hoc task and finish working groups. In 2017/18 the OPCC referred four complaints against the PCC to the PCP for resolution by them under the statutory scheme.

The Panel itself published its own 2016/17 Annual Report in June 2017.

I) Collaboration and partnership working

The joint TVP and HC Bi-lateral Collaboration Governance Board formally met four times during 2017/18. This Board oversees and scrutinises the work of the existing collaborative functions (i.e. Operations, ICT and Information Management) as well as development of the Contact Management and Digital Policing programmes. Updates are provided on new collaborative opportunities being explored.

The formal meetings of the TVP and HC Bi-lateral Collaboration Governance Board were supplemented during 2017/18 by specific briefings for the PCCs, and respective senior policing officers, force, and OPCC staff to review the Contact Management Programme and Enterprise Resource Planning ICT projects, and to review progress on the delivery of the ICT strategy in general. In addition to the Governance Board, the joint Chief Officer Group met five times during 2016/17.

Governance of collaboration between forces across the South East region is undertaken at the Regional Governance Board. Four meetings were held during 2017/18. The South East Regional Organised Crime Unit, hosted by TVP, brings together the current regional organised crime units under one structure. It is operationally aligned with the Counter Terrorism Policing, South East (formerly South East Counter Terrorism Unit). A joint ACC, who reports directly to the Chief Constable of TVP, exercises overall command of the regional crime and counter terrorism functions. The joint ACC also represents serious organised crime at the South East Regional Governance Board and nationally with the National Crime Agency and other key stakeholders.

m) Conclusion

The work carried out by the Governance Advisory Group to review the Joint Corporate Governance Framework itself, and how it has been applied in practice over the financial year 2017/18, has informed the latest review of the Framework which was approved in March 2018. Consequently the PCC and Chief Constable will be able to satisfy themselves that key governance structures supporting the discharge of their responsibilities have and continue to receive effective scrutiny.

SIGNIFICANT GOVERNANCE ISSUES

It should be noted that governance issues facing the organisation are not necessarily a result of weaknesses within the internal control framework. There were no significant governance issues nor any potential governance issues identified in respect of 2016/17, which were due to be monitored during 2017/18.

There are currently no significant governance issues or potential governance issues identified for 2018/19. The Governance Advisory Group are satisfied to the best of their knowledge that no material breaches of the governance arrangements occurred in 2017/18 and there are no significant weaknesses in the internal control environment.

In any event the governance arrangements of the PCC and the Chief Constable will remain under constant review in the forthcoming financial year.

Anthony Stansfeld

Police and Crime Commissioner

Paul Hammond

Chief Executive (Monitoring Officer)

Ian Thompson

1. Thomps-

Chief Finance Officer and Deputy Chief Executive



JOINT INDEPENDENT AUDIT COMMITTEE



Report for Dec	cision: 16 th	March 2018
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Title: Joint Corporate Governance Framework

Executive Summary:

The Corporate Governance Framework provides clarity on the way the two corporations' sole, i.e. the PCC and Chief Constable of Thames Valley, will govern both jointly and separately to ensure they are conducting business in the right way, for the right reason and at the right time.

It consists of:

- Statement of corporate governance statutory framework and local policy
- Code of corporate governance sets out how the core principles will be implemented
- Scheme of corporate governance defines the parameters within which the corporations sole will conduct their business
- Separate policy and procedures for each corporation sole, with protocols and other governance documents where they operate jointly.

The current version was approved by the Chief Constable and PCC at the 'Policy, Planning and Performance' meeting on 31st March 2017

The Framework has been reviewed and updated as appropriate.

Recommendation:

That the Committee scrutinises the draft Corporate Governance Framework and then recommends it to the PCC and Chief Constable for approval and adoption at their Level 1 meeting on 29th March 2018.

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 In a policing context good governance is about how those responsible for the service ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems, processes, cultures and values by which all local government bodies are directed and controlled, and through which they account to, engage with and, where appropriate, lead their communities. These principles apply to equally the PCC and the Chief Constable of Thames Valley Police (TVP).
- 1.2 The PCC and Chief Constable approved the current joint corporate governance framework on 31st March 2017. The framework has been fully reviewed and the main changes are set in section 2 below.

2 Issues for consideration

- 2.1 The following paragraphs briefly explain the main changes that have been made to each of the four components of the joint corporate governance framework.
- 2.2 A tracked changes version has been provided to members of the Committee

Statement of Corporate Governance

2.3 No changes made.

Code of Corporate Governance

2.4 Only minor changes on page 22.

Scheme of corporate governance

2.5 The delegations from the PCC to the Chief Executive and to the deputy PCC have been updated, as well as updates to the complaints handling process.

Financial Regulations

- 2.6 Minor updates throughout. However, the main changes are summarised below:
 - ➤ In section 2.3.10 reference to the development of joint plans with Hampshire Constabulary
 - Formal publication of the annual reserves strategy (2.4.5)
 - Responding to agreed actions in internal audit reports (3.2.8)
 - Approval process for in-year variations to the annual internal audit plan (3.3.16)
 - ➤ Remove residual references to the Audit Commission in 3.3.23
 - ➤ In 5.1.16 clarity that contract values shall include all extension periods
 - Removal of references to paper tenders (5.1.21/22)
 - New paragraph 5.1.30 explains the values to be considered when TVP operates a framework contract on behalf of other forces and/or organisations

- > 5.1.41 explains the approval process to be followed when previously agreed contract extensions (as part of the initial award process) are actually taken up.
- Minor changes to the process for Single Source Agreements in 5.1.44 to 5.1.47

3 Financial Implications

3.1 There are no specific financial implications arising directly from this report.

4 Legal Implications

4.1 There are no specific legal implications arising directly from this report.

5 Equality Implications

5.1 There are none arising specifically from this report

Background papers

Report to the Level 1 meeting on 29th July 2016

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 The Corporate Governance Framework has been reviewed and updated to ensure it remains consistent with national guidance	Chief Executive
Legal Advice No specific issues arising.	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

PCC 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.

Chief Executive Date 8 March 2018

Chief Finance Officer Date 8 March 2018





JOINT CORPORATE GOVERNANCE FRAMEWORK 2018/2019

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Statement of Corporate Governance for the

Police and Crime Commissioner and Chief Constable for Thames Valley Police

Introduction

The purpose of this statement is to give clarity to the way the two corporations' sole, the Police and Crime Commissioner for Thames Valley (PCC) and the Chief Constable of Thames Valley Police, will govern both jointly and separately to ensure they are conducting business in the right way, for the right reason at the right time.

Context

The principal framework within which the corporations' sole will operate is:

- Police Reform and Social Responsibility Act 2011,
- Policing Protocol Order 2011,
- Financial Management Code of Practice,
- Strategic Policing Requirement
- Code of Ethics.

This framework creates a public sector relationship, based upon the commissioner-provider arrangement but with unique elements such as the single elected commissioner and operational independence of the police service. It is therefore not appropriate to import corporate governance arrangements into this environment but to build upon existing good governance principles and experience.

In accordance with the CIPFA / SOLACE framework on corporate governance, the PCC and Chief Constable are required to produce separate annual governance statements to show how their respective organisations have complied with the joint code of corporate governance.

Principles

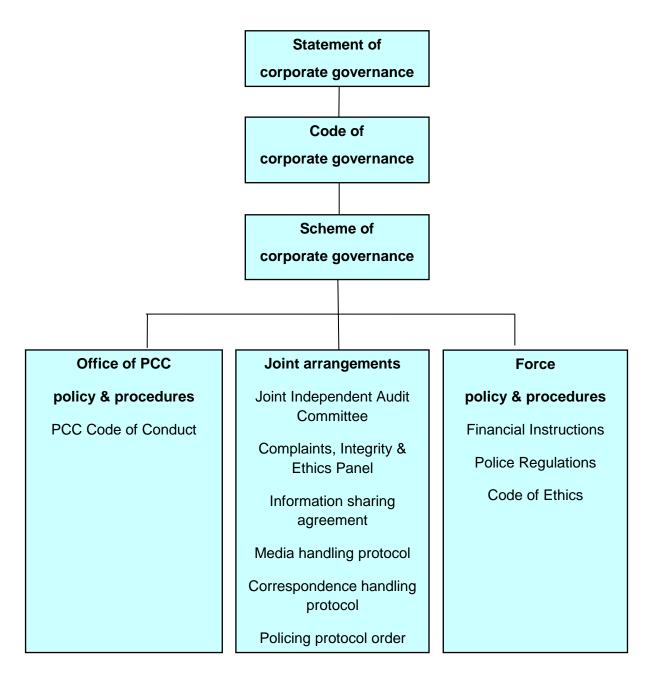
The core principles to be adopted by both corporations sole will be those highlighted by CIPFA in their publication *Delivering Good Governance in Local Government*:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable service and economic benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Framework / Instruments of governance

The corporate governance framework within which the PCC and Chief Constable will govern, both jointly and separately, will consist of:

- Statement of corporate governance statutory framework and local policy,
- Code of corporate governance sets out how the core principles will be implemented,
- Scheme of corporate governance defines the parameters within which the corporations sole will conduct their business,
- Separate policy and procedures for each corporation sole, with protocols and other governance documents where they operate jointly.



Leadership

The Governance Advisory Group reviews and updates the framework and oversees its implementation. An annual update is provided to the Joint Independent Audit Committee, which

scrutinises the framework and makes recommendations to the PCC and Chief Constable who approve the final version at one of their public 'Level 1' meetings.

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CODE OF CORPORATE GOVERNANCE for the

Police and Crime Commissioner and Chief Constable for Thames Valley Police

1 <u>INTRODUCTION</u>

- 1.1 Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. It comprises the system, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and lead their communities.
- 1.2 This Code of Corporate Governance describes how the Police and Crime Commissioner (PCC) for the Thames Valley and the Chief Constable of Thames Valley Police discharge their responsibilities in this respect, reflecting their commitment to the statutory requirements. It should be read alongside the Scheme of Corporate Governance which defines the parameters for decision making, including schemes of delegations, consents, financial regulations and standing orders relating to contracts.
- 1.3 The term "Thames Valley Police" is used throughout this document to reflect both the PCC and the Force.
- 1.4 The PCC has two key statutory responsibilities:
 - To secure the maintenance of an efficient and effective local police force;
 - To hold to account the Chief Constable of Thames Valley Police for the exercise of his functions and those of persons under his direction and control.

In exercising these functions the PCC is accountable to the electorate in the Thames Valley Police area.

- 1.5 The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force.
- 1.6 The Good Governance Standard for Public Services¹ sets out seven core principles on which effective governance should be built:
 - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - Ensuring openness and comprehensive stakeholder engagement
 - Defining outcomes in terms of sustainable service and economic benefits
 - Determining the interventions necessary to optimise the achievement of the intended outcomes
 - Developing the entity's capacity, including the capability of its leadership and the individuals within it
 - Managing risks and performance through robust internal control and strong public financial management
 - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

¹ CIPFA: Delivering good governance. Guidance Notes for Policing Bodies in England and Wales: 2016 Edition

- 1.7 To achieve this, a local scheme has been formulated to ensure that these principles are fully integrated in the conduct of Thames Valley Police's business as well as establishing a means of demonstrating compliance.
- 1.8 Thames Valley Police must also demonstrate that the systems and processes in place are:
 - Monitored for their effectiveness in practice
 - Subject to annual review to ensure they remain up to date
- 1.9 Underneath each of the seven sets of principles are a series of behaviours and outcomes that demonstrate good governance in practice.
- 1.10 Throughout this Code, the term "employees" refers to all police officers, police support staff, special constables, volunteers and other members of the wider policing family working for Thames Valley Police.
- 1.11 This Code applies to all employees, contractors and/or agents providing a direct service to Thames Valley Police.
- 1.12 The Code will be reviewed and updated as appropriate on an annual basis.

2. THE CODE OF CORPORATE GOVERNANCE

- 2.1 Effective governance relies on public confidence in the PCC, Chief Constable and their respective employees. Good governance strengthens credibility and confidence in our public services.
- 2.2 Thames Valley Police has developed a single joint Code of Corporate Governance which incorporates the core good governance principles, develops these in a local context, and sets out the arrangements for reviewing their effectiveness. However, at year-end the PCC and Chief Constable will produce separate Annual Governance Statements to show their respective compliance with this Code (see section 3).
- 2.3 The way in which each of the seven core principles of good governance is put into practice by Thames Valley Police is set out below, together with the expected behaviours and outcomes:

A BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

2.4 Good governance flows from a shared ethos or culture, as well as from systems and structures. It cannot be reduced to a set of rules, or achieved fully by compliance with a set of requirements. This spirit or ethos of good governance can be expressed as values and demonstrated as behaviour. It depends on building a corporate environment where leaders and staff believe personally in acting in accordance with generally accepted values.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

A1 The Policing Protocol Order 2011 (the protocol) requires all parties to abide by the seven *Nolan principles* and these will be central to the conduct and behaviour of all. It also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust

- A2 The Financial Management Code of Practice requires the PCC and Chief Constable to ensure that the *good governance principles* are embedded within the way the organisations operate. As such, the PCC and Chief Constable will set the tone for their respective organisations by creating a climate of openness, support and respect
- A3 The Police Service Code of Ethics, issued under the Police Act 1996, sets out principles and standards of professional behaviour for the policing profession of England and Wales. The Code applies to all police forces and, specifically, to chief officers in the discharge of their functions
- A4 The PCC and Chief Constable will set out their values in the respective corporate and strategic plans and use them as a guide for decision making and as a basis for developing positive and trusting relationships
- The PCC and Chief Constable will put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice. To that end, the PCC and Chief Constable have agreed to maintain jointly a 'Complaints, Integrity and Ethics Panel' comprising members of the public. The purpose of this Panel is to monitor, challenge and make recommendations about the way complaints, ethics and integrity issues are handled by the Force and overseen by the PCC
- A6 The PCC and Chief Constable will recognise the limits of lawful action placed on them (e.g. the ultra vires doctrine) and will observe both the specific requirements of legislation and the general responsibilities placed on the PCC and Chief Constable by public law

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

Behaving with integrity

- A7 Ensuring that the PCC, chief officers and staff behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby promoting and upholding the reputation of the organisation amongst its stakeholders
- A8 Ensuring the PCC and chief officers lead in establishing a culture and specific values for their organisations and staff and that they are communicated and understood. The values should build on the *Nolan Principles*
- A9 Leading by example and using these values as a framework for decision making and other actions
- A10 Demonstrating, communicating and embedding values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively

Demonstrating strong commitment to ethical values

A11 Seeking to understand, monitor and maintain the organisation's ethical performance

- A12 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation
- A13 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values
- A14 Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards

Respecting the rule of law

- A15 Ensuring the PCC, chief officers and staff demonstrate respect for the rule of law as well as adhering to relevant laws and regulations
- A16 Creating the conditions to ensure that statutory chief officers, other key postholders and (where appropriate) statutory committees are able to fulfil their responsibilities in accordance with best practice
- A17 Striving to use full powers for the benefit of citizens, communities and other stakeholders
- A18 Dealing with reported breaches of legal and regulatory provisions effectively
- A19 Ensuring reported corruption and misuse of power are dealt with effectively

B ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

- 2.5 Local Government, including the Police service, is run for the public good. Organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders
- 2.6 The PCC and Chief Constable exist primarily to provide services that people need, and this will only be achieved if there is a consistent dialogue in both directions

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- B1 The Policing Protocol Order 2011 highlights that the PCC is accountable to local people and has a duty to set and shape the strategic objectives for the force area in consultation with the Chief Constable, taking into account the Strategic Policing Requirement
- B2 The PCC and Chief Constable will ensure that a shared vision, strategic plans, priorities and targets are developed having regards to the views of the local community and other key stakeholders, and that they are clearly articulated and disseminated
- B3 The PCC's Police and Crime Plan will clearly set out what the PCC's strategic objectives and priorities are and how they will be delivered

- B4 To complement this, the communication and engagement strategies will set out how local people will be involved with the PCC and the Chief Constable to ensure that their views inform decision making, accountability and future direction
- B5 The PCC and Chief Constable will develop arrangements for effective engagement with key stakeholders ensuring that, where appropriate, they inform decision making, accountability and future direction
- B6 The PCC, with the support of the Chief Constable, will engage with the independent Thames Valley Police and Crime Panel to facilitate scrutiny and public accountability, over and above development of the annual budget and Police and Crime Plan
- B7 The PCC and Chief Constable will develop effective working relationships with constituent local authorities and other partners as necessary and appropriate
- B8 The PCC and Chief Constable will seek to ensure that when working in partnership that (a) there is clarity about the legal status of the partnership and that representatives, or organisations, both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions, and (b) that all employees are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the organisation

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

Openness

- B9 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness
- B10 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action

Engaging comprehensively with institutional stakeholders

- B11 Engaging effectively with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably
- B12 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively
- B13 Ensuring that partnerships, including collaborations, are based on trust, a shared commitment to change, and a culture which promotes and accepts challenge amongst partners and that the added value of partnership working is explicit

Engaging stakeholders effectively, including individual citizens and service users

- B14 Ensuring that communication methods are effective and that the PCC and officers are clear about their roles with regard to community engagement
- B15 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs

C DEFINING OUTCOMES IN TERMS OF SUSTAINABLE SERVICE AND ECONOMIC BENEFITS

- 2.7 The long term nature and impact of many of the PCC and Chief Constable's responsibilities mean that they should seek to define and plan outcomes and that these should be sustainable. Decisions should contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.
- 2.8 Public sector programmes will respond to changes in the current environment, but these responses should always be framed within the PCC and Chief Constable's long term objectives and aspirations for the service, and the resources available.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- C1 The Police Reform and Social Responsibility Act 2011 (PRSRA 2011) requires the PCC to issue a police and crime plan covering a five year period, including one year beyond his/her term of office. It will outline the police and crime objectives (outcomes) and the strategic direction for the policing
- C2 Both the PCC and Chief Constable must have regard to the plan and the PCC must have regard to the priorities of the responsible authorities during its development
- C3 Each organisation will have an annual delivery plan which sets out how it will operate to support achievement of these outcomes
- C4 Collaboration agreements will set out those areas of business to be undertaken jointly with other forces, local policing bodies and other emergency services, whether it be to reduce cost, increase capability and/or increase resilience in order to protect local people
- C5 A financial strategy will be developed jointly by the PCC and Chief Constable. This will be reviewed and refreshed at least annually to ensure delivery of the corporate aims and objectives. Detailed arrangements for financial management will be set out in financial regulations
- C6 The PCC is required to publish an annual report in relation to monitoring his own performance and that of the Chief Constable and Force
- C7 A commissioning and award of grants framework will be developed and maintained by the PCC, which will incorporate commissioning intentions and priorities

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

Defining outcomes

- C8 Having a clear vision an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators which provide the basis for the organisation's overall strategy, planning and other decisions
- C9 Specifying the intended impact on, or changes for stakeholders, including individual citizens and service users
- C10 Delivering defined outcomes on a sustainable basis within the resources that will be available while recognising that changing demands will place additional pressure on finite resources.
- C11 Identifying and managing risks to the achievement of outcomes as part of delivering goods and services
- C12 Managing expectations effectively with regard to determining priorities and making the best use of the resources available

Sustainable service and economic benefits

- C13 Considering and balancing the combined service and economic impact of policies and plans when taking decisions
- C14 Taking a longer term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the PCC and the Chief Constable's intended outcomes and short term factors such as the political cycle or financial constraints

D DETERMINING THE ACTIONS NECESSARY TO ACHIEVE THE INTENDED OUTCOMES

- 2.9 Public bodies, including the Police, achieve their intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that the Police have to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure the achievement of intended outcomes.
- 2.10 Policy implementation usually involves choice about the approach, the objectives, the priorities and the costs and benefits. PCCs and Chief Constables must ensure that they have access to the appropriate skills and techniques.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

D1 The PCC and the Chief Constable will maintain a medium term financial strategy which will form the basis of the annual budgets, and provide a framework for evaluating future proposals

- D2 There will be a comprehensive process of analysis and evaluation of plans, which will normally include option appraisal, techniques for assessing the impact of alternative approaches on the service's outcomes, and benefits realisation
- D3 The PCC and Chief Constable will jointly consider how best to achieve value for money and ensure that their agreed approach is reflected in the Police and Crime Plan objectives and associated delivery plans
- D4 The PCC and the Force will maintain appropriate workforce development and asset management plans
- D5 The PCC and Chief Constable will work together to provide clarity over the arrangements to respond to the breadth of concerns raised by local people, whether they be organisational or individual matters

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

The decision making process

- D6 Ensuring that decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring that best value is achieved however services are provided
- D7 Making informed decisions in accordance with the National Decision Model
- D8 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used, ensuring that the impact and consequences of those decisions is clear
- D9 The PCC and Chief Constable will decide jointly how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available
- D10 The Chief Constable will ensure that effective mechanisms and arrangements exist to monitor service delivery and deal with apparent under-performance or failings
- D11 Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets
- D12 Simultaneously engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered
- D13 Considering and monitoring shared risks when working collaboratively
- D14 Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances
- D15 Establishing appropriate performance measures as part of the planning process in order to assess and inform how the performance of the services and projects is to be measured, and service quality is reviewed

- D16 Preparing annual budgets in accordance with organisational objectives, strategies and the medium term financial plan
- D17 Informing medium and long term resource planning by drawing up realistic and robust estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy
- D18 Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets

Achieving intended outcomes

- D19 Ensuring the medium term financial strategy integrates and balances service priorities, affordability, and other resource constraints
- D20 Ensuring that the budgeting process is comprehensive, taking into account the full cost of operations over the medium and longer term
- D21 Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for the outcomes to be achieved while optimising resource usage

E DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

- 2.11 The PCC and the Force need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A public organisation must ensure that it has both the capacity and capability to fulfil its own mandate. Both the individuals involved and the environment in which the police operate will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership in the Police service is strengthened by the participation of people with many different types of background, reflecting the diversity of communities we serve.
- 2.12 Successful outcomes depend on the calibre of the people within the organisation, and it is essential that they have the appropriate skills and support

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- E1 The Office of the PCC and the Force's 'people agenda' sets the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for officers and members of staff
- E2 To develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed

- E3 To ensure that effective arrangements are in place for reviewing performance and agreeing an action plan(s) which would include any training or development needs
- E4 To ensure that effective arrangements are designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the PCC and police force
- To ensure that career structures are in place to encourage participation and development of employees

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

Developing the entity's capacity

- Reviewing operations, performance and asset management on a regular basis to ensure their continuing effectiveness
- E7 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how policing resources are allocated so that outcomes are achieved effectively and efficiently
- Recognising and promoting the benefits of collaborative working where added value can be achieved through partnerships
- E9 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources

Developing the capability of the entity's leadership and other individuals

- E10 Ensuring the PCC and chief officers have clearly defined and distinctive leadership roles within a structure whereby the chief officers lead by implementing strategy and managing the delivery of services and other outputs set by the PCC and/or Chief Constable, and each provides a check and balance for each other's responsibility
- E11 Developing the capabilities of the PCC and chief officers to achieve effective shared leadership where appropriate, and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political, and environmental changes and risks
- Ensuring the PCC, chief officers and staff receive appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.
- Ensuring that the PCC, chief officers and staff have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis
- E14 Ensuring personal, organisation and system-wide development through shared learning including lessons learnt from governance failures both internal and external

- Ensuring the PCC is independent of Force management and free from relationships that would materially interfere with their role
- E16 The Office of the PCC, in conjunction with the Force, should ensure that appropriate information is available for potential PCC candidates
- E17 Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections
- E18 Holding staff to account through regular performance reviews which take account of training or development needs
- Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing

F MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

- 2.13 Public bodies need to ensure that the organisation's governance structures can sustain an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.
- 2.14 All public bodies spend money raised from taxpayers and use assets which have been paid for by taxpayers in order to deliver and maintain services. The public is entitled to expect high standards of control and the continuous oversight of performance to correct shortfalls and to identify factors which could undermine achievement

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- F1 The PCC will develop and maintain effective arrangements to hold the Chief Constable to account for Force performance and compliance with other requirements
- F2 The decision making policy sets out principles behind how decisions will be taken by the PCC and the standards to be adopted. This will ensure that those making decisions are provided with information that is fit for the purpose relevant, timely and accurate and gives clear explanations of technical issues and their implications.
- F3 It requires a combined forward plan of key decisions, which brings together the business planning cycles for the Police and Crime Plan, the Office of the PCC and the Force corporate planning process. This will ensure proper governance by bringing together the right information at the right time e.g. strategic needs assessments, costs, budgets etc.
- The National Decision Model (NDM) is suitable for all material decisions and should be used by everyone in policing where appropriate. It can be

- applied to spontaneous incidents or planned events, by an individual or team of people, and to both operational and non-operational situations.
- The scheme of corporate governance defines the parameters for key roles in the corporations sole including schemes of delegations and/or consents from the PCC or Chief Constable, financial regulations and contract standing orders.
- F6 The risk management strategy establishes how risk and decision management is embedded throughout Thames Valley Police, with the PCC and Chief Constable and their respective staff and officers all recognising that risk management is an integral part of their job
- F7 Information relating to decisions will be made readily available to local people, with those of greater public interest receiving the highest level of transparency, except where operational and legal constraints exist.

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

Managing risk

- F8 Recognising that risk management is an integral part of all activities and must be regarded as a continuous process
- F9 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively
- F10 Ensuring that the organisation is risk aware and that its risk appetite is defined and communicated clearly to those responsible for making decisions

Managing performance

- F11 Monitoring service delivery effectively including planning, specification, execution and independent post implementation review
- F12 Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible
- Providing the PCC and chief officers with regular reports on service delivery plans and on progress towards outcome achievement
- F14 Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)

Robust internal control

F15 Aligning the risk management strategy and policies on internal control with achieving the organisation's objectives

- F16 Evaluating and monitoring the organisation's risk management and internal control on a regular basis
- F17 Ensuring effective counter fraud and anti-corruption arrangements are in place
- F18 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the Joint Internal Audit Team
- F19 Ensuring an audit committee or equivalent group or function, which is independent of the executive, provides a further source of effective assurance to the PCC and Chief Constable regarding arrangements for managing risks and maintaining an effective control environment and that its recommendations are listened to and acted upon as appropriate

Managing information

- F20 Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data
- F21 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies
- F22 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring

Strong public financial management

- F23 Ensuring financial management supports both long term achievement of outcomes and short term financial and operational performance
- F24 Ensuring well developed financial management is integrated at all levels of planning and control, including management of financial risks and controls

G IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

- 2.15 Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.
- 2.16 It is easy to pay lip service to the principles of accountability. Aspirations which are not followed through, and actions which are not explained to those who are affected by them, undermine confidence.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

G1 The PRSRA 2011 clearly sets out the functions of the PCC and Chief Constable and the protocol sets out how these functions will be undertaken to discharge their respective responsibilities.

- G2 The PCC may appoint a Deputy who will be a member of his staff as highlighted in the PRSRA 2011. The role description approved by the PCC may incorporate functions delegated within the scheme of corporate governance.
- G3 The PRSRA 2011 requires the PCC to have a Chief Executive and Chief Finance Officer. The Chief Executive will be the head of paid service and undertake the responsibilities of Monitoring Officer.
- G4 The PRSRA 2011 requires the Chief Constable to appoint a Chief Finance Officer.
- G5 The financial management code of practice sets out the responsibilities of Chief Finance Officers for both PCC and Chief Constable.
- G6 The PCC and Chief Constable will put in place appropriate arrangements to help ensure that the PCC, Deputy PCC (if appointed) and all employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice
- G7 The scheme of corporate governance defines the parameters for decision making, including delegations, consents, financial regulations and standing orders relating to contracts.
- G8 The PCC, Chief Constable and all employees will operate within:
 - a. Office of PCC and Force policy and procedures,
 - b. corporate governance framework,
 - c. discipline regulations and codes of conduct.
- G9 A joint independent audit committee will operate in accordance with CIPFA guidance and the Financial Management Code of Practice.
- G10 The Thames Valley Police and Crime Panel provides checks and balances in relation to the performance of the PCC. It does this by reviewing and scrutinising the decisions and actions of the PCC. However, the Panel does not scrutinise the Chief Constable.
- G11 The PCC and Chief Constable will ensure that arrangements are in place for whistle blowing to which employees and all those contracting with Thames Valley Police have access

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

Implementing good practice in transparency

- G12 Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring they are easy to access and interrogate
- G13 Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny whilst not being too onerous to provide and for users to understand

Implementing good practices in reporting

- G14 Reporting at least annually on performance, value for money, and the stewardship of resources to stakeholders in a timely and understandable way
- G15 Assessing the extent that the organisation is applying the principles contained in the Framework and publishing the results of this assessment including an action plan for improvement and evidence to demonstrate good governance in action (the Annual Governance Statement)
- G16 Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar entities
- G17 The PCC and the Chief Constable will assess the adequacy and effectiveness of the governance arrangements for jointly managed functions as part of the annual arrangement for the review of governance.

Assurance and effective accountability

- G18 Ensuring that recommendations for corrective action made by external audit are acted upon
- G19 Ensuring an effective Internal Audit Service exists with direct access to the PCC, Chief Constable, and Audit Committee, which provides assurance with regard to the organisation's governance and risk management arrangements, and whose reports are acted upon by management
- G20 Utilising peer challenge, reviews and inspections from regulatory bodies, and implementing recommendations
- G21 Gaining assurance on risks associated with delivering services through third party suppliers, and subjecting these arrangements to regular review
- G22 Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised

3 ARRANGEMENTS FOR REVIEW OF GOVERNANCE

- 3.1 The PCC and Chief Constable have put in place the following arrangements to review the effectiveness of the Code of Corporate Governance:
- 3.2 The PCC and Chief Constable are committed to maintaining a joint local Code of Corporate Governance and a Scheme of Corporate Governance, and for carrying out an annual review of their effectiveness.

The Police and Crime Commissioner (PCC)

3.3 The PCC will produce an Annual Governance Statement (AGS) which will be published on his website within the annual Statement of Accounts. The AGS will include an Action Plan to rectify any significant areas of weakness in internal control and/or corporate governance.

The Force

- 3.4 The Deputy Chief Constable, under delegated authority from the Chief Constable, is responsible for corporate governance issues affecting the Force, ensuring that appropriate reviews, both pro-actively and reactively, are carried out into key areas and highlighted, including:
 - Professional standards and performance
 - Strategic co-ordination and planning, including risk management and business continuity, and strategic assessments
 - Crime recording
- 3.5 The Director of Information is responsible for the management of information, including information security and data protection
- 3.6 The Chief Constable will produce an Annual Governance Statement (AGS) which will be published on the Force website within the annual Statement of Accounts. The AGS will include an Action Plan to rectify any significant areas of weakness in internal control and/or corporate governance.

The Joint Independent Audit Committee

- 3.7 The Committee's operating principles include the following key requirements in respect of corporate governance:
 - To consider and comment on the adequacy of the local Code of Corporate Governance:
 - To consider the Annual Governance Statements (AGS) from the PCC and Chief Constable:
 - To monitor implementation and delivery of the agreed AGS Action Plan(s);
 - To 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 financial regulations; the Scheme of Consent; anti-fraud and corruption; whistle-blowing, and declarations of interest, gifts and hospitality.

The Governance Advisory Group

- 3.8 The Working Group, which comprises senior officers from the Office of the PCC and Force, is responsible for:
 - drafting the local code of corporate governance;
 - monitoring compliance with the Code during the year, including the system of internal control;
 - preparing the draft Annual Governance Statement(s);
 - recommending an Action Plan(s) to rectify significant areas of weakness;
 - monitoring the implementation of agreed action plans.
- 3.9 Reports from the Working Group will be presented to the Joint Independent Audit Committee, where appropriate, prior to approval by the PCC and Chief Constable.

Internal audit

3.10 The primary role of internal audit is to give an assurance to the PCC and Chief Constable, through their two respective Chief Finance Officers, on the adequacy and effectiveness of the governance arrangements and internal controls in place to manage and mitigate risk. To this end the Chief Internal Auditor delivers an

annual opinion on the effectiveness of the controls reviewed by the Joint Internal Audit Team. This annual opinion, set out in the Annual Report of the Chief Internal Auditor, is one of the key sources of evidence in support of the Annual Governance Statement(s).

- 3.11 The Chief Internal Auditor provides regular update reports to the Joint Independent Audit Committee on the delivery of the Annual Audit Plan and any outstanding management actions.
- 3.12 Major control weaknesses are reported to the Force Risk Management Group and to the Joint Independent Audit Committee.
- 3.13 Reviews of both the corporate governance framework and risk management arrangements periodically feature in the Annual Audit Plan. Corporate governance and risk management issues may arise through other reviews carried out by the Joint Internal Audit Team. In this case the issues will be dealt with initially in the relevant audit report. Significant governance failures identified through general audit work will also be referred to the Governance Advisory Group.

External Audit

3.14 The external auditor will audit the financial statements of the PCC and Chief Constable, as well as the Group accounts, and will also review the Annual Governance Statement(s). External audit plans and reports, including the Annual Audit Letter, are considered by the Joint Independent Audit Committee at appropriate times in the annual cycle of meetings.

Her Majesty's Inspectorate of Constabulary, Fire and Rescue Service (HMICFRS)

- 3.15 The role of HMICFRS is to promote the economy, efficiency and effectiveness of policing in England, Wales and Northern Ireland through inspection of police organisations and functions to ensure agreed standards are achieved and maintained; good practice is spread and performance is improved. It also provides advice and support to the tripartite partners (Home Secretary, PCC and police forces).
- 3.16 HMICFRS reports are sent to the Chief Constable and the PCC for consideration and appropriate action. HMICFRS, working alongside external audit, will play a key role in informing the PCC and the public on the efficiency and effectiveness of their forces and, in so doing, will facilitate the accountability of PCCs to the public.
- 3.17 The PCC shall invite the Chief Constable to submit comments to him on any report published by HMICFRS that makes recommendations that apply to Thames Valley Police.
- 3.18 The PCC is required to publish his response to any relevant report issued by HMICFRS that relates to Thames Valley Police, together with any comments submitted by the Chief Constable and any response that the PCC has to the comments submitted to him by the Chief Constable. The PCC is also required to send a copy of any such published documents to the Secretary of State.
- 3.19 Relevant information shall be provided to members of the Joint Independent Audit Committee.

Scheme of Corporate Governance 2018/19

Definitions within this Scheme of Governance

- 1. The Police and Crime Commissioner shall be referred to as the PCC
- The PCC's Chief Finance Officer shall be referred to as the PCC CFO
- 3. The Chief Constable's Chief Finance Officer (CC CFO) is the Director of Finance
- 4. The 'Force' shall refer to the Chief Constable, police officers, police civilian staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family under the Chief Constable's direction and control
- 5. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders

This scheme sets out the common understanding and agreement of the PCC and Chief Constable as to the ways in which certain functions will be governed and managed.

The scheme includes, but is not limited to, formal delegations by the PCC and the Chief Constable. It also includes activities where the Chief Constable acts in his own right and/or pursuant to the duty to exercise his power of direction and control in such a way as is reasonable to assist the PCC to exercise his functions.

Delegation

The PCC may not arrange for any constable or any person employed by the Chief Constable to exercise any of the PCC's functions (section 18 PRSRA). Under this scheme, there is no formal delegation of any function from the PCC to any constable or member of police staff. Where this scheme refers to a delegation, that is a reference to a delegation of a function or power:

- (a) By the PCC to the Deputy PCC or to a member of his own staff; or
- (b) By the Chief Constable to another police officer or member of police civilian staff

Chief Constable's own functions

The statutory restriction on delegation does not prevent the Chief Constable carrying out functions in his own right. That is a wide-ranging power: in addition to broad functions of keeping the peace and enforcing the law, the Chief Constable also has the power "to do anything which is calculated to facilitate, or is conducive or incidental to, to the exercise of [his] functions". This scheme also deals with the ways in which certain of the Chief Constable's functions will be exercised in such a way as is reasonable to assist the PCC to exercise his functions. For the avoidance of doubt, these are not delegations from the PCC. Nothing in this scheme is intended to fetter the Chief Constable's operational independence.

Consent

There are certain statutory restrictions on the Chief Constable's power to exercise certain functions in his own right: the Chief Constable may not acquire or dispose of land, and needs the consent of the PCC to enter into contracts and to acquire or dispose of property. This scheme also sets out the conditions on which the PCC has given consent to the Chief Constable to enter into contracts and to acquire or dispose of property (other than land²). For the avoidance of doubt, this is not a delegation from the PCC – it is the PCC giving consent to the Chief Constable to exercise certain functions in his own right, subject to compliance with this Scheme.

The PCC for Thames Valley gives consent to the Chief Constable of TVP to enter into contracts and to acquire or dispose of property, other than land, subject to the requirements of Financial Regulations, including Contract Regulations

Key Principles

Officers and staff of the Chief Constable may assist the PCC to exercise his functions; indeed the Chief Constable is under a statutory duty to exercise direction and control in such a way as is reasonable to give that assistance. This scheme sets out some of the ways in which that assistance will be given. For the avoidance of doubt, these are not delegations from the PCC.

The statutory officers are responsible for ensuring that members of staff they supervise are aware of and comply with the provisions and obligations of this Scheme of Delegation

The PCC must not restrict the operational independence of the police force and the Chief Constable who leads it.

To enable the PCC to exercise the functions of his office effectively he will need reasonable access to information held by the Force and police officers and civilian staff employed by the Chief Constable. This access must not be unreasonably withheld or obstructed by the Chief Constable or any of his employees. The importance of this requirement is reflected in the Information Sharing Agreement.

² Land includes the buildings thereon

1. Introduction

- 1.1 The <u>Statement of Corporate Governance</u> gives clarity to the way the two corporations sole (i.e. PCC and Chief Constable) will govern both jointly and separately to ensure they are conducting business in the right way, for the right reason at the right time.
- 1.2 The <u>Code of Corporate Governance</u> describes the strategies, arrangements, instruments and controls to ensure good governance in the two corporations sole.
- 1.3 This <u>Scheme of Corporate Governance</u> sets out the delegations from the PCC and the Chief Constable to their respective staff, and should be read alongside the aforementioned Statement and Code. In addition, it incorporates other instruments such as the financial regulations and standing orders relating to contracts.
- 1.4 This Scheme aims to clarify those powers which, for the benefit of good business practice, are given to the statutory officers. The PCC and Chief Constable may limit these powers and/or remove delegation.
- 1.5 This Scheme provides a framework which ensures business is carried out lawfully and efficiently, ensuring that decisions are not unnecessarily delayed and are taken at the appropriate level. It forms part of the overall corporate governance framework of the two corporations sole.
- 1.6 Powers are given to the PCC and Chief Constable by laws, orders, rules or regulations. Also, national conditions of employment give powers to the PCC and/or the Chief Constable or, as in the case of police regulations, the Secretary of State for the Home Department.
- 1.7 Any powers or duties placed on other statutory officers should be exercised lawfully in accordance with the PCC's and Chief Constable's respective delegations, standing orders and financial regulations, and also relevant policies, procedures, plans, strategies and budgets
- 1.8 This Scheme does not identify all the statutory duties which are contained in specific laws and regulations, however it provides the framework in which the various duties and powers are exercised.

2. General principles of delegation

- a. The persons appointed as the PCC's Chief Executive (who will also be the Monitoring Officer) and the Chief Finance Officer have statutory powers and duties relating to their positions and therefore, do not rely on matters being delegated to them to carry out these specific powers and duties.
- b. This scheme provides an officer with the legal authority to carry out appropriate duties of the PCC and/or Chief Constable. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including:
 - The Police Reform and Social Responsibility Act 2011 and other relevant legislation issued under this Act (e.g. Policing Protocol Order 2011)
 - Financial Regulations
 - Contract Regulations
 - Home Office Financial Management Code of Practice

- CIPFA Statement on the role of the Chief Financial Officer of the PCC and the Chief Finance Officer of the Chief Constable
- The PCC and Chief Constable's joint governance framework
- The PCC's and Thames Valley Police policies and procedures.
- All data protection legislation (including the Data Protection Act 1998 and any successor legislation, and specifically including the General Data Protection Regulation when in force on 25 May 2018) and the Freedom of Information Act 2000
- Health and safety at work legislation and codes
- The Code of Ethics
- c. This Scheme is a record of the formal delegations that are in effect at the time of its publication. The PCC and Chief Constable's joint governance framework, including this Scheme will be reviewed at least annually. With the exception, of those matters listed in paragraph 4.6, any person to whom a power is delegated under this scheme may subdelegate that power as they deem appropriate. The formal responsibility and accountability to the PCC or Chief Constable for the effective discharge of such sub-delegated powers remains in law with the person to whom the power was delegated by the PCC or Chief Constable.
- d. The PCC and/or Chief Constable may ask that a specific matter be referred to them for a decision and not be dealt with under powers of delegation.
- e. The scheme does not attempt to list all matters which form part of everyday management responsibilities.
- f. Giving delegation to officers under this scheme does not prevent an officer from referring the matter to the PCC and/or Chief Constable for a decision if the officer thinks this is appropriate (for example, because of sensitive community and stakeholder issues or any matter which may have a significant operational, political, reputational or financial implications).
- g. All decisions officers make under formal powers delegated to them by the PCC and/or Chief Constable must be recorded and be available for inspection.
- h. The PCC and Chief Constable may set out their reporting arrangements on actions undertaken by their own staff in respect of the use of powers delegated to them.

3. Financial Regulations, including Contract Regulations

- 3.1 Financial regulations explain the working financial relationship between the PCC, the Chief Constable and their respective chief finance officers, having regard also to the role played by the Chief Executive. A copy is attached at Appendix 3.
- 3.2 Financial Regulations ensure that financial dealings are conducted properly and in a way which incorporates recognised best practice and focuses on bringing operational and financial management together with timely and accurate financial information. They also include sufficient safeguards for both chief finance officers who are responsible for ensuring that the financial affairs of the PCC and police force are properly administered to discharge their statutory obligations.

3.3 Embedded within Financial Regulations are the Contract Regulations which is a single set of standing orders relating to contracts. These regulations explain the procedures to be followed for procurement, tenders and contracts, including tender thresholds and authorisation levels.

4. Role of the PCC

- 4.1 The details of the role of the PCC can be found in the Code of Corporate Governance.
- 4.2 The role and primary responsibilities of the PCC includes:
 - Providing a link between the police and the community, which involves obtaining and representing the views of local people, councils and other criminal justice organisations
 - Setting out the strategic policing and crime priorities and objectives through the publication of a Police and Crime Plan
 - Setting out the Force's budget and community safety grants
 - Setting the policing and crime precept
 - Overseeing community safety, the reduction of crime and value for money in policing
 - Commissioning victims' and witness services
 - Holding the Chief Constable to account for the performance of the Force, including that
 of police officers and civilian staff under his direction and control
 - Appointing the Chief Constable (and dismissing them when necessary)
 - Preparing and publishing an annual report on progress in the delivery of the Police and Crime Plan
- 4.3 The PCC owns all land and buildings and will sign contracts in accordance with the requirements of financial regulations. In approving the annual treasury management strategy he approves borrowing limits for both his own office and the Force.
- The PCC will receive government grants and the council tax precept. Other sources of income received by the Force will be paid into the police fund. How this funding is allocated to operational activities is for the Chief Constable to decide in consultation with the PCC, and in accordance with the priorities and objectives set out in the Police and Crime Plan, the Strategic Policing Requirement, or in accordance with any Government grant terms and conditions.
- 4.5 When exercising his duties and functions, the PCC must have regard to the following:
 - The views of the people in Thames Valley, including victims of crime
 - Any report or recommendation made by the Police and Crime Panel in respect of the Police and Crime Plan, the proposed annual precept, and the annual report for the previous financial year.
 - The Police and Crime Plan and any guidance issued by the Secretary of State, including specifically the Strategic Policing Requirement.

(Note: this list is a summary and is not exhaustive)

- 4.6 The PCC may arrange for any person (who is not the Deputy PCC) to exercise any of his functions, with the exception of those listed below:
 - Determining the policing and crime objectives in the Police and Crime Plan
 - Issuing the Police and Crime Plan

- Calculation of the budget requirement
- Appointing or suspending the Chief Constable, or calling upon the Chief Constable to retire or resign
- Attendance at the Police and Crime Panel in compliance with a requirement by the Panel to do so
- Attendance at, and presenting the annual report to, the Police and Crime Panel.
- 4.7 The Police and Crime Panel is a check and balance on the PCC through reviewing and/or scrutinising his decisions and actions, but not those of the Chief Constable.
- 4.8 The PCC will be responsible for handling complaints and conduct matters in relation to the Chief Constable, monitoring the Chief Constable's handling and investigation of complaints against police officers and civilian staff, and complying with the requirements of the Independent Police Complaints Commission.
- 4.9 The PCC has wider community safety, crime reduction and criminal justice responsibilities than those solely relating to the responsibilities and activities of the police force and this is referred to in the Code of Corporate Governance.

5. Role of the deputy PCC

- 5.1 The PCC may appoint a deputy to exercise his functions, with the exception of those which cannot be delegated as defined by the Police Reform and Social Responsibility Act 2011, as listed below:
 - Issuing the Police and Crime Plan
 - Appointing or suspending the Chief Constable, or calling upon the Chief Constable to retire or resign
 - Calculation of the budget requirement.
- 5.2 The formal delegation from the PCC to the Deputy PCC is set out in Appendix 1

6. Role of the PCC's Chief Executive

<u>Introduction</u>

- 6.1 The PCC will appoint a person to be the head of the PCC's staff (referred to as the Commissioner's 'Chief Executive') and to act as the head of the body's paid service under Section 4(1A) of the Local Government and Housing Act 1989.
- 6.2 The Code of Corporate Governance identifies the role of the Chief Executive as the head of the PCC's staff, and is also the Monitoring Officer for the PCC.
- 6.3 The formal delegations from the PCC to the Chief Executive, which are in effect at the time of the publication of this scheme, are listed in Appendix 1. Other key responsibilities are set out below.

General

6.4 To prepare the police and crime plan, in consultation with the Chief Constable, for submission to the PCC, including:

- obtaining the views of the public
- identifying the strategic policing and crime priorities and objectives
- planning how resources will be used
- how services will be commissioned
- development and implementation of performance monitoring and reporting arrangements.
- 6.5 To prepare an annual report for submission to the PCC.
- To provide information to the Police and Crime Panel, as reasonably required to enable the panel to carry out its functions.
- 6.7 To consider whether, in consultation with the PCC's CFO, to provide indemnity to the PCC (and Deputy PCC) in accordance with appropriate statutory provisions and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
- 6.8 To consider and approve, in consultation with the PCC's CFO, provision of indemnity and/or insurance to individual staff of the Commissioner in accordance with appropriate statutory provisions.

Financial

- 6.9 The financial management responsibilities of the Chief Executive are set out in the financial regulations.
- 6.10 To manage the budget of the PCC's office, in consultation with PCC CFO, particularly to:
 - order goods and services and spend on items provided for in the revenue budget.
 - ask for and accept quotations and tenders for goods and services provided for in the revenue budget

Human Resources

- 6.11 To appoint, in consultation with the PCC, staff in the Office of the PCC (OPCC)
- 6.12 To make recommendations to the PCC with regard to OPCC staff terms and conditions of service, in consultation with the PCC CFO as necessary.
- 6.13 To appoint Independent Custody Visitors and terminate appointments if necessary.

<u>Other</u>

- 6.14 To affix the common seal of the PCC to all relevant contracts, agreements or transactions, where sealing is necessary.
- 6.15 To consider and advise the PCC on the handling of any complaint or conduct matter in respect of the Chief Constable including, in consultation with the PCC's Governance Manager, determining whether to record a complaint on behalf of the PCC and to make arrangements for appointing an officer to resolve or investigate the complaint where necessary

- 6.16 To exercise such powers of the police and crime panel as may be delegated by that panel and accepted by the Chief Executive. A police and crime panel may delegate all or any of the powers or duties conferred or imposed on it by The Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2012, with the exception of Part 4 (resolution of other complaints), to the PCC's Chief Executive. The Thames Valley Police and Crime Panel has currently delegated to the Chief Executive, and the Chief Executive has accepted, the initial requirement to record and assess complaints made against the Police and Crime Commissioner to determine whether it is a serious complaint that must be referred to the Independent Office for Police Conduct (IOPC) or if it is to be handled by the Police and Crime Panel itself, under Part 4 of the Regulations, i.e. under the 'informal resolution of other complaints' process.
- 6.17 To respond to consultations on proposals affecting the PCC, if necessary, after first taking the views of the Commissioner, the PCC's CFO and/or the Chief Constable, as necessary and appropriate.
- 6.18 To obtain legal or other expert advice and to appoint legal professionals whenever this is considered to be in the PCC's best interests in the exercise of his functions.
- 6.19 To make appropriate arrangements to gather the community's views on the policing of Thames Valley and preventing crime.
- 6.20 In accordance with the Vetting Code of Practice and Authorised Professional Practice (APP) issued by the College of Policing, and in the chief executive's statutory capacity as the PCC's 'Monitoring Officer', to act:
 - a) as decision-maker for vetting clearance in respect of the Chief Constable, and
 - b) as appeal body in respect of vetting decisions taken by the Chief Constable in respect of other chief officers.

In both cases, the Chief Executive will be advised by, and receive a recommendation from, the Force Vetting Manager (FVM), or the FVM of another force in circumstances where reciprocal arrangements are in place.

7. Role of the PCC's Chief Finance Officer (CFO)

- 1.1 The PCC must appoint a person to be responsible for the proper administration of the PCC's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.
- 1.2 As the Chief Finance Officer to the PCC, the post-holder has a statutory responsibility to manage the PCC's financial affairs in accordance with section 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2015.
- 1.3 The detailed financial management responsibilities of the PCC's CFO, which includes a number of delegated powers, are set out in the financial regulations see section 3.

8. Role of the Chief Constable

8.1 The role of the Chief Constable is referred to in the Code of Corporate Governance but, essentially, the Chief Constable is responsible for maintaining the Queen's peace and for the direction and control of the Force.

- 8.2 The Chief Constable is accountable to the law for the exercise of police powers, and to the PCC for the delivery of efficient and effective policing, and management of resources and expenditure by the police force.
- 8.3 The list of delegations from the Chief Constable to key Force Personnel is attached at Appendix 2.
- 8.4 The Chief Constable shall appoint suitable qualified and experienced heads of department.

9. Role of the Director of Finance

- 9.1 The Chief Constable must appoint a person to be responsible for the proper administration of the Force's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.
- 9.2 As the Chief Finance Officer appointed by the Chief Constable there is a statutory responsibility for the post-holder to manage the Force's financial affairs, in accordance with sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).
- 9.3 The detailed financial management responsibilities of the Director of Finance, which includes a number of delegated powers, are set out in the financial regulations see section 3.

10. Role of the Director of People

- 10.1 To lead the development and implementation of strategies and policies to ensure the effective recruitment, development, deployment and management of police officers and staff and undertake the day to day management of the People Directorate and services in accordance with the financial regulations section 3.
- 10.2 To arrange and/or provide strategic and tactical advice and assistance to the PCC and PCC's Chief Executive on all matters relating to employment of staff, except that where responsibility to both the PCC and the CC may lead to a conflict of interest, the PCC may seek assistance from an independent advisor.

11. Role of the Head of Legal Services

- 11.1 To provide advice to and institute, defend or participate in legal actions on behalf of the Chief Constable.
- 11.2 To provide advice and institute, defend or participate in legal actions on behalf of the PCC when requested to do so and where there is no identifiable conflict of interest between the PCC and the Chief Constable.
- 11.3 Specific delegations from the Chief Constable are set out in Appendix 2

12. Role of the Head of Property Services

12.1 Although the PCC owns all land and buildings the Head of Property Services will undertake the day to day management of the property function subject to the provision of financial regulations, and in accordance with the agreed asset management strategy.

13. Heads of department

- 13.1 In addition to those mentioned above the Chief Constable will appoint appropriate Heads of Department to assist with the governance of the force including but not limited to:
 - Head of Chiltern Transport Consortium
 - Head of ICT
 - Head of Information Management
 - Head of Procurement

14. Urgency provisions

PCC

- 14.1 If any matter which would normally be referred to the PCC (or Deputy PCC) for a decision arises and cannot be delayed, in the absence of the PCC or Deputy PCC the matter may be decided by the appropriate chief officer.
- 14.2 The appropriate chief officers authorised to decide urgent matters are:
 - the Chief Executive (all issues);
 - the PCC's Chief Finance Officer (financial and related issues, and all issues in the absence of the Chief Executive in the post-holders capacity as the designated Deputy Chief Executive)
- 14.3 Urgent decisions taken must be reported to the PCC as soon as practicably possible.

Police Force

14.4 If any matter which would normally be referred to the Chief Constable (or Deputy CC) for a decision arises and cannot be delayed, in the absence of the Chief Constable, or Deputy Chief Constable the matter may be decided by an appropriate member of the Chief Constable's Management Team.

Appendix 1

Delegations from the PCC

To the Deputy PCC

To exercise any function of the PCC with the exception of those referred to in section 18 (7) (a) (e) and (f) of the Police Reform and Social Responsibility Act 2011

To the Chief Executive

- To sign relevant contracts on behalf of the PCC, irrespective of value, once they have been properly approved, except those which are required to be executed under the common seal of the PCC. In these cases the Chief Executive is authorised to sign and affix the seal. In the Chief Executive's absence the PCC's CFO (deputy Chief Executive) and/or the Governance Manager (deputy Monitoring officer) can sign contracts as well as signing and affixing the seal
- To dismiss, in consultation with the Director of People, staff employed by the PCC. (Note: Appeals will heard by the PCC, sitting with an independent person)
- To settle employment tribunal cases and grievances of staff working in the OPCC, in consultation with the Head of Legal Services and the Director of People, with the exception of those cases felt to be exceptional because:-
 - they involve a high profile claimant
 - there is a particular public interest in the case
- To exercise the statutory powers of the PCC as "appropriate authority" for complaints and conduct matters in respect of the Chief Constable including, in consultation with the PCC's Governance Manager, making a recording decision and appointing an officer to resolve or investigate the complaint where necessary
- 5. To approve the settlement of any claim (including Employment Tribunal claims) brought against the Chief Constable or the PCC, or the making of any ex gratia payment, subject to the following limits:
 - £30,000 in the case of any damages payment (where payments are to be made to more than one claimant in the case of any claim, they shall be aggregated for the purposes of calculating the level of payment)
 - £10,000 in the case of any ex gratia payment
- 6. To approve the payment of damages or legal costs incurred personally by police officers and staff in connection with legal proceedings, in consultation with the Chief Constable's Head of Legal Services (subject, in the case of damages payments, to the limits set out in paragraph 5 above). Decisions on approval shall be made in accordance with Home Office Circular 43/2001, or any circular or guidance replacing or supplementing that circular.
- 7. To arrange for the institution of, withdrawal of, defence of, or participation in, legal proceedings on behalf of the PCC.

8. To make temporary appointments as necessary and appropriate to the independent panel members list for police misconduct hearings. In the Chief Executive's absence, the PCC's Governance Manager (Deputy Monitoring Officer) can make these temporary appointments.

Delegations from the Chief Constable

It is recognised that, unless a power or function of the Chief Constable must, as a matter of law, be exercised personally by him; such functions or powers need not be exercised by the Chief Constable personally but may be exercised on his behalf by such officers and staff as the Chief Constable thinks fit. There are numerous functions and powers of the Chief Constable which, as a matter of inevitable everyday practice, are in fact exercised on his behalf by other officers and members of staff. Case law recognises that where the responsibilities of an office created by statute are such that delegation is inevitable, there is an implied power to delegate. In such circumstances, there is a presumption that, where statutory powers and duties are conferred, there is a power to delegate the same unless the statute conferring them expressly or by implication provides to the contrary.

The specific delegations set out in this Appendix are not, therefore intended to be an exhaustive list of the functions and powers of the Chief Constable which may be exercised on his behalf by another person. However, where the delegation of a specific function or power is set out in this Appendix, it must only be exercised as provided for in this Appendix (unless specifically agreed otherwise by both Chief Constable and PCC) and in accordance with any relevant force policy. For the avoidance of doubt, however, nothing in this Appendix precludes any function or power being exercised by the Chief Constable personally, or by the Deputy Chief Constable on his behalf (to whom the functions and powers below are delegated in so far as it is necessary to do so). Also for the avoidance of doubt, any person to whom the functions and powers below are delegated may sub-delegate as they deem appropriate in accordance with the provisions of paragraph 2c of this Scheme of Governance

The delegation by the Chief Constable of his functions as "appropriate authority" for the purposes of legislation relating to complaints and conduct matters is dealt with in a separate document dated [] as reviewed and amended from time to time.

To the Director of People

- To make decisions on behalf of the Chief Constable and the PCC under the powers delegated in Police Pension Regulations (Except in relation to Regulation A20 (retention)) and Police (Injury Benefits) Regulations, subject to the concurrence of the Director of Finance in relation to any decision that may result in additional cost to the Force. <u>Note:</u> The Deputy Chief Constable will continue to have delegated authority to take decisions in respect of Regulation A20 (retention).
- 2. Managing posting, secondment and corporate special leave decisions
- 3. Extending the payment of sick pay beyond the contractual entitlement (in the case of police staff) or beyond the entitlement in Police Regulations (in the case of police officers) in accordance with (as applicable) police staff terms and conditions, Police Regulations and Home Office Guidance
- 4. Decisions relating to Police Staff suspensions and dismissal from employment

- 5. The exercise of discretion in relation to police officer and police staff payments in accordance with Police Regulations, PNB, TVP policy and legislation
- 6. Determination of Job Evaluation appeals
- 7. The payment of removal allowances, housing and relocation costs for senior officers and staff and hard to recruit specialist roles.
- 8. To make decisions on behalf of the Chief Constable on all matters under powers delegated in the Local Government Pension Scheme not specifically listed in the TVP Local Government Pensions Scheme (LGPS) discretions policy and to implement the TVP Local Government Pensions Scheme (LGPS) discretions policy in accordance with the specific delegations set out in that policy.

To the Force Head of Legal services

- 9. The authority to approve the settlement of any claim (including Employment Tribunal claims) brought against the Chief Constable or the PCC, or the making of any ex gratia payment, subject to the following conditions
 - a. Any damages payment of more than £10,000 must be approved by the PCC's Chief Executive or Chief Finance Officer
 - b. Any damages payment of more than £30,000 must be approved by the PCC
 - c. Any ex gratia payment of more than £10,000 must be approved by the PCC
 - d. Where the prior approval of insurers is required, this is obtained prior to the approval of any settlement

Note: for the purposes of section 88(2)(b) of the Police Act 1996, and paragraph 8(c) of Schedule 2 to the Police Reform and Social Responsibility Act 2011, the PCC approves the settlement of any claim made in accordance with the above authority and conditions

Appendix 3

FINANCIAL REGULATIONS

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OVERVIEW

- 1. Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds. In addition, the Home Office has issued a Financial Management Code of Practice under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39 of the Police Act 1996 which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners (PCCs) and Chief Constables.
- 2. Each PCC and their respective Chief Constable is established in law as a corporation sole within the 2011 Act. As such, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. Staff of the PCC are accountable to the directly elected holder of that office.
- 3. The public accountability for the delivery and performance of the police service is placed into the hands of the PCC on behalf of their electorate. The PCC draws on their mandate to set and shape the strategic objectives of their force area in consultation with the Chief Constable. They are accountable to the electorate; the Chief Constable is accountable to their PCC. The Police and Crime Panel within each force area is empowered to maintain a regular check and balance on the performance of the PCC in that context.
- 4. The PCC within each force area has a statutory duty and electoral mandate to hold the police to account on behalf of the public.
- 5. The PCC may appoint a Deputy PCC who may exercise any function of the PCC
- 6. The PCC is the recipient of all funding, including the government grant and precept and other sources of income, related to policing and crime reduction and all funding for a force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.
- 7. The PCC and the Chief Constable are both required to appoint a chief finance officer.
- 8. To conduct its business effectively, TVP needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. The Regulations contained herein have been drawn up in such a way as to ensure that the financial matters of TVP are conducted properly and in compliance with all necessary requirements.
- 9. The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
- 10. A modern organisation should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.

DEFINITIONS WITHIN THE REGULATIONS

- 11. For the purposes of these Regulations TVP, when used as a generic term, shall refer to:
 - > The PCC
 - > The Chief Constable
 - > The Office of the PCC (OPCC)
 - The Force
- 12. The PCC's chief finance officer is referred to as the PCC CFO.
- 13. The Chief Constable's chief finance officer is the Director of Finance
- 14. The Chief Executive also fulfils the monitoring officer role
- 15. The OPCC shall refer to the PCC, Deputy PCC and all members of staff reporting directly to the PCC
- 16. The 'Force' shall refer to the Chief Constable, police officers, police staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family under his direction.
- 17. Chief Officers when referred to as a generic term shall mean the Chief Executive, PCC CFO, Chief Constable, Director of Finance and all other members of the Chief Constable's Management Team.
- 18. 'Employees' when referred to as a generic term shall refer to police officers, police staff (Force and OPCC) and other members of the wider police family.
- 19. The expression 'authorised officer' refers to employees authorised by a chief officer.
- 20. The expression 'contract' refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the PCC, the Force or their affiliated bodies.
- 21. The expression 'best value for money' shall mean the most cost effective means of meeting the need and takes account of whole life costs.
- 22. The expression 'he' shall refer to both male and female.
- 23. Within these Regulations, most of the references have been made to the responsibilities of the Chief Constable since most of the day to day financial management is vested with that post. However, where resources are under the control of the Chief Executive or PCC CFO, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Executive or PCC CFO.
- 24. The terms Chief Constable, Director of Finance, Chief Executive and PCC CFO include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level, and the member of staff given sufficient authority, training and resources to undertake the duty in hand.

STATUS

- 25. These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework of TVP that includes the Policing Protocol, codes of conduct and the scheme of governance.
- 26. The PCC, Chief Constable and all employees have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
- 27. Financial Regulations explain the working financial relationship between the PCC and the Chief Constable and their respective chief financial officers, having regard also to the role played by the PCCs Chief Executive.
- 28. The PCC and Chief Constable are jointly responsible for approving or amending Financial Regulations. The PCC CFO and Director of Finance are jointly responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the PCC and Chief Constable, after consulting with the Chief Executive.
- 29. More detailed Financial Instructions to supplement these Regulations, shall be issued by the Chief Constable after consultation with the PCC CFO and Chief Executive.
- 30. Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with.
- 31. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the PCC CFO and/or Director of Finance who shall determine, after consulting with the Chief Executive, whether the matter shall be reported to the PCC and/or Chief Constable.
- 32. The PCC, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues also see section 2 in the Scheme of Corporate Governance.
- 33. These Financial Regulations (including contract regulations) apply to all activities undertaken by TVP including those where TVP is the lead force in a collaboration or partnership activity, irrespective of where the funding for the activity comes from (e.g. Government grants, contributions from partners, fees and charges etc.)

CONTENT

34. The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority. These are also summarised in Section 7.

Section 1 - Financial managementSection 2 - Financial planning

Section 3 - Management of risk and resources

Section 4 - Systems and procedures

External arrangements Contract regulations Summary of delegated limits Section 5 Section 6 **V V V**

Section 7

1.1 FINANCIAL MANAGEMENT

The Police and Crime Commissioner (PCC)

- 1.1.1 The PCC has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the police to account on behalf of the public. The PCC is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The statutory officers of the Chief Constable and the PCC will provide professional advice and recommendations.
- 1.1.2 The PCC shall appoint a Chief Financial Officer (the PCC CFO) to be responsible for the proper administration of the commissioners financial affairs. He shall also appoint a Chief Executive who shall act as the PCC's monitoring officer.
- 1.1.3 The PCC is responsible for approving the policy framework and budget, monitoring financial outcomes and the approval of medium term financial plans in consultation with the Chief Constable. He is responsible for approving the overall framework of accountability and control, and monitoring compliance. In relation to these Financial Regulations this includes:
 - Police and Crime Plan
 - Financial strategy
 - Annual revenue budget
 - Capital programme
 - Medium term financial forecasts
 - > Treasury management strategy, including the annual investment strategy
 - Asset management strategy
 - Risk management strategy
 - Governance policies
- 1.1.4 The PCC is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
- 1.1.5 The PCC is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
- 1.1.6 The PCC shall provide his chief finance officer with such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed
- 1.1.7 The PCC may appoint a Deputy PCC (DPCC) for that area and arrange for the DPCC to exercise any function of the PCC

The Deputy Police and Crime Commissioner (DPCC)

- 1.1.8 The DPCC may exercise any function lawfully conferred on him by the PCC. Under the Police Reform and Social Responsibility Act 2011, the DPCC may not:
 - Issue the Police and Crime Plan
 - Appoint or suspend the Chief Constable, or call upon the Chief Constable to retire or resign

Calculate the budget requirement

The Chief Constable

- 1.1.9 The Chief Constable is responsible for maintaining the Queen's Peace and has direction and control over the Force's officers and staff. The Chief Constable holds office under the Crown, but is appointed by the PCC.
- 1.1.10 The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, his constables and staff, remain operationally independent in the service of the public.
- 1.1.11 To help ensure the effective delivery of policing services the Chief Constable employs all constables and staff within the force and has day to day responsibility for financial management of the force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.
- 1.1.12 The Chief Constable shall appoint a Chief Finance Officer (Director of Finance) to be responsible for the proper administration of the Chief Constable's financial affairs.
- 1.1.13 The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The Chief Constable will discharge this through the Director of Finance who will lead for the force on financial management.
- 1.1.14 When the Chief Constable intends to make significant change of policy or seeks to move significant sums of their budget then the approval of the PCC should be sought.
- 1.1.15 The Chief Constable shall provide the Director of Finance with such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed
- 1.1.16 The Chief Constable is responsible for the day to day financial management of the Force within the framework of the budget, rules of virement and reporting arrangements. In operating day to day financial management, the Chief Constable shall comply with the approved policies and framework of accountability.
- 1.1.17 The Chief Constable shall prepare Financial Instructions to supplement the Financial Regulations and provide detailed instructions on the operation of the specific financial processes delegated to the Chief Constable. The Chief Constable shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.

The Joint Independent Audit Committee

1.1.18 The Home Office Financial Management Code of Practice states that the PCC and Chief Constable should establish an independent audit committee. This should be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable. This committee will advise the PCC and the Chief Constable according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices. In establishing the Audit Committee the PCC and Chief Constable shall have regard to CIPFA Guidance on Audit Committees.

- 1.1.19 The Audit Committee shall comprise between three and five members who are independent of the PCC and the Force.
- 1.1.20 The Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis
- 1.1.21 The PCC and Chief Constable shall be represented at all meetings of the Audit Committee.

The PCC CFO

- 1.1.22 The PCC CFO has a statutory responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
- 1.1.23 The PCC CFO's statutory responsibilities are set out in:
 - Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011
 - Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
 - ➤ The Accounts and Audit Regulations 2015
- 1.1.24 The PCC CFO is the PCC's professional adviser on financial matters and shall be responsible for:
 - ensuring that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date;
 - ensuring regularity, propriety and Value for Money (VfM) in the use of public funds;
 - ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges;
 - Reporting to the PCC, the Police and Crime Panel and to the external auditor:
 - any unlawful, or potentially unlawful, expenditure by the PCC or officers of the PCC;
 - when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure;
 - advising the PCC on the robustness of the estimates and the adequacy of financial reserves;
 - preparing the annual statement of accounts for the PCC and Group, in conjunction with the Director of Finance
 - ensuring the provision of an effective internal audit service, in conjunction with the Director of Finance:
 - > securing the treasury management function, including loans and investments;
 - advising, in consultation with the Chief Executive on the safeguarding of assets, including risk management and insurance
 - arranging for the determination and issue of the precept
 - liaising with the external auditor; and
 - advising the PCC on the application of value for money principles by the police force to support the PCC in holding the chief constable to account for efficient and effective financial management.
- 1.1.25 The PCC CFO, in consultation with the Chief Executive, Director of Finance and/or Chief Constable as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of TVP.

- 1.1.26 The PCC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the PCC on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the PCC's accounts, including group accounts.
- 1.1.27 The PCC CFO is the PCCs professional adviser on financial matters. To enable him to fulfil these duties and to ensure the PCC is provided with adequate financial advice the PCC CFO:
 - must be a key member of the PCC's Leadership Team, working closely with the Chief Executive, helping the team to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;
 - must be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the PCC, to ensure that the financial aspects of immediate and longer term implications, opportunities and risks are fully considered, and alignment with the PCC's financial strategy;
 - must lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
 - > must ensure that the finance function is resourced to be fit for purpose.

The Director of Finance

- 1.1.28 The Director of Finance is the Chief Constable's Chief Finance Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer
- 1.1.29 The Director of Finance is responsible to the Chief Constable for all financial activities within the Force or contracted out under the supervision of the Force.
- 1.1.30 The Director of Finance's responsibilities are set out in:
 - Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011
 - Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
 - ➤ The Accounts and Audit Regulations 2015
- 1.1.31 The Director of Finance is responsible for:
 - ensuring that the financial affairs of the force are properly administered and that these financial regulations are observed and kept up to date;
 - Reporting to the Chief Constable, the PCC, the PCC CFO and to the external auditor:
 - any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable;
 - when it appears that any expenditure of the Chief Constable is likely to exceed the resources available to it to meet that expenditure
 - advising the Chief Constable on value for money in relation to all aspects of the force's expenditure;
 - advising the Chief Constable and the PCC on the soundness of the budget in relation to the force:

- liaising with the external auditor;
- working with the PCC CFO's staff to produce the statement of accounts for the Chief Constable and to assist in the production of group accounts for TVP.
- 1.1.32 The Director of Finance has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the force on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Chief Constable's accounts. The Director of Finance will need to observe the locally agreed timetable for the compilation of the group accounts by the PCC CFO.
- 1.1.33 The Director of Finance is the Chief Constable's professional adviser on financial matters. To enable her to fulfil these duties the Director of Finance:
 - must be a key member of the Chief Constable's Management Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;
 - must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the Chief Constable to ensure immediate and longer term implications, opportunities and risks are fully considered;
 - must lead the promotion and delivery by the Chief Constable of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
 - > must ensure that the finance function is resourced to be fit for purpose.
- 1.1.34 It must be recognised that financial regulations cannot foresee every eventuality. The Director of Finance, in consultation with the PCC CFO, shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.

The Chief Executive

- 1.1.35 The Chief Executive is responsible for the leadership and general administration of the PCC's office
- 1.1.36 The Chief Executive is also the PCC's designated monitoring officer, appointed under section 5(1) of the Local Government and Housing Act 1989.
- 1.1.37 The monitoring officer is responsible for:
 - ensuring the legality of the actions of the PCC and his officers.
 - ensuring that procedures for recording and reporting key decisions are operating effectively
 - advising the PCC and officers about who has authority to take a particular decision
 - advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework
 - advising the PCC on matters relating to standards of conduct

1.2 FINANCIAL MANAGEMENT STANDARDS

Why is this important?

1.2.1 The PCC, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

Responsibilities of the PCC CFO and Director of Finance

- 1.2.2 To ensure the proper administration of the financial affairs of TVP
- 1.2.3 To ensure that proper practices are adhered to
- 1.2.4 To advise on the key strategic controls necessary to secure sound financial management
- 1.2.5 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators
- 1.2.6 To ensure that all staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- 1.2.7 To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.

1.3 ACCOUNTING RECORDS AND RETURNS

Why is this important?

1.3.1 The PCC and Chief Constable will help discharge their responsibility for stewardship of public resources by maintaining proper accounting records and effective reporting arrangements. The PCC and Chief Constable have a statutory responsibility to prepare their own annual accounts to present fairly their operations during the year. These are subject to external audit. This audit provides assurance that the two separate sets of accounts have been prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of TVP resources.

Joint Responsibilities of the PCC CFO and Director of Finance

- 1.3.2 To determine the accounting procedures and records for TVP, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the Chief Constable. All employees shall operate within the required accounting policies and published timetables.
- 1.3.3 To make proper arrangements for the audit of the PCC, Force and Group accounts in accordance with the Accounts and Audit Regulations 2015.
- 1.3.4 To ensure that all claims for funds including grants are made by the due date
- 1.3.5 To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis
- 1.3.6 To prepare and publish the audited accounts in accordance with the statutory timetable.

Responsibilities of the Director of Finance

- 1.3.7 To obtain the approval of the PCC CFO before making any fundamental changes to accounting records and procedures or accounting systems
- 1.3.8 To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis
- 1.3.9 To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements

1.4 THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

- 1.4.1 The PCC and Chief Constable have a statutory responsibility to prepare their own accounts to present fairly their operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The accounts will comprise separate statements for the PCC, Chief Constable as well as group accounts covering both entities.
- 1.4.2 The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of TVP resources.

Joint Responsibilities of the PCC CFO and Director of Finance

- 1.4.3 To agree and publish the timetable for final accounts preparation
- 1.4.4 To select suitable accounting policies and apply them consistently
- 1.4.5 To make judgements and estimates that are reasonable and prudent
- 1.4.6 To comply with the Code of Practice on Local Authority Accounting
- 1.4.7 To prepare, sign and date the separate statement of accounts, stating that they present fairly the financial position of the PCC, Force and Group at the accounting date and their income and expenditure for the financial year just ended
- 1.4.8 To publish the audited accounts each year, in accordance with the statutory timetable
- 1.4.9 To produce summary accounts for publication on the website

Responsibilities of the PCC and Chief Constable

1.4.10 To consider and approve their annual accounts in accordance with the statutory timetable.

2.1 FINANCIAL PLANNING

Why is this important?

- 2.1.1 TVP is a complex organisation responsible for delivering a range of policing activities. It needs to develop systems to enable resources to be allocated in accordance with priorities. Financial planning is essential if it is to function effectively
- 2.1.2 The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives
- 2.1.3 The planning process should be continuous and the planning period should cover at least 3 years. The process should include a more detailed annual plan the budget, covering the forthcoming financial year. This allows the PCC and Force to plan, monitor and manage the way funds are allocated and spent.
- 2.1.4 It is recognised that the impact of financial planning in the police service will be constrained by the quality and timeliness of information made available by central government on resource allocation.

Financial Strategy

2.1.5 The financial strategy explains how the PCC and Chief Constable will structure and manage their finances to support delivery of the aims and objectives of the service, as set out in the PCC's Police and Crime Plan and the Force Commitment, and to ensure sound financial management and good stewardship of public money.

Responsibilities of the PCC CFO and Director of Finance

2.1.6 To review and update, on an annual basis, the financial strategy

Responsibility of the PCC

2.1.7 To approve the annual financial strategy

Medium Term Financial Planning

2.1.8 The PCC and Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term. They achieve this by preparing a medium term (3-5 years) financial plan (revenue) and medium term capital plan.

Responsibilities of the PCC

2.1.9 To identify and agree, in consultation with the Chief Constable and other relevant partners and stakeholders, a medium term financial strategy which includes funding and spending plans for both revenue and capital. The strategy should take into account multiple years, the inter-dependencies of revenue budgets and capital investment, the role of reserves and consideration of risks. It should have regard to affordability and also to CIPFA's Prudential Code for Capital Finance in Local authorities. The strategy should be aligned with the Police and Crime Plan.

Responsibilities of the PCC CFO and Director of Finance

- 2.1.10 To determine the format and timing of the medium term financial plans to be presented to the Chief Constable and PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
- 2.1.11 To prepare a medium term forecast of proposed income and expenditure for submission, initially to the Chief Constable's Management Team, and then to the PCC. When preparing the forecast, the PCC CFO and Director of Finance shall have regard to:
 - > the police and crime plan
 - > Force commitment
 - policy requirements approved by the PCC as part of the policy framework
 - > the strategic policing requirement
 - unavoidable future commitments, including legislative requirements
 - initiatives already underway
 - revenue implications of the draft medium term capital plan
 - proposed service developments and plans which reflect public consultation
 - the need to deliver efficiency and/or productivity savings
 - government grant allocations
 - potential implications for local taxpayers
- 2.1.12 To prepare a medium term forecast of potential resources, including options for the use of general balances, reserves and provisions, and an assumption about future levels of government funding.
- 2.1.13 A gap may be identified between available resources and required resources. Requirements should be prioritised by the Chief Constable to enable the PCC to make informed judgements as to future funding levels and planning the use of resources.

Annual Revenue Budget

- 2.1.14 The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the PCCs strategic policies. It provides Chief Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the PCC and the Force.
- 2.1.15 The PCC should consult with the Chief Constable and other relevant partners and stakeholders in planning the overall annual budget which will include a separate force budget allocation. This will take into consideration funding from government and from other sources, and balance the expenditure needs of the policing service, community safety and victims and witnesses against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget (Local Government Act 2003) and be completed in accordance with the statutory timeframe.
- 2.1.16 The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the medium term financial strategy should be clearly identified.

Responsibilities of the PCC

2.1.17 To agree the planning timetable with the Chief Constable

- 2.1.18 To obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates.
- 2.1.19 To present his proposed council tax precept to the Police and Crime Panel each year and to have regard to any report or recommendation that the Panel makes in response.

Responsibilities of the PCC CFO

- 2.1.20 To determine the format of the revenue budget to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA
- 2.1.21 To obtain timely and accurate information from billing authorities on the council taxbase and the latest surplus/deficit position on collection funds to inform budget deliberations
- 2.1.22 To advise the PCC on the appropriate level of general balances, earmarked reserves and provisions to be held.
- 2.1.23 To submit a report to the PCC on (1) the robustness of the estimates and the adequacy of reserves and (2) the suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in Local Authorities. These indicators shall be consistent with the annual revenue budget and capital programme approved by the PCC.
- 2.1.24 Upon approval of the annual budget, to submit the council tax requirement return to central government and precept requests to appropriate bodies in accordance with the legal requirement.
- 2.1.25 To produce and publish, in accordance with statutory requirements and timescales, the council tax information leaflet and send a web-link to the billing authorities.

Responsibilities of the Director of Finance

- 2.1.26 To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the PCC CFO.
- 2.1.27 To submit draft budget proposals to the Chief Constable's Management Team to obtain approval from the Chief Constable
- 2.1.28 To submit estimates in the agreed format to the PCC for approval, including details of council tax implications and precept requirements.

2.2 BUDGETARY CONTROL

Why is this important?

- 2.2.1 Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling both the Chief Constable and PCC to review and adjust their budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- 2.2.2 The key controls for managing and controlling the revenue budget are that:
 - a) there is a nominated budget manager for each cost centre heading who is accountable for the budgets under his direct control; and
 - b) the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures

Revenue Monitoring

Why is this important?

2.2.3 By continuously identifying and explaining variances against budgetary targets, TVP can identify changes in trends and resource requirements at the earliest opportunity. The PCC and Chief Constable both operate within an annual cash limit, approved when setting the annual budget. To ensure that TVP in total does not overspend, the Director of Finance and PCC CFO are required to manage expenditure within their budget allocations, subject to the rules of virement.

Responsibilities of the Director of Finance

- 2.2.4 To provide appropriate financial information to enable budgets to be monitored effectively.
- 2.2.5 To ensure that each element of income or expenditure has a nominated budget manager to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision making process that commits expenditure.
- 2.2.6 To ensure that total spending for operational policing remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Constable, both the PCC CFO and PCC shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the PCC. The same responsibilities apply to the Chief Executive and the PCC CFO for their budgets.
- 2.2.7 To submit a budget monitoring report to the Chief Constable's Management Team and the PCC on a regular basis throughout the year, containing the most recently available financial information.

<u>Virement</u>

Why is this important?

- 2.2.8 A virement is an approved reallocation of resources between budgets or heads of expenditure. A budget head is a line in the approved budget report. The scheme of virement is intended to enable chief officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.
- 2.2.9 The Chief Constable should only be required to refer back to the PCC when virement would incur substantive changes in the policy of the PCC or where a virement might create a future year or continuing commitment. Revenue expenditure can only be funded from revenue funding.
- 2.2.10 Key controls for the scheme of virement are:
 - a) it is administered by chief officers in accordance within the limits set out in Financial Regulations. Any variation from this scheme requires the approval of the PCC
 - b) the overall budget is agreed by the PCC. Chief officers and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget
 - c) virement does not create additional overall budget liability.
 - d) each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring.

Responsibilities

- 2.2.11 The Chief Constable may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC approval where the proposed transfer exceeds £250,000.
- 2.2.12 The Director of Finance can approve any virement where the additional costs are fully reimbursed by other bodies.
- 2.2.13 For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels

Force Budget

Up to £ 1,000,000Director of FinanceOver £1,000,000PCC or PCC CFO

PCC's own budget

 Up to £250,000
 PCC CFO

 Over £250,000
 PCC

2.2.14 The approval of the PCC CFO (or PCC depending on value) is required if an appropriation to/from earmarked revenue reserves or general revenue reserves is being sought, or the value of an existing appropriation is being amended.

- 2.2.15 The approval of the PCC shall be required if the virement involves:
 - a) a substantial change in policy
 - b) a significant addition to commitments in future years
 - c) where resources to be transferred were originally provided to meet expenditure of a capital nature

2.3 CAPITAL PROGRAMME

Why is this important?

- 2.3.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to TVP such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs.
- 2.3.2 TVP is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. CIPFA's Prudential code sets out the framework under which the Force and PCC will consider their spending plans.
- 2.3.3 The capital programme is linked to the approved financial strategy.
- 2.3.4 A medium term capital plan will be produced, in accordance with the financial strategy, which shows all planned capital investment over the next 3-4 years. This plan will include a schedule to show how the planned expenditure will be funded.
- 2.3.5 A separate annual capital budget will be produced before the start of the financial year. Initially, this budget will include ongoing schemes from previous years as well as annual provisions such as vehicles, plant and equipment. Additional schemes from the medium term capital plan will be included in the annual budget after tenders have been accepted and timescales are known.
- 2.3.6 Although TVP procures capital items on behalf of consortium partners, only TVP related expenditure which will be included in the fixed asset register (i.e. including CTPSE) will be included in the medium term capital plan and the annual capital budget.

Responsibilities of the Chief Constable

2.3.7 To develop and implement asset management plans. These will inform the medium term and annual capital programmes.

Responsibilities of the PCC

2.3.8 To approve the estates asset management plan

Medium Term Capital Plan

Responsibilities of the Director of Finance

2.3.9 To prepare a rolling programme of proposed capital expenditure, in accordance with the agreed financial strategy, for initial consideration by the Chief Constable's Management Team and then for presentation to the PCC. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.

- 2.3.10 To prepare project appraisals (i.e. the Business Proposal Form) for all schemes in the draft medium term capital plan. Where appropriate these will be developed jointly with Hampshire Constabulary and/or other partners. These shall be submitted to the PCC CFO and PCC for consideration and scheme approval. This will include all additional revenue and capital costs
- 2.3.11 To identify, in consultation with the PCC CFO, available sources of funding for the medium term capital plan, including the identification of potential capital receipts from disposal of assets.
- 2.3.12 A gap may be identified between available resources and required capital investment. Requirements should be prioritised by the Chief Constable to enable the PCC to make informed judgements as to which schemes should be included in the capital plan, the minimum level of funding required for each scheme and the potential phasing of capital expenditure.
- 2.3.13 A fully funded medium term capital plan shall, on an annual basis, be presented to the PCC for consideration and approval
- 2.3.14 Approval of the medium term capital plan by the PCC in January / February each year authorises the Chief Constable to seek planning permissions, incur professional fees and preliminary expenses as appropriate.

Responsibilities of the PCC CFO

2.3.15 To make recommendations to the PCC on the most appropriate level and application of revenue support, reserves and borrowing, under the Prudential Code, to support the capital plan.

Responsibilities of the PCC

2.3.16 To approve a fully funded medium term capital plan.

Annual Capital Budget

Responsibilities of the PCC

- 2.3.17 To agree the annual capital budget, and how it is to be financed.
- 2.3.18 To prepare and maintain the annual capital budget and hold the Chief Constable to account for delivery of effective capital schemes within budget.

Responsibilities of the Chief Constable

- 2.3.19 To present an annual capital budget to the PCC for approval
- 2.3.20 To ensure expenditure on individual schemes does not exceed the approved scheme budget by more than 10% or £250,000 whichever is the lower amount
- 2.3.21 To ensure that finance leases or other credit arrangements are not entered into without the prior approval of the PCC CFO.

2.3.22 To ensure that, apart from professional fees (e.g. feasibility studies and planning fees) no other capital expenditure is incurred before the contract is let and the scheme is included in the annual capital budget.

Monitoring of Capital Expenditure

Responsibilities of the Director of Finance

- 2.3.23 To ensure that adequate records are maintained for all capital contracts
- 2.3.24 To monitor expenditure throughout the year against the approved capital budget.
- 2.3.25 To submit capital monitoring reports to both the Chief Constable's Management Team and the PCC on a regular basis throughout the year. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved budget.
- 2.3.26 For proposed in-year amendments to the annual capital budget, for schemes not already included in the medium term capital plan, to prepare a business case for submission to the PCC for consideration and approval, including details on how the new scheme is to be funded.

Responsibilities of the PCC CFO and Director of Finance

2.3.27 To report on the outturn of capital expenditure as part of the annual report on the statutory accounts.

2.4 MAINTENANCE OF BALANCES AND RESERVES

Why is this important?

2.4.1 The PCC must decide the level of general reserves he wishes to retain before he can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the organisation to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.

Responsibilities of the PCC CFO

- 2.4.2 To advise the PCC on reasonable levels of balances and reserves.
- 2.4.3 To report to the PCC on the adequacy of reserves and balances before he approves the annual budget and council tax.
- 2.4.4 To approve appropriations to and from each earmarked reserve. These will be separately identified in the Annual Statement of Accounts.
- 2.4.5 To ensure the Annual Reserves Strategy is published on the PCC's website in accordance with Home Office requirements.

Responsibilities of the Director of Finance

- 2.4.6 To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval.
- 2.4.7 To present a business case to the PCC CFO and PCC for one-off expenditure items to be funded from earmarked and/or general reserves.

Responsibilities of the PCC

- 2.4.8 To approve a policy on reserves and balances, including lower and upper parameters for the level of general balances
- 2.4.9 To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established.
- 2.4.10 To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process.

3.1 RISK MANAGEMENT AND BUSINESS CONTINUITY

Why is this important?

- 3.1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks. This should include the proactive participation of all those associated with planning and delivering services.
- 3.1.2 All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of TVP and to ensure the continued corporate and financial wellbeing of TVP. In essence it is, therefore, an integral part of good business practice.
- 3.1.3 Business continuity is a key part of the risk management agenda and is concerned with ensuring that the organisation can continue to operate and deliver its critical services during a period of disruption.

Responsibilities of the PCC and Chief Constable

3.1.4 The PCC and Chief Constable are jointly responsible for approving the risk management policy statement and strategy, and for reviewing the effectiveness of risk management.

Responsibilities of Chief Officers

- 3.1.5 To prepare the TVP risk management policy statement and for promoting a culture of risk management awareness throughout TVP and reviewing risk as an ongoing process.
- 3.1.6 To maintain and/or implement new procedures, as necessary and appropriate, to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis
- 3.1.7 To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis

Responsibilities of the PCC CFO and Director of Finance

- 3.1.8 To advise the PCC and Chief Constable on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.
- 3.1.9 To arrange for an actuary to undertake a regular review of TVP's own self insurance fund and, following that review, to recommend to the Chief Constable and PCC a course of action to ensure that, over the medium term, the fund is able to meet all known liabilities.
- 3.1.10 To ensure that appropriate insurance cover is provided.
- 3.1.11 To ensure that claims made by TVP against insurance policies are made promptly

Responsibilities of the Chief Constable

- 3.1.12 To make all appropriate employees aware of their responsibilities for managing relevant risks
- 3.1.13 To ensure that employees, or anyone covered by TVP insurance, is instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim
- 3.1.14 To ensure that a comprehensive risk register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk

Responsibilities of the Chief Executive

3.1.15 To ensure that a comprehensive risk register is produced for the OPCC and is updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk

Responsibilities of the Chief Executive and Head of Legal Services

3.1.16 To evaluate and authorise any terms of indemnity that TVP is requested to give by external parties.

3.2 INTERNAL CONTROL SYSTEM

Why is this important?

- 3.2.1 Internal control refers to the systems of control devised by management to help ensure TVP objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that TVP assets and interests are safeguarded.
- 3.2.2 TVP is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. TVP has statutory obligations and therefore requires a system of internal control to identify, meet and monitor compliance with these obligations.
- 3.2.3 TVP faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. A system of internal control is necessary to manage these risks. The system of internal control is established in order to provide achievement of:
 - > efficient and effective operations
 - reliable financial information and reporting
 - > compliance with laws and regulations
 - > risk management

Responsibilities of Chief Officers

- 3.2.4 To implement effective systems of internal control, in accordance with advice from the PCC CFO and Director of Finance. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
- 3.2.5 To ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.
- 3.2.6 To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.
- 3.2.7 To produce separate Annual Governance Statements for consideration and approval by the PCC and Chief Constable.
- 3.2.8 To consider and respond promptly to control weaknesses and issues in audit reports and ensure that all critical or significant agreed actions arising from the audit are carried out in accordance with the agreed action plan included in each report.

3.3 AUDIT REQUIREMENTS

Joint Independent Audit Committee

Why is this important?

3.3.1 The purpose of an audit committee is to provide those charged with governance (i.e. the PCC and Chief Constable) independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place

Responsibilities of the PCC and Chief Constable

- 3.3.2 To recruit and appoint 3-5 members of the Committee. These members should be independent of both the PCC and the Force
- 3.3.3 To determine the Committee Terms of Reference
- 3.3.4 To prepare and sign annual letters of representation and submit to the external auditor
- 3.3.5 To receive and act upon the annual assurance statement from the Committee

Internal Audit

Why is this important?

- 3.3.6 Internal audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating the adequacy and effectiveness of internal controls that are in place to manage and mitigate financial and non-financial risk to support delivery of the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 3.3.7 The requirement for an internal audit function for local authorities is either explicit or implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities "make arrangements for the proper administration of their financial affairs". In the Police Service the PCC and Chief Constable are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit Regulations 2015 (as amended) which state that a "relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control". The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the Public Sector Internal Audit Standards.
- 3.3.8 In fulfilling this requirement the PCC and Chief Constable should have regard to the Public Sector Internal Audit Standards.

3.3.9 In addition to enabling the PCC and the Chief Constable to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, internal Audit is needed to satisfy the PCC and the Chief Constable that effective internal control systems are in place.

Responsibilities of the Joint Independent Audit Committee

- 3.3.10 In terms of internal audit the Joint Independent Audit Committee's operating principles will include the following key activities and responsibilities:
 - Advising the PCC and Chief Constable on the appropriate arrangements for internal audit and noting and endorsing the Internal Audit Strategy.
 - Noting and endorsing (but not directing) the internal audit annual programme.
 - Overseeing and giving assurance to the PCC and Chief Constable on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.
 - Considering the Chief Internal Auditor's Annual Report and annual opinion on the internal control environment for the PCC and Force; ensuring appropriate action is taken to address any areas for improvement.
- 3.3.11 To note and endorse the Internal Audit Strategy and Joint Internal Audit Plan, which sets out the joint Internal Audit Team's:
 - objectives and outcomes;
 - Planning methodology;
 - Resources:
 - Annual Plan: and
 - Performance measurements.

Responsibilities of the PCC, Chief Constable, PCC CFO and Director of Finance

- 3.3.12 To ensure the provision of an adequate and effective internal audit service.
- 3.3.13 To ensure that internal auditors, having been security cleared, have the authority to:
 - access TVP premises at reasonable times
 - access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance
 - receive any information and explanation considered necessary concerning any matter under consideration
 - require any employee to account for cash, stores or any other TVP asset under their control
 - access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
- 3.3.14 Internal Audit shall have direct access to all Chief Officers and employees, where necessary, to discharge their responsibilities.

Responsibilities of the PCC CFO and the Director of Finance

- 3.3.15 To approve the annual internal audit plan, having considered the views expressed by stakeholders, including the Joint Independent Audit Committee.
- 3.3.16 To approve in-year variations to the annual internal audit plan.

Responsibilities of the Chief Internal Auditor

- 3.3.17 To prepare in consultation with the PCC, Chief Constable, PCC CFO and Director of Finance an annual audit plan that conforms to the Public Sector Internal Audit Standards, for consideration by the Joint Independent Audit Committee.
- 3.3.18 To attend meetings of the Joint Independent Audit Committee and to present to each Committee a report on the progress in delivering the annual plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.
- 3.3.19 To present an annual report to the Joint Independent Audit Committee, including an opinion on the effectiveness of the internal control environment in TVP.

Responsibilities of Chief Officers

3.3.20 To consider and respond promptly to control weaknesses and issues in audit reports and ensure that all critical or significant agreed actions arising from the audit are carried out in accordance with the agreed action plan included in each report.

Responsibilities of the Director of Finance

- 3.3.21 To ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the PCC CFO and internal audit prior to implementation.
- 3.3.22 To notify the PCC CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of TVP property or resources. Pending investigation and reporting, the Chief Constable should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration. Investigation of internal financial irregularities shall normally be carried out by the Professional Standards Department, who shall consult with the Chief Internal Auditor as appropriate and keep him informed of progress. At the conclusion of the investigation the Chief Internal Auditor shall be informed of the outcome and agree with the Head of Professional Standards and the Director of Finance whether any internal audit review of the internal controls would be beneficial. The operation of this Regulation shall be in accordance with the agreed protocol between the Head of Professional Standards, the Director of Finance and the Chief Internal Auditor.

External Audit

Why is this important?

- 3.3.23 The PCC and the Chief Constable are responsible for selecting and appointing their own external auditor. They may choose to do this by using the Public Sector Audit Appointments (PSAA) Ltd.
- 3.3.24 The external auditor has rights of access to all documents and information necessary for audit purposes.
- 3.3.25 The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, the Audit Commission Act 1998 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires the National Audit Office to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice sets out the auditor's objectives to review and report upon:
 - > the audited body's financial statements
 - aspects of the audited body's arrangements to secure Value for Money.
- 3.3.26 In auditing the annual accounts the external auditor must satisfy themselves, in accordance with Section 5 of the 1998 Act, that:
 - the accounts are prepared in accordance with the relevant regulations;
 - they comply with the requirements of all other statutory provisions applicable to the accounts;
 - proper practices have been observed in the compilation of the accounts; and
 - the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.
- 3.3.27 The 1998 Act sets out other specific responsibilities of the auditor, for example under the section on financial reporting.

Responsibilities of the Joint Independent Audit Committee

- 3.3.28 To approve the annual work plan and fee
- 3.5.1 To receive and respond to the ISA 260 Audit Results report on the financial statements and value for money
- 3.3.29 To receive the annual audit letter

Responsibilities of the PCC CFO and Director of Finance

- 3.3.30 To liaise with the external auditor and advise the PCC and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.
- 3.3.31 To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to TVP premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.

3.3.32 To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner

Responsibilities of the PCC and Chief Constable

3.3.33 To select and appoint the external auditor

3.4 PREVENTING FRAUD AND CORRUPTION

Why is this important?

- 3.4.1 TVP will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside TVP.
- 3.4.2 TVP expectation of propriety and accountability is that the PCC, Chief Constable and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 3.4.3 TVP also expects that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom it comes into contact will act with honesty and integrity.

Responsibilities of the PCC and Chief Constable

- 3.4.4 To approve and adopt a policy on registering of interests and the receipt of hospitality and gifts
- 3.4.5 To maintain an effective anti-fraud and anti-corruption policy, including relevant provisions in the Bribery Act 2010.
- 3.4.6 To ensure that adequate and effective internal control arrangements are in place
- 3.4.7 To maintain a policy for the registering of interests and the receipt of hospitality and gifts covering the PCC, Chief Constable and all employees. A register of interests and a register of hospitality and gifts shall be maintained for the PCC and employees.
- 3.4.8 To adopt and maintain a whistle blowing policy to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity, that they are not malicious and that appropriate action is taken to address any concerns identified. The Chief Constable shall ensure that all employees are aware of any approved whistle blowing policy.
- 3.4.9 To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by the PCC, Chief Constable and all employees.
- 3.4.10 To investigate, as appropriate, all allegations of fraud and corruption.

3.5 ASSETS - Acquisition, Ownership and Disposal

Why is this important?

- 3.5.1 TVP holds assets in the form of land, property, vehicles, equipment, furniture and other items, together worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, that there are arrangements for the security of both assets and information required for service operations and that proper arrangements exist for the disposal of assets. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.
- 3.5.2 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the policies and regulations of the PCC and Chief Constable.

Context

- 3.5.3 The PCC will own all estate assets i.e. land and buildings.
- 3.5.4 The Chief Constable is responsible for the direction and control of the Force and therefore has day-to-day management of all assets used by the Force.
- 3.5.5 The PCC has given consent to the Chief Constable to own, operate and dispose of all non-estate assets (i.e. vehicles, plant and equipment).
- 3.5.6 The Chief Constable should formally consult the PCC in planning the draft budget and developing the medium term financial strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

Responsibilities of the Chief Constable

- 3.5.7 To ensure that the medium term financial plan is reliable and robust and, in particular, to ensure that:
 - a) an estates asset management plan is produced and presented to the PCC for approval
 - b) the property portfolio is managed in accordance with the agreed estates asset management plan and within budgetary provisions, in consultation with the Chief Executive and PCC CFO as appropriate
 - c) lessees and other prospective occupiers of TVP land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate
 - d) an overview of the ICT strategy is produced and presented to the PCC for consideration and endorsement each year

Responsibilities of the PCC

3.5.8 To approve an estates asset management plan, including disposals.

3.5.9 To ensure that the title deeds to TVP property are held securely

Joint responsibilities of the Chief Constable and PCC

3.5.10 To ensure that:

- a) an asset register is maintained to provide TVP with information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements
- b) assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place
- all employees are aware of their responsibilities with regard to safeguarding TVP assets and information, including the requirements of the Data Protection Act and software copyright legislation
- d) assets no longer required are disposed of in accordance with the law and the regulations of the TVP
- e) all employees are aware of their responsibilities with regard to safeguarding the security of TVP ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

Asset Disposal

Consent from the PCC

3.5.11 The PCC has given consent to the Chief Constable to dispose of all non-estate assets (e.g. vehicles, plant and equipment) in accordance with the Financial Strategy.

Responsibilities of the Chief Constable

- 3.5.12 To arrange for the disposal of (without the specific approval of the PCC):
 - a) Non-estate assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the Chief Constable shall consult with the PCC CFO.
 - b) Police houses and other surplus land and buildings with an estimated sale value of less than £500,000. Where this is not the highest offer, the Chief Constable shall consult with the PCC CFO.

Responsibilities of the PCC

3.5.13 To approve the disposal of police houses and other surplus land and buildings with an estimated sale value of over £500,000

Responsibilities of the Director of Finance

3.5.14 To record all asset disposals in the asset register.

Responsibilities of the PCC CFO and Director of Finance

- 3.5.15 To ensure that income received for the disposal of an asset is properly banked and accounted for.
- 3.5.16 To ensure that appropriate accounting entries are made to remove the value of disposed assets from TVP records and to include the sale proceed if appropriate.

Interests in Land

Responsibilities of the Chief Constable

- 3.5.17 The Chief Constable, shall:
 - a) Arrange to grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, without the specific approval of the PCC, up to an annual rental of £100,000;
 - b) take, grant, waive or revoke covenants, easements, wayleaves, licences or other rights of user in respect of the TVP property on terms

Responsibilities of the PCC and Chief Executive

- 3.5.18 The Chief Executive shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £100,000 but below £500,000.
- 3.5.19 The PCC shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £500,000.

Valuation

Responsibilities of the Director of Finance

3.5.20 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the PCC CFO. Assets are to be recorded when they are acquired by TVP. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* and the requirements specified by the PCC CFO

Land & BuildingsAll valuesVehiclesAll valuesICT hardwareAll valuesPlant & Equipment£100,000

Stocks and Stores

Responsibilities of the Director of Finance

- 3.5.21 To make arrangements for the care, custody and control of the stocks and stores of TVP and to maintain detailed stores accounts.
- 3.5.22 To undertake a complete stock check at least once per year either by means of continuous or annual stocktake. The stocktake shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure shall be followed and a complete stock check undertaken whenever stock keeping duties change.
- 3.5.23 To write-off any discrepancies between the actual level of stock and the book value of stock up to £25,000 in value. Any items over £25,000 require the approval of the PCC CFO
- 3.5.24 To write-off obsolete stock up to the value of £25,000. Any write-offs over £25,000 require the approval of the PCC CFO

Intellectual Property

Why is this important?

- 3.5.25 Intellectual property is a generic term that includes inventions and writing e.g. computer software.
- 3.5.26 It is TVP policy that if any Intellectual Policy is created by the employee during the course of employment then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within TVP may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.
- 3.5.27 In the event that TVP decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an intellectual property policy. Matters should only proceed after legal advice

Responsibilities of the Chief Constable

3.5.28 To prepare guidance on intellectual property procedures and ensuring that employees are aware of these procedures.

Responsibilities of the Chief Constable and PCC

3.5.29 To approve the intellectual property policy

3.6 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Treasury Management

Why is this important?

- 3.6.1 TVP is a large organisation that handles <u>hundreds of</u> millions of pounds in each financial year. It is important that TVP money is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the TVP capital sum.
- 3.6.2 TVP will create and maintain, as the cornerstones for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - Suitable Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

Responsibilities of the PCC

- 3.6.3 To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code).
- 3.6.4 To approve the annual treasury management policy and annual investment strategy
- 3.6.5 To receive and approve quarterly treasury management performance monitoring reports

Responsibilities of the PCC CFO

- 3.6.6 To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance
- 3.6.7 To prepare reports on the PCC's treasury management policies, practices and activities, including, as a minimum, an annual strategy, quarterly performance monitoring reports and an annual report.
- 3.6.8 To execute and administer treasury management in accordance with the CIPFA Code and the PCC's policy.
- 3.6.9 To arrange borrowing and investments, in compliance with the CIPFA Code
- 3.6.10 To ensure that all investments and borrowings are made in the name of TVP.

Banking Arrangements

Why is this important?

3.6.11 Our banking activities are controlled by a single contract which aims to provide a wide range of complex and specialist banking services to TVP departments, establishments and staff. A consistent and secure approach to banking services is essential in order to achieve optimum performance from TVP bankers and the best possible value for money. To minimise administration and costs the PCC and Chief Constable will share bank accounts.

Responsibilities of the PCC CFO

- 3.6.12 To have overall responsibility for the banking arrangements for TVP.
- 3.6.13 To authorise the opening and closing of all TVP bank accounts. With the exception of 3.6.17 below no other employee shall open a bank account unless they are performing a statutory function (e.g. treasurer of a charitable body) in their own right
- 3.6.14 To undertake bank reconciliations on a timely and accurate basis.
- 3.6.15 To determine signatories on all TVP bank accounts
- 3.6.16 To authorise the opening and closing of the digital apprenticeship levy accounts

Responsibilities of the Director of Finance

- 3.6.17 To authorise the opening and closing of TVP bank accounts, for specific purposes, as agreed with the PCC CFO.
- 3.6.18 To undertake bank reconciliations on a timely and accurate basis for these specific bank accounts.
- 3.6.19 To determine signatories on these specific TVP bank accounts
- 3.6.20 To determine appropriate internal control arrangements for operating the digital apprenticeship levy accounts

Imprest Accounts / Petty Cash

Why is this important?

3.6.21 Cash advances may be made to an individual in a department / establishment in order that relatively small incidental payments may be made quickly. A record of disbursements from the account should be maintained to control the account and so that the expenditure may be substantiated, accurately reflected in the TVP accounts and correctly reimbursed to the account holder.

Responsibilities of the Chief Constable

- 3.6.22 To provide appropriate employees of TVP with cash, bank imprests or pre-paid cash cards to meet minor expenditure on behalf of TVP. The Chief Constable shall determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.
- 3.6.23 To prepare detailed Financial Instructions for dealing with petty cash, to be agreed with the PCC CFO, and these shall be issued to all appropriate employees.

Money Laundering

Why is this important?

- 3.6.24 TVP is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money.
- 3.6.25 Suspicious cash deposits in any currency in excess of €15,000 (or equivalent) should be reported to the National Crime Agency (NCA)
- 3.6.26 TVP will monitor its internal control procedures to ensure they are reliable and robust.

Responsibilities of the PCC CFO

- 3.6.27 To be the nominated Money Laundering Reporting Officer (MLRO) for TVP.
- 3.6.28 Upon receipt of a disclosure to consider, in the light of all information, whether it gives rise to such knowledge or suspicion.
- 3.6.29 To disclose relevant information to the National Crime Agency (NCA)

Responsibilities of Chief Officers

3.6.30 To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide

Responsibilities of employees

- 3.6.31 To notify the PCC CFO as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime
- 3.6.32 Cash bankings from a single source over €15,000 should be reported to the PCC CFO. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act (see Financial Regulation 3.9).

3.7 STAFFING

Why is this important?

3.7.1 Staffing costs form the largest element of the annual policing budget. An appropriate People strategy should exist, in which staffing requirements and budget allocations are matched. The Chief Constable is responsible for approving the overall People strategy.

Responsibilities of the Chief Constable

- 3.7.2 To ensure that employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies.
- 3.7.3 To advise the PCC on the budget necessary in any given year to cover estimated staffing levels
- 3.7.4 To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints in order to meet changing operational needs
- 3.7.5 To have systems in place to record all matters affecting payments to staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
- 3.7.6 To approve policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for support staff.

Responsibilities of the Chief Executive

3.7.7 To have the same responsibilities as above for staff employed directly by the PCC.

3.8 TRUST FUNDS

Why is this important?

- 3.8.1 Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them.
- 3.8.2 The TVP financial procedures and financial regulations should be viewed as best practice, which ought to be followed whenever practicable.
- 3.8.3 Examples include the TVP Benevolent Fund, TVP Civilian Staff Welfare Fund, TVP Welfare Fund, Thames Valley Special Constabulary Fund and the Sullhamstead Police college Trust Fund..
- 3.8.4 No employee shall open a trust fund without the specific approval of the Chief Constable or the PCC.

Responsibilities of Trustees

3.8.5 All employees acting as trustees by virtue of their official position shall ensure that accounts are audited as required by law and submitted annually to the appropriate body, and the PCC CFO and/or Director of Finance shall be entitled to verify that this has been done.

3.9 ADMINISTRATION OF EVIDENTIAL & NON-EVIDENTIAL PROPERTY

Why is this important?

3.9.1 The Chief Constable is required to exercise a duty of care and safeguard evidential or non-evidential property pending decisions on its ownership, or private property of an individual e.g. a suspect in custody.

Responsibilities of the Chief Constable

- 3.9.2 To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his guardianship or supervision. These procedures shall be made available to all appropriate employees. For more detailed information please refer to the Evidential and Non-Evidential Standard Operating Procedure (SOP).
- 3.9.3 To determine procedures for the safekeeping of evidential or non-evidential property. These procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items.
- 3.9.4 To issue separate Financial Instructions for dealing with cash, including seized cash under the Proceeds of Crime Act

Responsibilities of all employees

3.9.5 To notify the Chief Constable immediately in the case of loss or diminution in value of such private property.

Police Property Act Fund

Why is this important?

- 3.9.6 The Police Property Act Fund consists of:
 - (a) the proceeds of sale of property to which the Police (Property) Regulations 1997 apply (usually seized property where the owner has not been ascertained); and
 - (b) money to which those Regulations apply
- 3.9.7 The Fund may be used to:
 - (a) Defray expenses connected with the custody and sale of the property
 - (b) Pay reasonable compensation to persons by whom property has been delivered to the police
 - (c) Make payments for charitable purposes
- 3.9.8 The Regulations also make provision for property to vest in the PCC (where it can be used for police purposes) or to be destroyed or disposed of (where the nature of the property is such that it is not in the public interest for it to be sold or retained)

Responsibilities of PCC and Chief Constable

- 3.9.9 The PCC and Chief Constable shall jointly determine the payments to be made in accordance with the Regulations, and the recipients thereof.
- 3.9.10 The PCC shall determine, on a recommendation made by or on behalf of the Chief Constable, whether any property to which the Regulations apply can be used for police purposes and, if so, whether such property shall be retained by and vest in the PCC.
- 3.9.11 The Chief Constable shall determine whether the nature of any property to which the Regulations apply is such that it is not in the public interest that it should be sold or retained and give directions as to the destruction or disposal of such property.

3.10 GIFTS, LOANS AND SPONSORSHIP

3.10.1 This does not include the receipt of hospitality and gifts – please see Section 3.4

Why is this important?

3.10.2 In accordance with the Police Act 1996, the PCC may decide to accept gifts of money and gifts or loans of other property or services (e.g. car parking spaces) if they will enable the police either to enhance or extend the service which they would normally be expected to provide. The terms on which gifts or loans are accepted may allow commercial sponsorship of some police force activities.

Context

- 3.10.3 Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes.
- 3.10.4 Gifts, loans and sponsorship can be accepted from any source which has genuine and well intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.

Responsibilities of the PCC

3.10.5 To approve the policy on gifts, loans and sponsorship

Responsibilities of the Chief Constable

- 3.10.6 To accept gifts, loans or sponsorship within agreed policy guidelines.
- 3.10.7 To refer all gifts, loans and sponsorship above £50,000 to the PCC for approval before they are accepted.

Responsibilities of the Director of Finance

- 3.10.8 To present an annual report to the PCC listing all gifts, loans and sponsorship.
- 3.10.9 To maintain a central register, in a format agreed by the PCC CFO, of all sponsorship initiatives and agreements including their true market value, and to provide an annual certified statement of all such initiatives and agreements. The register will be made available to the PCC CFO, who shall satisfy himself that it provides a suitable account of the extent to which such additional resources have been received.
- 3.10.10 To bank cash from sponsorship activity in accordance with normal income procedures.

4.1 SYSTEMS & PROCESSES - INTRODUCTION

Why is this important?

- 4.1.1 There are many systems and procedures relating to the control of TVP assets, including purchasing, costing and management systems. TVP is reliant on computers for financial management information. This information must be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- 4.1.2 The PCC CFO and Director of Finance both have a statutory responsibility to ensure that TVP financial systems are sound and should therefore be notified of any proposed new developments or changes.

Responsibilities of the PCC CFO and Director of Finance

- 4.1.3 To make arrangements for the proper administration of TVP financial affairs, including to:
 - issue advice, quidance and procedures for officers and others acting on behalf of TVP
 - determine the accounting systems, form of accounts and supporting financial records
 - > establish arrangements for the audit of TVP financial affairs
 - approve any new financial systems to be introduced
 - approve any changes to existing financial systems.
- 4.1.4 To ensure, in respect of systems and processes, that
 - systems are secure, adequate internal control exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice.
 - appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously
 - a complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa
 - > systems are documented and staff trained in operations
- 4.1.5 To ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems
- 4.1.6 To establish and maintain Financial Instructions identifying staff authorised to act on their behalf in respect of income collection, placing orders, making payments and employing staff.

4.2 INCOME

Why is this important?

4.2.1 Income is vital to TVP and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly.

Context

- 4.2.2 The PCC and Chief Constable should adopt the NPCC national charging policies and national guidance when applying charges for services and goods, including special services (section 25 Police Act), Mutual Aid (section 26 Police Act) and Goods & Services(section 18 Local Government Act). They should keep in mind that the purpose of charging is to ensure that, wherever appropriate, those using the services pay for them.
- 4.2.3 When specifying resource requirements the Chief Constable will identify the expected income from charging. The Chief Constable should adopt NPCC charging policies in respect of mutual aid.
- 4.2.4 The PCC and Chief Constable should ensure that there are arrangements in place to ensure that expected charges are clearly identified in their budgets and that costs are accurately attributed and charged. When considering budget levels the PCC and Chief Constable should ensure that ongoing resource requirements are not dependant on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery.

Responsibilities of the Chief Constable and PCC

4.2.5 To adopt the NPCC national charging policies and national guidance

Responsibilities of the Director of Finance and PCC CFO

- 4.2.6 To make arrangements for the collection of all income and approve the procedures, systems and documentation for its collection, including the correct charging of VAT
- 4.2.7 To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the PCC.
- 4.2.8 To ensure that all income is paid fully and promptly into the TVP Income Bank Account. Appropriate details should be recorded on to paying-in slips to provide an audit trail.
- 4.2.9 To ensure income is not used to cash personal cheques or make other payments.
- 4.2.10 To order and supply to appropriate employees all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.
- 4.2.11 To operate effective debt collection and recovery procedures.

4.2.12 To approve the write-off of bad debts up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reason(s) for the write-off.

Up to £20,000 Director of Finance and/or PCC CFO

£20,000- £50,000 Director of Finance and/or PCC CFO in consultation with the Chief Executive

Over £50,000 PCC

Responsibilities of the Director of Finance

4.2.13 To prepare detailed Financial Instructions for dealing with income, to be agreed with the PCC CFO, and to issue them to all appropriate employees.

4.3 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

Why is this required?

4.3.1 TVP has a statutory duty to ensure financial probity and best value. The PCC and Chief Constable's joint financial regulations and purchasing procedures help to ensure that the public can receive value for money. These procedures should be read in conjunction with the contract regulations in Section 5.

Responsibilities of the Director of Finance

- 4.3.2 To maintain a procurement policy covering the principles to be followed for the purchase of goods and services.
- 4.3.3 To issue official orders for all work, goods or services to be supplied to TVP, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the PCC CFO. Orders must be in a form approved by the PCC CFO.
- 4.3.4 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of TVP contracts.
- 4.3.5 Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these regulations.
- 4.3.6 Payments are not to be made unless goods and services have been received by TVP at the correct price, quantity and quality in accordance with any official order.
- 4.3.7 To ensure that payments are made to the correct person, for the correct amount, on time (i.e. with 28 days) and are recorded properly, regardless of the method of payment.
- 4.3.8 To ensure that VAT is recovered where appropriate
- 4.3.9 To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected
- 4.3.10 To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, as set out in the Contract Regulations see section 5.
- 4.3.11 To prepare, in consultation with the PCC CFO, detailed Financial Instructions for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.

Responsibilities of the Chief Officers

4.3.12 To ensure that every employee is made aware of the need to declare any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of TVP and that such persons take no part in the selection of a supplier or contract with which they are connected.

4.4 PAYMENTS TO EMPLOYEES

Why is this required?

4.4.1 Employee costs are the largest item of expenditure for most police forces. It is therefore important that there are controls in place to ensure accurate, timely and valid payments are made in accordance with individuals' conditions of employment.

Responsibilities of the Director of Finance

- 4.4.2 To ensure, in consultation with the PCC CFO, the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees.
- 4.4.3 To ensure that tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body.
- 4.4.4 To pay all valid travel and subsistence claims or financial loss allowance.
- 4.4.5 To pay salaries, wages, pensions and reimbursements by the most economical means.
- 4.4.6 To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.
- 4.4.7 To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
- 4.4.8 To prepare detailed Financial Instructions for dealing with payments to employees, to be agreed with the PCC CFO, and these shall be issued to all appropriate employees.

4.5 TAXATION

Why is this important?

4.5.1 Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe.

Responsibilities of the PCC CFO

- 4.5.2 To ensure the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments are made in accordance with statutory requirements
- 4.5.3 To ensure the timely completion and submission of VAT claims, inputs and outputs to HMRC

Responsibilities of the PCC CFO and Director of Finance

- 4.5.4 To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations
- 4.5.5 To provide details to the HMRC regarding the construction industry tax deduction scheme.
- 4.5.6 To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.

4.6 CORPORATE CREDIT CARDS AND PURCHASING CARDS

Why is this important?

- 4.6.1 Credit cards provide an effective method for payment for designated officers who, in the course of their official business, have an immediate requirement for expenditure which is relevant to the discharge of their duties.
- 4.6.2 Purchase cards are an alternative method of buying and paying for relatively low value goods, which generate a high volume of invoices. This should generate an efficiency saving from lower transaction costs (i.e. fewer invoices processed and paid for through the integrated accounts payable system), as well as reducing the number of petty cash transactions
- 4.6.3 Commercial, credit and purchasing cards ['cards'] are only issued in TVP, where a clear business need is identified

Responsibilities of the Director of Finance

- 4.6.4 In conjunction with the PCC CFO to provide Financial Instructions to all cardholders.
- 4.6.5 To authorise and maintain control over the issue of cards.
- 4.6.6 To reconcile the 'card' account to the ledger on a monthly basis.

Responsibilities of credit card holders

- 4.6.7 To ensure that purchases are in accordance with approved TVP policies e.g. catering, hospitality
- 4.6.8 To provide receipted details of all payments made by 'card' each month to ensure that all expenditure is correctly reflected in the accounts and that VAT is recovered.
- 4.6.9 Card holders are responsible for ordering and paying for goods and services in accordance with the Force procurement policy, contract regulations and all procedures laid down by the Director of Finance.

4.7 EX GRATIA PAYMENTS

Why is this important?

4.7.1 An ex gratia payment is a payment made by TVP where no legal obligation has been established. An example may be recompense to a police officer for damage to personal property in the execution of duty or to a member of the public for providing assistance to a police officer in the execution of duty.

Responsibilities of the Chief Constable and PCC

4.7.2 To make ex gratia payments to members of the public up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of TVP

Up to £10,000 Chief Constable or Chief Executive

Over £10,000 PC0

- 4.7.3 To maintain details of ex gratia payments in a register:
- 4.7.4 To make ex gratia payments up to the level shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.

Up to £10,000 Chief Constable or Chief Executive

Over £10,000 PCC

5.1 CONTRACT REGULATIONS

What is a contract?

- 5.1.1 A contract is an agreement between two parties for the supply of goods and/or services. Employees should avoid giving verbal commitments to suppliers as this can constitute a contract.
- 5.1.2 The terms and conditions to be applied to the contract provide clarity and protection to the participants, and the specification of the requirement should be clearly understood by both parties. A contract's length and complexity is likely to depend on the extent of cost and complexity of the goods or services to be supplied.

Why are these important?

- 5.1.3 All employees engaged in the following activities, shall make every effort to ensure that the best value for money is achieved for the acquisition and delivery of:
 - a) goods or materials;
 - b) services and consultancy;
 - c) building works;
 - d) the supply of goods or services to third parties which provide the TVP with an income.
- 5.1.4 Such efforts shall also continue throughout the lifetime of any contract to ensure that best value for money is maintained in the quality and standard of all goods, services and works supplied and in the review of proposals to change or vary any feature of any contract during its lifetime.

Key controls

- 5.1.5 These Regulations shall be read in conjunction with the Force Procurement Policy.
- 5.1.6 No contract or project shall be deliberately or artificially divided into a number of separate contracts in order to avoid the obligations set out in these Contract Regulations, or any statute or the EU Directive.
- 5.1.7 Competition should be invited from potential providers to supply TVP with goods, services, building works, etc.
- 5.1.8 Every contract concluded on behalf of TVP shall comply with:
 - a) the Public Contract Regulations;
 - b) relevant Directives of EU and
 - c) the Code of Practice for Local Authorities on Data Transparency
- 5.1.9 Subject to compliance with 5.1.8, exemption from any of the following provisions of these Contract Regulations may only be made:
 - a) by the written direction of the PCC; or
 - b) by a chief officer in an operational emergency.

- 5.1.10 The PCC shall be informed of the circumstances of every exemption made under 5.1.9(b) at the earliest opportunity.
- 5.1.11 In addition to adhering to the above, any employee who is engaged in any activities or processes leading to the award of a contract or in its subsequent delivery, shall:
 - i. show no undue favour to or discriminate against any contractor or potential contractor or the goods, materials or services they produce;
 - ii. carry out their work in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information).
 - iii. not breach the requirements of the TVP Policy for Gifts and Gratuities, Hospitality, Discounts, Travel and other Potential Conflicts of Interest.
- 5.1.12 The contents of a contract shall be in accordance with the agreed Procurement Policy
- 5.1.13 The Procurement Governance Board includes representatives from the PCC and Force and provides oversight of the Force's compliance with these Contract Regulations.

Responsibilities

POWER TO DELEGATE

5.1.14 A chief officer may delegate his powers under these Contract Regulations to an authorised officer.

PURCHASING PROCEDURES AND THRESHOLDS

5.1.15 The procedure to be followed shall be in accordance with the Procurement Policy as well as, the estimated value of the purchase as set out below (except for contracts for building construction contracts selected from the Approved List of Contractors for Small Construction Contracts - details are available from the Director of Finance and the Head of Property Services.

Value	Contract established by TVP	Framework Agreement managed by another body	
Less than £10,000	Any contract/Order may be placed with the supplier identified as providing the best value for money.		
£10,000 - £50,000	At least three written quotations shall be invited and responses recorded. A written specification/statement of requirements is necessary.	A written specification/statement of requirements is necessary Written quotations shall be invited from all contractors holding a place on the framework agreement.	
Over £50,000	Legal requirement to advertise via website	Contact must be made with the Procurement Department.	

Contact must be made with the	Written quotations shall be invited from all
Procurement Department.	contractors holding a place on the framework
	agreement.
Public notice of tender shall be	
placed in one or more appropriate	
publications or other suitable media	
e.g. internet.	

^{**} This is to comply with the Transparency Agenda requirements.

5.1.16 Unless specified otherwise the value of the contract is the estimated whole life cost for the duration of the contract including all extensions. Where a contract is collaborative its value shall be the cumulative estimated whole life cost of all the organisations eligible to use it.

ACQUISITIONS UNDER A FRAMEWORK CONTRACT

5.1.17 There are a number of buying consortia that provide framework contracts. Framework contracts provide an efficient and effective manner through which to purchase goods and services, including building works. In some cases the use of a framework is mandated by government. Where there is an appropriate Framework covering the goods, services or building works concerned, the framework(s) shall be considered prior to any new procurement exercise being initiated, provided it offers best value and meets our operational requirements.

SELECTION CRITERIA

5.1.18 The selection of an organisation to be invited to quote or tender under these Contract Regulations shall be in accordance with the principles of the EU directives.

INVITATIONS TO TENDER

- 5.1.19 The preferred method for obtaining quotations and tenders shall be the electronic system used by the Head of Procurement. Paper quotations and tenders shall be the exception.
- 5.1.20 All tenders issued by TVP shall consist of instructions to tenderers regarding submission information, terms, conditions and specification with a pricing schedule to be returned to TVP
- 5.1.21 Completed tenders shall be submitted through electronic tendering facilities by the date and time and in the manner stated in the instruction for invitation to tender.

OPENING OF TENDERS

5.1.22 Tenders submitted via the electronic system may be opened by a member of staff authorised by the Head of Procurement.

EVALUATION OF TENDERS

5.1.23 Those members of staff involved in the evaluation process should be mindful of the policy on gifts, loans and hospitality – see 3.4.8

- 5.1.24 Assessment criteria may be made on appropriate technical, qualitative and financial grounds which are appropriate to the contract concerned.
- 5.1.25 Evaluations of the tender submissions are to be carried out by an appropriate group associated with the contract. The Group shall have appropriate skills and be provided with relevant guidance.

ACCEPTANCE OF TENDERS / AWARD OF CONTRACT

- 5.1.26 Regardless of the route followed, the following procedures shall be applied when recommending the acceptance of a quotation or tender and prior to the award of a contract:
 - i. Where a framework contract is utilised the Terms and Conditions of that framework will apply.
 - ii. Where applicable industry standard terms and conditions apply such as Joint Contracts Tribunal (JCT) and New Engineering Contracts (NEC) etc. will apply
 - iii. In all other instances the TVP's terms and conditions shall apply unless otherwise agreed by the Chief Executive (e.g. for a contract awarded under a framework agreement).
- 5.1.27 If, after a competitive tendering process, only one tender is received, unless there are exceptional circumstances which are documented by the business and agreed by the PCC, the contract will be reviewed and put back out to tender.
- 5.1.28 The approval of contract awards shall be based on the lowest or most economically advantageous quotation or tender subject to approval by:
 - i. Up to £1m in accordance with the Force Financial Instructions.
 - ii. Above £1m by the PCC

<u>Framework contracts – vs - non framework contracts.</u>

- 5.1.29 Where the contract under consideration is a framework contract which provides for a large number of forces but does not, in any way, place any obligation or commitment on any force but merely provides a less resource intensive procurement option should forces wish to utilise it, then the value to be considered is the TVP total value, over the life of the framework. For all other contracts, including call-off contracts the value is the maximum total value of the contract, including all extension periods for all forces named on the contract.
- 5.1.30 The successful tenderer shall be advised as soon as possible after the decision has been made on the award of a contract. At the same time unsuccessful tenderers shall be advised of the decision.

SIGNING OF CONTRACTS

5.1.31 The previous section explains who can approve the award of a contract. Appendix 1 sets out who can physically sign a contract after approval for award of the contract has been given.

CONTRACT MONITORING

- 5.1.32 All contracts shall be monitored and measured by the way of performance indicators and regular review meetings involving the Contractor and Practitioner representation as appropriate to the contract.
- 5.1.33 The Business Owner shall manage the contract in consultation with the Procurement Department.
- 5.1.34 Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall only be authorised by the Chief Officer in consultation with the Head of Procurement where the amount involved is less than £50,000. Above this amount the PCC shall approve all such waivers.
- 5.1.35 Where a contract provides for any sort of credit/fund which can be drawn upon in certain circumstances (for example a Tech Fund which can be used to purchase specific items) full details will be included in the procurement documentation approved by the Procurement Governance Board. "Expenditure" against the credit/fund will be subject to approval levels as specified in Financial Instructions.
- 5.1.36 Where a Contractor is failing to provide the agreed service evidence shall be required and considered during contract review meetings and escalated with the Contractor and the force prior to any early termination of the agreement.
- 5.1.37 Escalation processes include reporting any defaults during the Contract Review Meetings, which should include Procurement representation.
- 5.1.38 Consideration shall be given to notice periods and consequences of early termination where applied.

VARIATIONS TO CONTRACT

- 5.1.39 Where a contract has been awarded it is permissible under EU regulations to vary the terms of that contract providing it does not materially affect the conditions or scope of the contract. Where the variation increases the financial commitment then approval is required as per following:
 - i. Up to £1m in accordance with the Force Financial Instructions.
 - ii. Above £1m by the PCC

CONTRACT EXTENSION

- 5.1.40 Where a contract includes options to extend its period these may be taken up through the Procurement Department, with contract extensions in excess of £1m being reported through the Procurement Governance Board and approved by the Director of Finance and the PCC CFO.
- 5.1.41 Where a contract does not include options to extend its period or the options have been used up, a replacement contract should be made if the goods or services continue to be required. Should exceptional requirements bring about a case for contract extension in these circumstances, the Exceptional Circumstances (set out below) should be followed.

EXCEPTIONAL CIRCUMSTANCES

5.1.42 The requirements within these Contract Regulations that competition is required for tenders and quotations may be set aside when exceptional circumstances are incurred. By definition the circumstances leading to this action must be exceptional to those normally experienced and the business owner must provide a written case supporting their conclusion to the Head of Procurement, prior to taking action. In these circumstances a single tender may be awarded.

SINGLE SOURCE AGREEMENT (SSA) / CONCESSION

- 5.1.43 This is a contract awarded on the basis of a direct agreement with a contractor, without going through the competitive bidding process.
- 5.1.44 Contracts identified under this route are to be carried out in accordance with the Procurement Policy and supported by a written justification using the SSA process and form by the Business Owner in consultation with the Procurement Department.
- 5.1.45 A contract may be awarded up to the EU limit and subject to Financial Regulations having:
 - a) only invited a single quotation or tender,
 - received or sought an offer from a current contractor to vary the goods, services or works supplied (e.g. variation to an existing contract); providing this is compliant with Financial Instructions and the Procruement Regulations.
- 5.1.46 Where it can be demonstrated that it is in the interests of TVP not to seek competitive tenders due to:
 - a) Operational urgency
 - b) The item or service is a proprietary item
 - c) Unique factors are present in the market
 - d) The costs to change are disproportionately high
 - e) Security.
- 5.1.47 Where a contract exceeds £50,000 in value the chief officer shall present a subsequent report to the PCC.
- 5.1.48 Where the contract exceeds the EU limit specialist legal advice must be obtained

CONTRACTS REGISTER

5.1.49 A record of all contracts let with a value in excess of £50,000 shall be maintained by the Head of Procurement.

6.1 JOINT WORKING ARRANGEMENTS

Why is this important?

- 6.1.1 Public bodies are increasingly encouraged to provide seamless service delivery through working closely with other public bodies, local authorities, agencies and private service providers.
- 6.1.2 Joint working arrangements can take a number of different forms, each with its own governance arrangements. In TVP these are grouped under the following headings:
 - Partnerships
 - Consortia
 - Collaboration
- 6.1.3 Partners engaged in joint working arrangements have common responsibilities:
 - to act in good faith at all times and in the best interests of the partnership's aims and objectives
 - to be willing to take on a role in the broader programme, appropriate to the skills and resources of the contributing organisation
 - > to be open about any conflicts that might arise
 - to encourage joint working and promote the sharing of information, resources and skills
 - to keep secure any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
 - > to promote the project
- 6.1.4 In all joint working arrangements the following key principles must apply:
 - before entering into the agreement, a risk assessment has been prepared
 - such agreements do not impact adversely upon the services provided by TVP
 - project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise
 - all arrangements are properly documented
 - regular communication is held with other partners throughout the project in order to achieve the most successful outcome
 - audit and control requirements are satisfied
 - > accounting and taxation requirements, particularly VAT, are understood fully and complied with
 - an appropriate exit strategy has been produced
- 6.1.5 The TVP element of all joint working arrangements must comply with these Financial Regulations

PARTNERSHIPS

- 6.1.6 The term partnership refers to groups where members work together as equal partners with a shared vision for a geographic or themed policy area, and agree a strategy in which each partner contributes towards its delivery. A useful working definition of such a partnership is where the partners:
 - are otherwise independent bodies;
 - agree to co-operate to achieve a common goal; and

- achieve it to create an organisational structure or process and agreed programme, and share information , risks and rewards
- 6.1.7 The number of partnerships, both locally and nationally, is expanding in response to central government requirements and local initiatives. This is in recognition of the fact that partnership working has the potential to:
 - deliver strategic objectives;
 - improve service quality and cost effectiveness;
 - > ensure the best use of scarce resources; and
 - deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need.
- 6.1.8 Partnerships typically fall into three main categories i.e. statutory based, strategic, and ad-hoc.

Statutory based

6.1.9 These are partnerships that are governed by statute. They include, for example, Crime and Disorder Reduction Partnerships (CDRPs) and Local Strategic Partnerships (LSPs)

Strategic

6.1.10 These are partnerships set up to deliver core policing objectives. They can either be force-wide or local.

Ad-hoc

6.1.11 These are typically locally based informal arrangements agreed by the local police commander.

Context

- 6.1.12 As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the PCC, in exercising his functions, must have regard to the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, PCCs are free to pool funding as they and their local partners see fit. PCCs can enter into any local contract for services, individually or collectively with other local partners, including non-police bodies.
- 6.1.13 When the PCC acts as a commissioner of services, he will need to agree the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. The PCC is able to make crime and disorder grants in support of local priorities. The inclusion of detailed grant conditions directing local authorities how to spend funding need not be the default option. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.

Responsibilities of the PCC

6.1.14 To have regard to relevant priorities of local partners when considering, reviewing and updating the Police and Crime Plan.

6.1.15 To make appropriate arrangements to commission services from either the force or external providers

Responsibilities of Chief Officers

- 6.1.16 To follow the guidance manual for local partnerships, as published on the neighbourhood policing intranet site
- 6.1.17 To consult, as early as possible, the Director of Finance and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements

CONSORTIA ARRANGEMENTS

6.1.18 A consortium is a long-term joint working arrangement with other bodies, operating with a formal legal structure approved by the PCC.

Responsibilities of the PCC

6.1.19 To approve TVP participation in the consortium arrangement.

Responsibilities of Chief Officers

- 6.1.20 To contact the Chief Executive and the Head of Legal Services before entering into a formal consortium agreement, to establish the correct legal framework.
- 6.1.21 To consult, as early as possible, the Director of Finance and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements
- 6.1.22 To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
- 6.1.23 To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the Chief Executive

COLLABORATION

6.1.24 Under sections 22A to 22C of the Police Act 1996, as amended by section 89 of the Police Reform and Social Responsibility Act 2011, chief constables and PCCs have a duty to keep collaboration agreements and opportunities under review and to collaborate where it is in the interests of the efficiency and effectiveness of one or more police forces or policing bodies. Where collaboration is judged to be the best option, they must collaborate even if they do not expect their own force or policing body to benefit directly. Any collaboration which relates to the functions of a police force (a "force collaboration provision") must first be agreed with the chief constables of the forces concerned and approved by each PCC responsible for maintaining each of the police forces to which the force collaboration provision relates. Any collaboration which relates to the provision of support by one PCC for another PCC (a "policing body collaboration provision") must be agreed by each PCC to which the policing body collaboration provision relates.

- 6.1.25 PCCs responsible for maintaining each of the police forces to which a force collaboration provision relates shall make arrangements for jointly holding their chief constables to account for the way functions are discharged under a force collaboration agreement.
- 6.1.26 To contact the Chief Executive and the Head of Legal Services before entering into a formal collaboration agreement, to establish the correct legal framework.
- 6.1.27 To consult, as early as possible, the Director of Finance and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements

6.2 EXTERNAL FUNDING

Why is this important?

- 6.2.1 External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of TVP.
- 6.2.2 The main source of such funding for TVP will tend to be specific government grants, additional contributions from local authorities (e.g. for ANPR, CCTV and PCSOs) and donations from third parties (e.g. towards capital expenditure)

Responsibilities of Chief Officers

6.2.3 To pursue actively any opportunities for additional funding where this is considered to be in the interests of TVP.

Responsibilities of the Chief Constable and the PCC

6.2.4 To ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements.

Responsibilities of the PCC CFO and Director of Finance

6.2.5 To ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met.

Responsibilities of the Chief Constable

- 6.2.6 To ensure that funds are acquired only to meet policing needs and objectives
- 6.2.7 To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood
- 6.2.8 To ensure that any conditions placed on TVP in relation to external funding are in accordance with the approved policies of the PCC. If there is a conflict, this needs to be taken to the PCC for resolution.

6.3 WORK FOR EXTERNAL BODIES

Why is this required?

6.3.1 TVP provides services to other bodies outside of its normal obligations, for which charges are made e.g. training, special services. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

Responsibilities of the Chief Constable

- 6.3.2 To ensure that proposals for assistance are costed, that no contract is subsidised by TVP and that, where possible, payment is received in advance of the delivery of the service so that TVP is not put at risk from any liabilities such as bad debts.
- 6.3.3 To ensure that appropriate insurance arrangements are in place.
- 6.3.4 To ensure that all contracts are properly documented
- 6.3.5 To ensure that such contracts do not impact adversely on the services provided by TVP

Responsibilities of the Director of Finance

- 6.3.6 The submission of tenders for the supply of goods and/or services should be approved as follows:
 - a) For tenders up to £500,000 by the Director of Finance
 - b) Between £500,000 and £1,000,000 by the Director of Finance in consultation with the PCC CFO
 - c) Over £1,000,000 the prior approval of the PCC is required.

7 SUMMARY OF FINANCIAL LIMITS

This section summarises, in one place, all those financial regulations that have a specific financial limit

Virement

- 2.2.11 The Chief Constable may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC approval where the proposed transfer exceeds £250,000.
- 2.2.12 The Director of Finance can approve any virement where the additional costs are fully reimbursed by other bodies
- 2.2.13 For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels

Force Budget

Up to £1,000,000Director of FinanceOver £1,000,000PCC or PCC CFO

PCC's own budget

 Up to £250,000
 PCC CFO

 Over £250,000
 PCC

Annual Capital Budget

Responsibilities of the Chief Constable

2.3.20 To ensure expenditure on individual schemes does not exceed the approved scheme budget by more than 10% or £250,000 whichever is the lower amount

Asset Disposal

Responsibilities of the Chief Constable

- 3.5.12 To arrange for the disposal of (without the specific approval of the PCC):
 - a) Non-estate assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the Chief Constable shall consult with the PCC CFO.
 - b) Police houses and other surplus land and buildings with an estimated sale value of less than £500,000

Responsibilities of the PCC

3.5.13 To approve the disposal of police houses and other surplus land and buildings with an estimated sale value of over £500.000

Interests in Land

Responsibilities of the Chief Constable

- 3..5.17 The Chief Constable, shall:
 - a) Arrange to grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, without the specific approval of the PCC, up to an annual rental of £100,000;
 - b) take, grant, waive or revoke covenants, easements, wayleaves, licences or other rights of user in respect of the TVP property on terms

Responsibilities of the PCC and Chief Executive

- 3.5.18 The Chief Executive grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £100,000 but below £500,000.
- 3.5.19 The PCC shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £500,000.

Asset valuation

3.5.20 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the PCC CFO. Assets are to be recorded when they are acquired by TVP. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* and the requirements specified by the PCC CFO

Land & BuildingsAll valuesVehiclesAll valuesICT hardwareAll valuesPlant & Equipment£100,000

Stocks and Stores

Responsibilities of the Director of Finance

- 3.5.23 To write-off any discrepancies between the actual level of stock and the book value of stock up to £25,000 in value. Any items over £25,000 require the approval of the PCC CFO
- 3.5.24 To write-off obsolete stock up to the value of £25,000. Any write-offs over £25,000 require the approval of the PCC CFO

Money Laundering

3.6.25 Suspicious cash deposits in any currency in excess of €15,000 (or equivalent) should be reported to the National Crime Agency (NCA)

3.6.32 Large cash bankings from a single source over €15,000 should be reported to the PCC CFO. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act (see Financial Regulation 3.9).

Gifts, Loans and Sponsorship

3.10.7 To refer all gifts, loans and sponsorship above £50,000 to the PCC for approval before they are accepted.

Income

4.2.12 To approve the write-off of bad debts up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reason(s) for the write-off.

Up to £20,000 Director of Finance and/or PCC CFO

£20,000 to £50,000 Director of Finance and/or PCC CFO in consultation with the Chief Executive

Over £50,000 PCC

Ex-gratia Payments

4.7.2 To make ex gratia payments to members of the public up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of TVP

Up to £10,000 Chief Constable or Chief Executive

Over £10,000 PCC

4.7.4 To make ex gratia payments up to the level shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.

Up to £10,000 Chief Constable or Chief Executive

Over £10,000 PCC

Contract Regulations

5.1.15 The procedure to be followed shall be in accordance with the Procurement Policy as well as, the estimated value of the purchase as set out below (except for contracts for building construction contracts selected from the Approved List of Contractors for Small Construction Contracts - details are available from the Director of Finance and the Head of Property Services).

Value	Contract established by TVP	Framework Agreement managed by another body
Less than £10,000	Any contract/Order may be placed wi value for money.	th the supplier identified as providing the best
£10,000-	At least three written quotations	A written specification/statement of

£50,000	shall be invited and responses recorded.	requirements is necessary
	A written specification/statement of requirements is necessary	Written quotations shall be invited from all contractors holding a place on the framework agreement.
Over £50,000	Legal requirement to advertise via website	Contact must be made with the Procurement Department.
	Contact must be made with the Procurement Department.	Written quotations shall be invited from all contractors holding a place on the framework agreement.
	Public notice of tender shall be placed in one or more appropriate publications or other suitable media e.g. internet.	
** This is to some	apply with the Transparency Agenda reg	do an anta

^{**} This is to comply with the Transparency Agenda requirements.

5.1.15 Unless specified otherwise the value of the contract is the estimated whole life cost. Where a contract is collaborative its value shall be the cumulative estimated whole life cost of all the organisations eligible to use it.

ACCCEPTANCE OF TENDERS / AWARD OF CONTRACT

- 5.1.28 The approval of contract awards shall be based on the lowest or most economically advantageous quotation or tender subject to approval by:
 - i. Up to £1m in accordance with the Force Financial Instructions.
 - ii. Above £1m by the PCC

In any other case acceptance shall be by:

Less than EU Threshold	The appropriate Chief Officer from the OPCC and/or the Force, who shall send a subsequent report to the PCC.
Over EU Threshold	Police & Crime Commissioner

CONTRACT MONITORING

5.1.34 Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall only be authorised by the Chief Officer in consultation with the Head of Procurement where the amount involved is less than £50,000. Above this amount the PCC shall approve all such waivers.

VARIATIONS TO CONTRACT

- 5.1.39 Where a contract has been awarded it is permissible under EU regulations to vary the terms of that contract providing it does not materially affect the conditions or scope of the contract. Where the variation increases the financial commitment then approval is required as per following:
 - iii. Up to £1m in accordance with the Force Financial Instructions.
 - iv. Above £1m by the PCC

SINGLE SOURCE AGREEMENT (SSA) / CONCESSION

5.1.47 Where a contract exceeds £50,000 in value the chief officer shall present a subsequent report to the PCC.

CONTRACTS REGISTER

5.1.49 A record of all contracts let with a value in excess of £50,000 shall be maintained by the Head of Procurement.

6.3 WORK FOR EXTERNAL BODIES

- 6.3.6 The submission of tenders for the supply of goods and/or services should be approved as follows:
 - a) For tenders up to £500,000 by the Chief Constable
 - b) Between £500,000 and £1,000,000 by the Chief Constable in consultation with the PCC CFO
 - c) Over £1,000,000 the prior approval of the PCC is required.

TVP Contract Signatures

Introduction

This explanatory note details the individual who can physically sign a contract after approval for award of the contract has been given. Financial Regulations and Financial Instructions provide the authorisation levels as to who can authorise the award of a contract. This note provides details after that approval has been received and documented.

Statutory Guidance

Schedule 2, section 7 of the Police Reform and Social Responsibility Act 2011 states:

- (1) A chief constable may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the chief constable
- (2) That includes:
 - a) entering into contracts and other agreements (whether legally binding or not), but only with the consent of the relevant police and crime commissioner (PCC);
 - b) acquiring and disposing of property, apart from land, but only with the consent of the relevant PCC

TVP Framework for Corporate Governance

At the PCC's 'level 1' Policy, Planning and Performance meeting on 1st April 2014 the PCC gave formal consent to the Chief Constable to enter into contracts and to acquire or dispose of property, other than land, subject to the requirements of Financial Regulations

Acquisition and disposal of land

As stated above the Chief Constable cannot acquire or dispose of land. As such, all contracts in connection with the acquisition and disposal of land must be approved and signed by the PCC, Chief Executive or Chief Finance Officer as necessary and appropriate.

Notwithstanding the above requirement, it is recognised that most of the detailed preparatory work in connection with land transactions will be undertaken by Property Services staff and in most cases in order to deliver the TVP Asset Management Plan once approved by the PCC. Accordingly, Financial Regulations enable the Chief Constable and his staff:

 To arrange for the disposal of (without the prior approval of the PCC) police houses and other surplus land and buildings with an estimated sale value of less than £500,000 - Fin Reg 3.5.12(b) • to grant or take or terminate leases or tenancies in land, or approve any assignment or subletting thereof, without the specific approval of the PCC up to an annual rental of £100,000 -Fin Reg 3.5.17(a)

All land transactions, including title deeds, must be in the name of the PCC and signed by the PCC or his Chief Executive or Chief Finance Officer.

Appendix 2 sets out who can accept tenders in connection with the acquisition and disposal of land, and who should sign the relevant contracts.

Other property contracts

As stated above the PCC has given consent to the Chief Constable to enter into contracts and to acquire or dispose of property, other than land, subject to the requirements of Financial Regulations. This is because the PCC considers and approves:

- the annual financial strategy
- the asset management plan
- the annual revenue budget and capital programme
- the medium term financial plan
- the corporate governance arrangements

Furthermore, Financial Regulations enable the Chief Constable and his staff to take, grant, waive or revoke covenants, easements, wayleaves, licences or other rights of user in respect of the TVP property on terms - Fin Reg 3.5.17(b).

In practical terms the <u>key decision</u> is the acceptance of the tender and the subsequent award of the contract. These acceptance and award rules and procedures are clearly set out in section 5.1 of both Financial Regulations and Financial Instructions.

After the tender has been accepted and approval given for the award of a contract the actual contract document will need to be reviewed and agreed by the relevant lead specialist within Property Services. Once the details of the contract have been agreed with the supplier to the satisfaction of TVP, then the actual contract document needs to be signed.

To minimise the number of contracts that need to be signed by the OPCC a risk based approach will be used. The risk to the organisation largely, but not wholly, increases with the contract value: larger contracts generally are for more complex projects and if there is a dispute the size of the contract would make the formal legal approach to contract resolution more attractive than alternative means.

This risk based approach is already implicit within the tender approval limits within Financial Regulations, and these will also determine who should sign the contract documents.

To assist the signatory a covering note should be produced which outlines the contract and the main parts along with any relevant details on changes. Each contract would have the points where initialling or a signature is required highlighted to ease the physical process.

The lead officer within Property Services will therefore provide a short statement to confirm they have reviewed the terms of the contract and are content that they are accurate, correct and in the best interests of TVP. For straightforward contracts this can be in the form of a one line email whereas for the more detailed contracts which may include numerous appendices, technical specifications and amendments, the report will need to confirm that the contract has been checked and is deemed to be correct, including all the detailed appendices, amendments and additional details.

The person authorised to sign the physical contract is set out in Appendix 3

Other (non-property) contracts

The PCC has given consent for the Chief Constable to enter into contracts. As such, all general contracts are legally in the name of the Chief Constable of TVP although for practical purposes the contract itself will normally refer to Thames Valley Police.

In practical terms the <u>key decision</u> is the acceptance of the tender and the subsequent award of the contract. These acceptance and award rules and procedures are clearly set out in section 5.1 in both Financial Regulations and Financial Instructions. Having accepted the tender and awarded the contract the person authorised to sign the physical contract is set out in Appendix 4.

After approval has been given for the award of a contract the actual contract document will need to be reviewed and agreed by the relevant lead specialist department(s) involved. This might be ICT, Corporate Finance or Procurement. Once the details of the contract have been agreed with the supplier to the satisfaction of TVP, then the actual contract document needs to be signed.

The principle for who signs the contract follows who has authority to approve that contract, e.g. contracts below the EU limit can be signed by the Head of Procurement, contracts between the EU limit and £1m can be signed by the Director of Finance or the PCC's Chief Finance Officer. All contracts above £1m must be signed by the PCC or his Chief Executive, and the Director of Finance.

As with property contracts a risk based approach will be used. The risk to the organisation largely, but not wholly, increases with the contract value: larger contracts generally are for more complex projects and if there is a dispute the size of the contract would make the formal legal approach to contract resolution more attractive than alternative means.

This risk based approach is already implicit within the tender approval limits within Financial Regulations, and these will also determine who should sign the contract documents.

Suppliers will be managed throughout the life of a contract in a manner appropriate to the importance of the supplier to the force.

To assist the signatory a covering note should be produced which outlines the contract and the main parts along with any relevant details on changes. Each contract would have the points where initialling or a signature is required highlighted to ease the physical process.

The lead department will therefore provide a short statement to confirm they have reviewed the terms of the contract and are content that they are accurate, correct and in the best interests of TVP. For straightforward contracts this can be in the form of a one line email whereas for more complex ICT contracts which may include numerous appendices, technical specifications and amendments, the report will need to confirm that the report has been checked and is deemed to be correct, including all the detailed appendices, amendments and additional details.

Storage of contracts

All original contracts currently stored by the OPCC in the Farmhouse will continue to be stored in the Farmhouse.

The PCC will, in future, store all contracts for the acquisition and disposal of land, as well as all other contracts signed by the PCC, Chief Executive or Chief Finance Officer.

The Chief Constable shall store all contracts over £50,000 on the (national) bluelight database and all contracts below £50,000 will be stored locally.

Contracts under Seal

Only contracts that need to be a deed should be sealed. In practical terms this only relates to those land and building contracts that are processed through the Office of the PCC

April 2018

APPENDIX 2

ACQUISITION AND DISPOSAL OF LAND

Contract Value	Tender Approval – Most Economic Advantage	Tender Approval – Not Most Economic	Contract Signatory
	Leonomic Advantage	Advantage /Single	
		Quote	
4040,000	Used of Dusasetts	,	
<£49,999	Head of Property	Director of Finance/ PCC	
	Services	Chief Finance Officer	
	Capital Schemes		
	Manager		
	Maintenance Manager		Chief Executive
	Senior Contracts		
	Manager		
	Principal Accountants		
£50,000 – EU	Head of Property	Director of Finance /	
Threshold	Services	PCC Chief Finance	
(c£181,000)	Head of Procurement	Officer	
	Director of Finance		
EU Threshold - £1	Director of Finance and	Director of Finance /	Chief Executive
million	PCC Chief Finance	PCC Chief Finance	
	Officer	Officer and report to	
		PCC	
£1 million and over	Police and Crime	Police and Crime	PCC
	Commissioner	Commissioner	

NOTE:

- 1. For simplicity, the EU Threshold has been "rounded off"
- 2. Above table refers to all building contracts "under hand". For building contracts "under seal", the contract signatory would have to be Chief Executive of the PCC
- 3. All contracts presented for signature to be accompanied by covering memo to confirm the contents and alterations to form of contract are correct

APPENDIX 3

BUILDING WORKS CONTRACT SIGNING LEVELS (Note relates to Chief Constable's Force Financial Regulations Appendix B)

Contract Value	Tender Approval – Most Economic Advantage	Tender Approval – Not Most Economic Advantage /Single Quote	Contract Signatory
<£49,999	Head of Property Services Capital Schemes Manager Maintenance Manager Procurement Manager Principal Accountants	Director of Finance/ PCC Chief Finance Officer	Head of Property Services
£50,000 - (c£181,000)	Head of Property Services Head of Procurement Director of Finance	Director of Finance / PCC Chief Finance Officer	Head of Procurement
£181,000 - £1miilion	Director of Finance and PCC Chief Finance Officer	Director of Finance / PCC Chief Finance Officer and report to PCC	Director of Finance
Over £1 million Police and Crime Commissioner		Police and Crime Commissioner	Chief Executive of PCC and Director of Finance

NOTE:

- 1.Tthe EU Threshold for Services is £4,551,413, in terms of approval levels this is left at the Goods+ Services level.has been "rounded off"
- 2. Above table refers to all building contracts "under hand". For building contracts "under seal", the contract signatory would have to be Chief Executive of the PCC
- 3. All contracts presented for signature to be accompanied by covering memo to confirm the contents and alterations to form of contract are correct

APPENDIX 4
OTHER CONTRACTS SIGNING LEVELS Inc ICT & Property Goods and Services Contracts

Contract Value	Tender Approval –	Tender Approval – Not	Contract Signatory
	Most Economic	Most Economic	
	Advantage	Advantage /Single	
		Quote	
<£49,999	Head of Department	Director of Finance /	
	Contracts Manager	PCC Chief Finance	
	Procurement Manager	Officer	
	Principal Accountants		
			Head of Department
£50,000 – EU	Head of Department	Director of Finance /	Head of Procurement
Threshold	Head of Procurement	PCC Chief Finance	
(c£181,000)	Director of Finance	Officer	
EU Threshold - £1	Director of Finance and	Director of Finance /	Director of Finance
million	PCC Chief Finance	PCC Chief Finance	
	Officer	Officer and report to	
		PCC	
£1 million and over	Police and Crime	Police and Crime	Chief Executive of PCC
	Commissioner	Commissioner	and Director of Finance







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

Audit planning report

Dear Anthony and Francis,

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as your auditor. Its purpose is to provide the Joint Independent Audit Committee with a basis to review our proposed audit approach and scope for the 2017/18 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Police and Crime Commissioner (PCC) and Chief Constable (CC), and outlines our planned audit strategy in response to those risks.

This report is intended solely for the information and use of the Joint Independent Audit Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

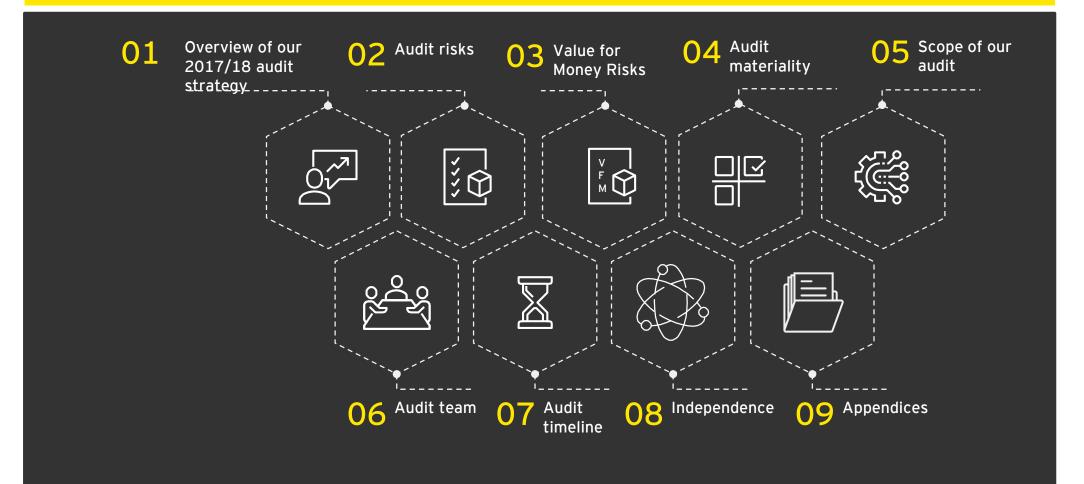
We welcome the opportunity to discuss this report with you on 16 Mar 2018 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Maria Grindley
For and on behalf of Ernst & Young LLP
Enc

5th March 2018

Contents



In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies". It is available via the PSAA website (www.PSAA.co.uk).
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 (updated February 2017)" 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 Audit Committee and management of Thames Valley Police in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee, and management of Thames Valley Police 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 Audit Committee and management of Thames Valley Police for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



Overview of our 2017/18 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Police and Crime Commissioner (PCC) and Chief Constable (CC) with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus			
Risk / area of focus	Risk identified	Change from PY	Details
Risk of fraud in revenue and expenditure recognition	Significant Risk / Fraud risk	No change in risk or focus	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.
Misstatements due to fraud or error	Fraud risk	No change in risk or focus	As identified in ISA 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 would otherwise appear to be operating effectively.
Actuarial Assumptions & IAS 19 Liability Valuation	Other Risk		As part of the 2016/17 audit we raised as an issue that we felt that some of the actuarial assumptions being used could potentially lead to incorrect valuations in future years. This is an area where we need to do more to understand whether there is a risk or not and if so the implications of the risk.
		No change in risk or	Our approach will focus on:
		focus	► Reviewing the key areas where we found issues in 2016/17 and engaging our EY Pensions experts to review the 2017/18 assumptions; and
			► Completing detailed testing of material IAS 19 Pension figures to ensure that these are materially correct. We have a Higher Inherent Risk on IAS 19 Valuations.
Fixed Assets Register & PPE Valuations	Other Risk	No change in risk or focus	As part of the 2016/17 audit we identified a number of minor issues with regards the Fixed Asset Register. These were reported in the Audit Results Report but none of them were considered to be material in 2016/17.
			Our approach will focus on:
			\blacktriangleright Reviewing the key areas where we found issues in 2016/17 and ensuring that similar errors do not exist in 2017/18; and
			► Completing substantive testing of material balances within the Property, Plant and Equipment (PPE) note in the financial statements to ensure that all balances are materially correct. We have a Higher Inherent Risk on PPE Valuations.



Overview of our 2017/18 audit strategy

Materiality

Group Planning materiality

£10.578m

We have determined that materiality for the financial statements of the PCC Group, the subsidiaries (PCC and CC Single entity accounts) and the Police Pension Fund is: Group - £10.578m, PCC - £6.248m, CC - £10.240m, PPF - £1.784m, respectively. This represents 2% of the prior years gross expenditure on provision of services for the PCC Group and CC Single entity accounts, 2% of the prior years gross assets for the PCC single entity accounts and 2% of the higher of benefits payable/contributions receivable for the Police Pension Fund.

Performance materiality

£7.933m

Group

Group Audit differences

£0.529m

Performance materiality for the PCC Group, the subsidiaries and the Police Pension Fund has been set at £7.933m, £7.680 m, £4.686 m and £1.338 m which represents 75% of materiality.

> We will report all uncorrected misstatements relating to the primary statements (comprehensive income and expenditure statement, balance sheet, movement in reserves statement, cash flow statement and police pension fund financial statements) greater than £0.529m for the Group. Other misstatements identified will be communicated to the extent that they merit the attention of the PCC and CC. The thresholds for the CC (Single Entity), the PCC (Single Entity) and the Police Pension Fund are £0.512m, £0.312 m and £0.089 m respectively.

©Overview of our 2017/18 audit strategy

Audit scope

This Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of the PCC and CC for Thames Valley Police give a true and fair view of the financial position as at 31 March 2018 and of the income and expenditure for the year then ended; and
- Our conclusion on the PCC and CC's arrangements to secure economy, efficiency and effectiveness.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the PCC's and CC's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the PCC and CC.



Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Risk of fraud in revenue and expenditure recognition*

Financial statement impact

Misstatements that occur in relation to the risk of fraud in revenue and expenditure recognition could affect the income and expenditure accounts.

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 Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

This risk has been associated to the following testing areas:

Balance Sheet Creditors - Manual - CC and PCC - Completeness, Valuation

Balance Sheet Debtors - Manual - CC and PCC - Existence, Valuation

Balance Sheet PPE Land & Buildings - PCC - Existence

Balance Sheet PPE Other - CC - Existence

What will we do?

We will:

- Review and test revenue and expenditure recognition policies;
- Review and discuss with management any accounting estimates on revenue or expenditure recognition for evidence of bias;
- Develop a testing strategy to test material revenue and expenditure streams;
- Review and test revenue cut-off at the period end date; and
- Review capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised



Our response to significant risks (continued)

Misstatements due to fraud or error - Management Override*

Financial statement impact

Management override risk covers the risk that managements may be able to override the controls in relation to the financial statements resulting in misstatements.

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 will we do?

We will:

- Identify fraud risks during the planning stages.
- Enquire of management about risks of fraud and the controls put in place to address those risks.
- Understand the oversight given by those charged with governance of management's processes over fraud.
- Consider the effectiveness of management's controls designed to address the risk of fraud.
- Determine an appropriate strategy to address those identified risks of fraud.
- Perform mandatory procedures regardless of specifically identified fraud risks, including tests of journal entries and other adjustments in the preparation of the financial statements.
- Review accounting estimates for evidence of management bias;
- Evaluate the business rationale for significant unusual transactions;
 and
- ► Test capital expenditure on PPE to ensure that it meets the relevant accounting requirements to be capitalised

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 and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus?

Pension Liability Valuation & 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 County 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 2017 this totalled £2.6 million and £4337 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.

Valuation of Land and Buildings and Fixed Asset Register

The fair value of Property, Plant and Equipment (PPE) represent significant balances in the Group accounts and are 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.

Also as part of the 2016/17 audit we identified a number of minor issues with regards the Fixed Asset Register. These were reported in the Audit Results Report but none of them were considered to be material in 2016/17. Our approach will focus on reviewing the key areas where we found issues in 2016/17 and ensuring that similar errors do not exist in 2017/18.

What will we do?

We will:

- Liaise with the auditors of Buckinghamshire County Council Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Thames Valley Police;
- Assess 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 considering any relevant reviews by the EY actuarial team; and
- Review and test the accounting entries and disclosures made within the PCC and CC's financial statements in relation to IAS19.

We will:

- Consider the work performed by the PCC's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Sample testing key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- Consider the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE and annually for IP. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuers;
- Review assets not subject to valuation in 2017/18 to confirm that the remaining asset base is not materially misstated;
- Consider changes to useful economic lives as a result of the most recent valuation; and
- Test accounting entries have been correctly processed in the financial statements,
- Assess the Fixed Asset register to ensure that the issues reported in 2016/17 are not replicated in 2017/18



Value for Money

Background

We are 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. This is known as our value for money conclusion.

For 2017/18 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

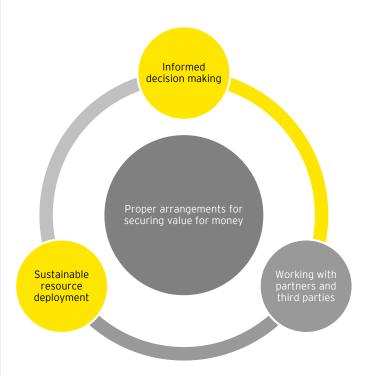
In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice defines as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work.

Our risk assessment has therefore considered both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders. This has resulted in the identification of no significant risks which we view as relevant to our value for money conclusion.



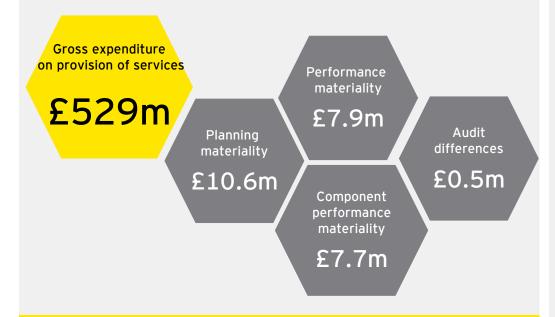


₩ Audit materiality

Materiality

Materiality

For planning purposes, materiality for the PCC Group and CC Single Entity for 2017/18 has been set at £10.578m & £10.240m respectively. This represents 2% of the PCC Group and CC Single Entity's prior year gross expenditure on provision of services. Materiality for the PCC Single Entity has been set at 2% of the PCC Single Entity's prior year gross assets. Materiality for the Police Pension Fund has been set at 2% of the higher of the prior year contributions receivable/benefits payable of the Police Pension Fund. The basis for materiality is consistent with prior year. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix D.



We request that the PCC and CC confirm their understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

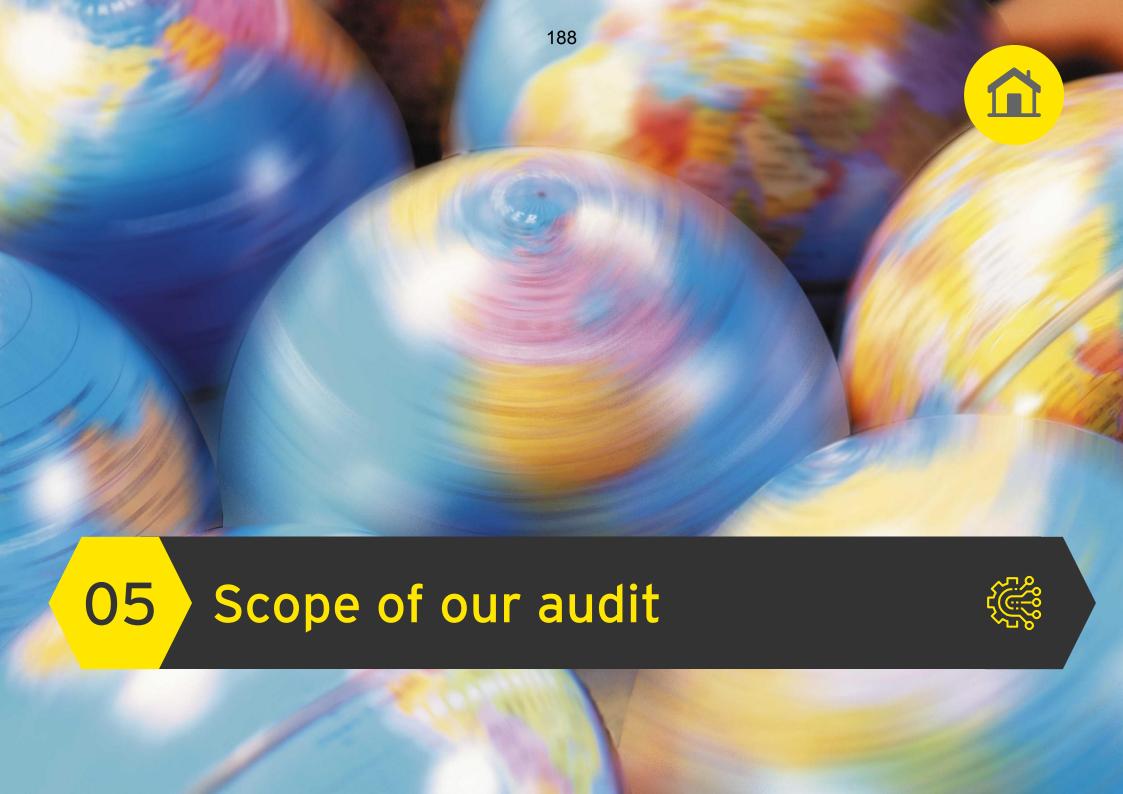
Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality for the PCC Group, Single Entity Accounts & Police Pension Fund at £7.933m, £4.686m, £7.68m & £1.338m which represents 75% of planning materiality. This basis for assessment is consistent with prior year and no factor has been identified suggesting a change in basis.

Component performance materiality range - we determine component performance materiality as a percentage of Group performance materiality based on risk and relative size to the Group.

Audit difference threshold – we propose that misstatements identified below this threshold are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet and the police pension fund financial statements that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the joint independent audit committee, or are important from a qualitative perspective.

Specific materiality - We can set a lower materiality for specific accounts disclosure e.g. remuneration disclosures, related party transactions and exit packages which reflects our understanding that an amount less than our materiality would influence the economic decisions of users of the financial statements in relation to this. Where we do this we will notify you.



€ Scope of our audit

Our Audit Process and Strategy

Objective and Scope of our Audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the PCC and CC's financial statements and arrangements for securing economy, efficiency and effectiveness in their use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- · Addressing the risk of fraud and error;
- · Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- · Auditor independence.

Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance; and
- Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the PCC and CC has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on their use of resources.



Our Audit Process and Strategy (continued)

Audit Process Overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- Substantive tests of detail of transactions and amounts.

For 2017/18 we plan to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated. This approach is consistent with that taken in previous years.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Audit Committee.

Internal audit:

We will regularly meet with the Head of Internal Audit, and review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.



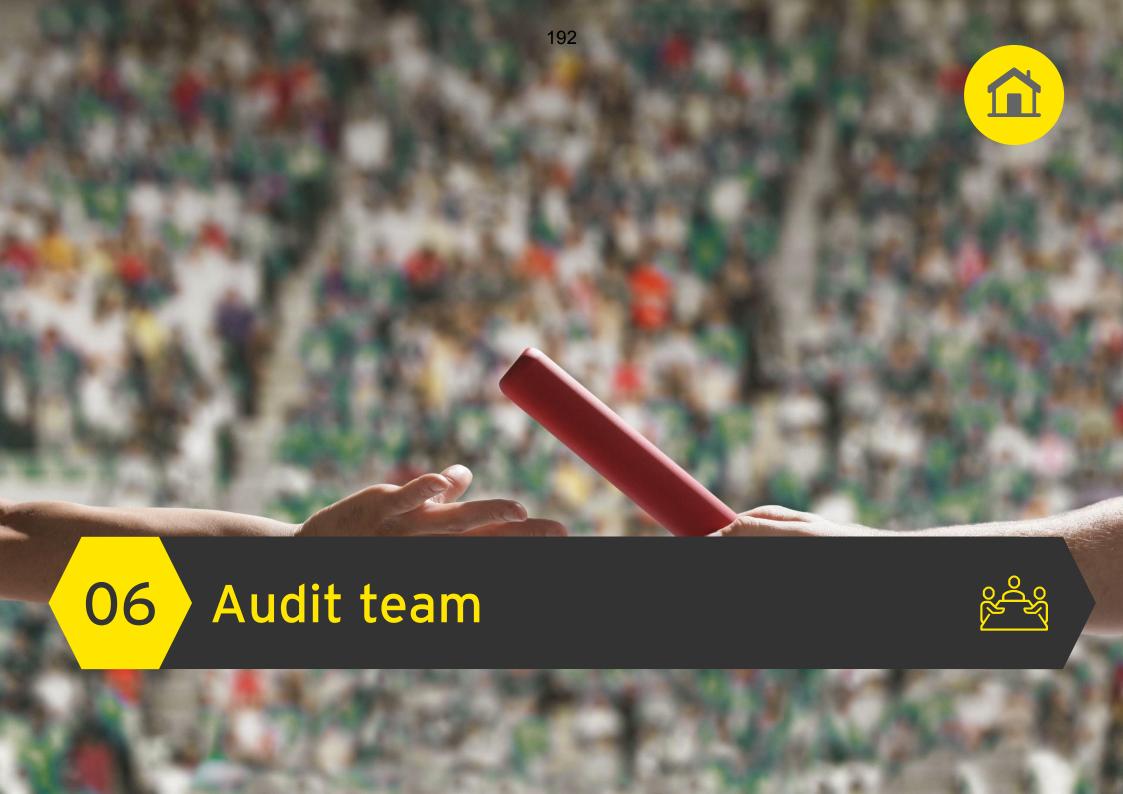
Scoping the group audit

Group scoping

Our audit strategy for performing an audit of an entity with multiple locations is risk based. We identify components as:

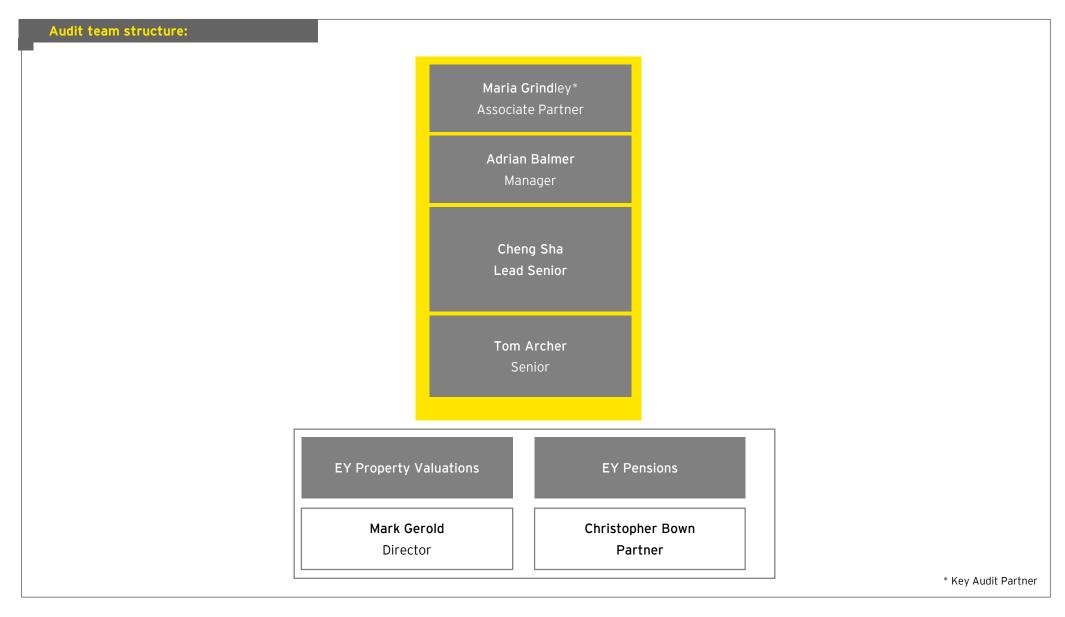
- 1. **Significant components:** A component is significant when it is likely to include risks of material misstatement of the group financial statements, either because of its relative financial size to the group (quantitative criteria), or because of its specific nature or circumstances (qualitative criteria). We generally assign significant components a full or specific scope given their importance to the financial statements.
- 2. **Not significant components:** The number of additional components and extent of procedures performed depended primarily on: evidence from significant components, the effectiveness of group wide controls and the results of analytical procedures.

We note here that all of the components at Thames Valley Police are considered significant. This includes the Chief Constable (Single Entity), the Police and Crime Commissioner (Single Entity) and the Police Pension Fund.



്ഷ്∆udit team

Audit team





Use of specialists

Our approach to the involvement of specialists, and the use of their work.

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists	
Valuation of Land and Buildings	EY Property Valuations Team; Management Third party specialists - Lambert Smith Hampton and Carter Jonas	
Pensions disclosure	EY Actuaries; Management Third party specialists - Barnett Waddingham and Government Actuarial Department (GAD)	
Insurance Fund Valuation	Management Third party specialist - Marsh	
Pension Fund	Grant Thornton LLP - auditor at Buckinghamshire County Council Pension Fund (administrators of the Local Government Pension Scheme of which the PCC and Thames Valley Police is an admitted member)	
Pension Fund	EY Pensions Team PWC is commissioned by PSAA to undertake a review of Local Government Actuaries	

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the PCC and CC's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- Assess the reasonableness of the assumptions and methods used;
- ► Consider the appropriateness of the timing of when the specialist carried out the work; and
- Assess whether the substance of the specialist's findings are properly reflected in the financial statements.





Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2017/18.

From time to time matters may arise that require immediate communication with the PCC and CC and we will discuss them with the Joint Independent Audit Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

Audit phase	Timetable	Audit committee timetable	Deliverables
Planning:	October		
Risk assessment and setting of scopes.			
	November		
Walkthrough of key systems and processes	December	Audit Committee	
	January		
Interim audit testing	February		
, , , , , , , , , , , , , , , , , , ,	March	Audit Committee	Audit Planning Report
Interim audit testing			Interim audit verbal update
	April		
Year end audit	May		
Audit Completion procedures			
Year end audit	June		
Audit Completion procedures		A 111 G 111	
	July	Audit Committee	Audit Results Report
			Audit opinions and completion certificates
	V		Annual Audit Letter



Independence

Introduction

The FRC Ethical Standard and ISA (UK) 260 "Communication of audit matters with those charged with governance", requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in June 2016, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage

- ► The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between the you, your affiliates and directors and us;
- The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- The overall assessment of threats and safeguards;
- Information about the general policies and process within EY to maintain objectivity and independence.
- Where EY has determined it is appropriate to apply more restrictive independence rules than permitted under the Ethical Standard [note: additional wording should be included in the communication reflecting the client specific situation]

Final stage

- ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- Details of non-audit services provided and the fees charged in relation thereto;
- ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- ▶ Written confirmation that all covered persons are independent;
- Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- ▶ Details of any contingent fee arrangements for non-audit services provided by us or our network firms; and
- ► An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements , the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.



Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non -audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Maria Grindley, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the PCC and/or CC. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non audit fees to audits fees is not permitted to exceed 70%.

At the time of writing, the current ratio of non-audit fees to audit fees is approximately 0. No additional safeguards are required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report.



Relationships, services and related threats and safeguards

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the PCC and/or CC. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.



Other communications

EY Transparency Report 2017

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 ended 1 July 2017 and can be found here:

http://www.ey.com/uk/en/about-us/ey-uk-transparency-report-20167





Appendix A

Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the NAO Code.

	Planned fee 2017/18	Scale fee 2017/18	Final Fee 2016/17
	£	£	£
Total PCC Fee - Code work	40,538	40,538	40,538
Total CC Fee - Code work	18,750	18,750	18,750
Total audit	59,288	59,288	59,288
Total other non-audit services	0	0	0
Total fees	59,288	59,288	59,288

The agreed fee presented is based on the following assumptions:

- ► Officers meeting the agreed timetable of deliverables;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ► Appropriate quality of documentation is provided; and
- ▶ The PCC and CC have an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with management in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

All fees exclude VAT



Regulatory update

In previous reports to the Audit Committee, we highlighted the issue of regulatory developments. The following table summarises progress on implementation:

Earlier deadline for production a	nd audit of the financial statements from 2017/18
Proposed effective date	Effective for annual periods beginning on or after 1 April 2017.
Details	The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. From that year the timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May and the publication of the audited accounts by 31 July.
Impact on Thames Valley Police	These changes provide challenges for both the preparers and the auditors of the financial statements.
	We held a faster close workshop for clients in December 2017 to facilitate early discussion and sharing of ideas and good practice.
	We are now working with management on ideas coming from the workshop, for example:
	 Streamlining the Statement of Accounts removing all non-material disclosure notes; Bringing forward the commissioning and production of key externally provided information such as IAS 19 pension information, asset valuations; Providing training to departmental finance staff regarding the requirements and implications of earlier closedown; Re-ordering tasks from year-end to monthly/quarterly timing, reducing year-end pressure;
	• Establishing and agreeing working materiality amounts with the auditors.
	We acknowledge the progress made in recent years at Thames Valley Police in streamlining this process. If however you are unable to meet key dates within our agreed timetable, we will notify you of the impact on the timing of your audit, which may be that we postpone your audit until later in the summer and redeploy the team to other work to meet deadlines elsewhere. Where additional work is required to complete your audit, due to additional risks being identified, additional work being required as a result of scope changes, or poor audit evidence, we will notify you of the impact on the fee and the timing of the audit. Such circumstances may result in a delay to your audit while we complete other work elsewhere.



Required communications with the PCC and CC

We have detailed the communications that we must provide to the PCC and CC.

		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	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
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 to be presented at the March 2018 Joint Independent Audit Committee.
Significant findings from the audit	 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 to be presented at the July 2018 Joint Independent Audit Committee.



Required communications with the PCC and CC (continued)

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	 Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: Whether the events or conditions constitute a material uncertainty Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements The adequacy of related disclosures in the financial statements 	Audit Results Report to be presented at the July 2018 Joint Independent Audit Committee.
Misstatements	 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 Corrected misstatements that are significant Material misstatements corrected by management 	Audit Results Report to be presented at the July 2018 Joint Independent Audit Committee.
Fraud	 Enquiries of the PCC and CC 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 A discussion of any other matters related to fraud 	Audit Results Report to be presented at the July 2018 Joint Independent Audit Committee.
Related parties	 Significant matters arising during the audit in connection with the entity's related parties including, when applicable: 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 to be presented at the July 2018 Joint Independent Audit Committee.



Required communications with the PCC and CC (continued)

		Our Reporting to you
Required communications	What is reported?	When and where
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: 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	Audit Planning Report to be presented at the March 2018 Joint Independent Audit Committee; and Audit Results Report to be presented at the July 2018 Joint Independent Audit Committee
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report to be presented at the July 2018 Joint Independent Audit Committee.
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report to be presented at the July 2018 Joint Independent Audit Committee.
Auditors report	 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 	Audit Results Report to be presented at the July 2018 Joint Independent Audit Committee.
Fee Reporting	 Breakdown of fee information when the audit plan is agreed Breakdown of fee information at the completion of the audit Any non-audit work 	Audit Planning Report to be presented at the March 2018 Joint Independent Audit Committee; and Audit results report to be presented at the July 2018 Joint Independent Audit Committee.



Required communications with the PCC and CC (continued)

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	 Management's refusal for us to request confirmations Inability to obtain relevant and reliable audit evidence from other procedures 	Audit Results Report to be presented at the July 2018 Joint Independent Audit Committee
Consideration of laws and regulations	 Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off Enquiry of the PCC and CC into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the PCC and CC may be aware of 	Audit Results Report to be presented at the July 2018 Joint Independent Audit Committee
Internal controls	► Significant deficiencies in internal controls identified during the audit	Annual Audit Letter and Audit Results Report to be presented at the July 2018 Joint Independent Audit Committee
Group audits	 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 	Audit Planning Report to be presented at the March 2018 Joint Independent Audit Committee; and Audit Results Report to be presented at the July 2018 Joint Independent Audit Committee



Additional audit information

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Dobtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Joint Independent Audit Committee reporting appropriately addresses matters communicated by us to the Joint Independent Audit Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- Maintaining auditor independence.



Additional audit information (continued)

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- ▶ The locations at which we conduct audit procedures to support the opinion given on the Group financial statements; and
- ► The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.



Contents at a glance



This sector briefing is one of the ways that we support you and your organisation in an environment that is constantly changing and evolving.

It covers issues which may have an impact on your organisation, the Police sector, and the audits that we undertake.

The briefings are produced by our public sector audit specialists within EY's national Government and Public Sector (GPS) team, using our public sector knowledge, and EY's wider expertise across UK and international business.

The briefings bring together not only technical issues relevant to the Police sector but wider matters of potential interest to you and your organisation.

Links to where you can find out more on any of the articles featured can be found at the end of the briefing.

We hope that you find the briefing informative and should this raise any issues that you would like to discuss further please contact your local audit team.



Will the UK economy hold up as Brexit nears?

The latest forecast from the EY Item Club highlights that UK GDP growth in 2017 was 1.8%, which was better than expected. However, it does compare unfavourably with 2017 GDP growth of 2.5% for the Eurozone, 2.3% for the US and an estimated 3.0% globally.

The momentum from 2017, an improving outlook for consumer spending, and the increased likelihood of a near-term Brexit transition arrangements are expected to support UK growth this year. With this, we have nudged up our UK GDP forecast for 2018 to 1.7%, up from the 1.4% we predicted in our Autumn forecast in October last year.

However, further out, the UK's limited productivity performance and ongoing Brexit and political uncertainties will see the UK achieve only mid-range growth. With this, we have slightly reduced our GDP growth projections for 2019 to 1.7% (down from 1.8%), 1.9% for 2020 (down from 2.0%), and 2.0% for 2021 (down from 2.2%). Although we have modestly downgraded our expectation of the UK's productivity performance, it remains more optimistic than the Office for Budget Responsibility's latest forecast. Specifically, we forecast output per hour to rise 0.9% in 2018 and then 1.3% annually during 2019–2021

Much depends on how the Brexit negotiations develop. The expectation is that the UK and EU will make sufficient progress to agree a transition arrangement lasting at least two years, from late March 2019. Since this will have to be ratified across the EU, agreement essentially needs to be reached by October 2018. Progress towards a transition deal in late 2018 should support business confidence and a gradual pick-up in investment, helping GDP growth accelerate.

Police Finance Settlement 2018/19

The Government announced the annual Police Finance Settlement in December 2017. The Police Finance Settlement contains a total commitment as well as a split by force covering all 43 police forces in England and Wales. Announcing the settlement and giving further details on some of the headline messages the Police minister, Nick Hurd, noted that the funding was aimed at covering four broad objectives. These included:

- Greater public investment in both local and Counter Terrorism (CT), to help the police respond to shifts in both crime and the terrorist threat
- Empowering locally accountable Police and Crime Commissioners (PCCs) to have greater flexibility in setting their local funding
- Challenging and supporting police leaders to be more efficient, more productive with officers' time and transparent in their use of public money
- Maintaining substantial Government investment in national programmes that will upgrade police capabilities and help them be more effective in managing increased demand

The Minister acknowledged that changes in not only the type and complexity of crime which the police are now involved was adding to the demand pressures the police were experiencing. There was also the issue of increased crime figures which have been reported in recent years as well as the worrying increase in violent crime figures.

In terms of the 2018/19 Police Finance Settlement the Police minister confirmed that total funding levels in terms of the core Police grant settlement would be the same for each PCC in 2018/19 as in the previous year. In addition it was announced that each PCC would also have the opportunity to increase

Band D Council Tax by up to £12 without the need to call a local referendum. If fully implemented it is envisaged that this additional funding would result in additional potential police revenue of £270mn. This would then reflect real term equivalence to funding in the prior year when incorporating any inflation assumption.

A key area of the settlement was in respect of the increased focus on counter-terrorism funding especially in the wake of the terrorist attacks in the UK in 2017. The headline message was that funding on counter-terrorism policing was to increase by £50mn (or 7%) in like for like funding when compared with 2017/18.

The announcement also put the emphasis on the need for increased challenge across police leadership to help deliver the following three priorities:

- 1. Seek and Deliver further efficiencies
- 2. A modern digitally enabled workforce that enables and support efficiency
- 3. Greater transparency in how money is spent locally

The Police minister noted that the Government was currently in discussions with police leadership to establish a series of milestones as to how these areas of focus are monitored in 2018. Depending on progress against these criteria the minister stated that the intention would be to implement a similar settlement in 2019/20 again with the flexibility to increase council tax by the same amount.

Details of the individual Police force settlements are also included within the report.



IFRS 15 – revenue from contracts with customers

The new revenue standard, IFRS 15, creates a single source of revenue requirements for all entities in all industries and is a significant departure from legacy IFRS. The new standard applies to revenue from contracts with customers and replaces all of the legacy revenue standards and interpretations in IFRS, including IAS 11 Construction Contracts and IAS 18 Revenue.

IFRS 15 is principles-based but provides more application guidance and increased judgement. IFRS 15 also specifies the accounting treatment for certain items not typically thought of as revenue, such as certain costs associated with obtaining and fulfilling a contract and the sale of certain non-financial assets. The new standard will have little effect on some entities, but will require significant changes for others.

The standard describes the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services.

The principles in IFRS 15 are applied using the following five steps:

- 1. Identify the contract(s) with a customer
- 2. Identify the performance obligations in the contract

- 3. Determine the transaction price
- 4. Allocate the transaction price to the performance obligations in the contract
- 5. Recognise revenue when (or as) the entity satisfies a performance

Entities will need to exercise judgement when considering the terms of the contract(s) and all of the facts and circumstances, including implied contract terms. Entities will also have to apply the requirements of the standard consistently to contracts with similar characteristics and in similar circumstances.

The 2018/19 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) will determine how IFRS 15 Revenue from Customers with Contracts will be adopted by local government bodies. The 2018/19 Code will apply to accounting periods starting on or after 1 April 2018 but has not yet been published. The CIPFA/LASAAC Local Authority Accounting Code Board met on 6 June 2017 and discussed the implication of IFRS 15 on Local Government entities. The minutes of this meeting corroborate our view that for most entities income streams from contracts with customers are likely to be immaterial. The vast majority of income streams are taxation or grant based which do not fall within the scope of IFRS 15 as they are not contractually based revenue from customers.

However, this may not always be the case for some smaller English authorities or Authorities where there is a high public interest in commercial activities. The following income streams are within the scope of IFRS 15 and will need special consideration if they are material to the users of the financial statements:

- ► Fees and charges for services under statutory requirements
- Sale of goods provided by the authority
- Charges for services provided by a local authority

HMICFRS: Value for Money Profiles 2017

The latest Value for Money profiles have been released by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). The profiles assess comparative performance across key areas and enables forces and other interested parties to assess performance at an individual force level. Key metrics include the ability to understand if your force spends more money than other police forces as well as data in relation to 999 calls.

It is important to bear in mind that the profiles will assist police forces in assessing the 'What' behind the data but not the 'Why'. The profiles therefore enable forces in analysing where their performance is comparable or greater than their force comparators or, conversely, where their performance lags behind others and could be improved.

Clearly not all of the data will help explain all of the variances as some of the variances could be fully explained through, for example, geographical variations. The key principle of benchmarking in this way should still hold good and therefore forces should aim to understand their individual profiles and invest the relevant time and resource in those areas where they believe that learning could add real value either operationally or financially. To access your individual Force Value for Money profile please see the attached link at the end of this paper.

EY - CIPFA Accounts Closedown Workshop 2017-18

EY and CIPFA Financial Advisory Network (FAN) are continuing to work in partnership to deliver a programme of accounts closedown workshops to support local government finance professionals across the country with separate events for police bodies and English, Welsh and Scottish local authorities. The workshop

programme covers the key changes impacting on the production of the 2017/18 financial statements and the outcomes of the 'Telling the Story' changes to the Code of Practice on Local Authority Accounting in 2016/17. Looking forward there are significant changes to IFRS that will come through in the 2018/19 Code and later, so the workshops are also focused on the key risks in relation to the new Financial Instruments standard IFRS 9 and other future expected changes in the Code with potential to impact on the General Fund. These workshops also aim to prepare local authority finance staff for a 'Faster, Smarter and more Accurate' accounts closedown for 2017-18.

By the end of this May, your local authority will need to publish its unaudited statement of accounts and publish audited accounts by the end of July. These changes provide risks for both the preparers and the auditors of the financial statements. Local Authorities will now have less time to prepare the financial statements and supporting working papers. As your auditor, we have a more significant peak in our audit work and a shorter period to complete the audit. Risks for auditors relate to delivery of all audits within same compressed timetable. Failure to meet a deadline at one client could potentially put delivery of others at risk.

To mitigate this risk we will require:

- ► Good quality draft financial statements and supporting working papers by the agreed deadline
- Appropriate staff to be available throughout the agreed audit period
- ► Complete and prompt responses to audit questions

If your authority is unable to meet key dates within our agreed timetable, we will notify you of the impact on the timing of your audit, which may be that we postpone your audit until later in the summer and redeploy the team to other work to meet deadlines elsewhere.

Of the 150 authorities we audit, we currently consider that around a quarter have left themselves a significant amount of work to do to get there and are running a real risk of missing the deadline because they will not have quality draft accounts and supporting evidence ready for their auditors by the end of May.

In addition to our workshops with CIPFA, we have held events in each of our local offices and gathered insights from over 100

practitioners and their local audit teams on the importance of what finance teams and auditors each need to do, and collaboratively, to achieve a successful faster closure. We have put together a comprehensive list of actions to streamline processes, work more collaboratively with their auditors and draw on EY's analytics and innovative audit approach to achieve faster close. We include a summary below:

Summary of faster close activities

Finance teams are:

- Critically appraising the content of their accounts, removing unnecessary disclosures
- Closing the ledger earlier and encouraging greater discipline across the authority to comply with deadlines for accruals
- Preparing discrete sections of the accounts (e.g., narrative report and remuneration notes) and associated working papers earlier to facilitate early audit work
- ► Focusing on judgements and significant estimates earlier including engagement with auditors
- Reviewing the de-minimis level for accruals, including discussion with auditors
- Conducting a hard close for monthly reconciliations e.g., bank reconciliations, feeder systems, etc., with a zero-tolerance to reconciling items over a month old
- Undertaking weekly cut-off testing in April to ensure that the accounts are complete, retaining the evidence in case that item is selected for audit testing

Auditors are:

- Meeting regularly with finance staff, sharing details of the audit approach, agreeing a planned timetable of tasks, communicating changes and providing clarity on what is expected and when
- Bringing forward testing to reduce the amount needed to do in the summer. In particular, valuation of land and building and other high risk areas

- Increasing the use of analytics to interrogate ledger and payroll transaction data
- Using the online EY client portal to streamline communications with finance teams
- Attending workshops with finance teams on accounting issues and effective working papers
- Selecting items for sample testing earlier

Together finance teams and auditors are:

- ► Holding regular meetings throughout the year to share progress and discuss issues
- Planning respective activities to ensure sufficient capacity on both sides
- Revisiting audit issues from the prior year, agreeing how similar issues can be avoided
- Ensuring the client assistance schedule is appropriately tailored

We have produced a Faster Close Briefing checklist that you can use to ensure that you are doing all you can, alongside working with us, to achieve the accelerated timetable. For more information please contact your local engagement lead.



PEEL: Police Efficiency 2017

HMICFRS released in November 2017 their latest assessment of how efficient police forces in England and Wales are.

In terms of efficiency this translates as how good forces are at understanding demand, use the resources available to them and importantly plan for the future. This is the third annual Efficiency assessment. The assessment is graded on the following scale: outstanding, good, requires improvement and inadequate.

The inspection criteria in 2017 were unchanged from those inspected in 2016.

42 of the 43 police forces in England and Wales were assessed as part of the inspection ::

- Two forces were graded as outstanding (Thames Valley and Durham)
- Thirty forces were graded as good
- ► Ten forces were graded as requiring improvement
- Zero forces were graded as being inadequate
- After the terrorist attack at Manchester Arena, HMICFRS after consulting Greater Manchester Police decided that they would not undertake the inspection fieldwork scheduled in immediately after the incident

Key themes – efficiency inspection

HMICFRS acknowledge as part of their report the changing nature and complexity of policing. This complexity is reflected in not only the nature and types of crime that the Police are engaged with but also in respect of the range of different organisations that the police interact with.

In respect of force finances and financing HMICFRS also acknowledge that each force faces difficult decisions in respect of their operational budgets. However a poor financial position does not necessarily correlate to a poor assessment score in respect of Efficiency.

The report also notes that almost all forces have an adequate understanding of its current demand. There are examples of the best forces using sophisticated modelling to understand demand and risk. However HMICFRS note that all forces still could do more in respect of this area.

Another area which HMICFRS have identified as an area of concern is the steps taken by forces to understand the skills they have or indeed need in their workforce to optimise performance. The report does however acknowledge that there are some encouraging signs in this area with more evidence emerging of forces being more proactive in this area.

Demand modelling and resource allocation also focuses as a key finding within the report. There were concerns raised, that some forces are unable to match resources with the demands of the force.

Individual force press releases are available for each of the forces inspected as part of the Efficiency Assessment.

PEEL: Police Legitimacy 2017

HMICFRS released in December 2017 their latest assessment of how effective police forces are at keeping people safe and reducing crime. The Legitimacy assessment forms one of the three key criteria assessments undertaken annually. Key elements of the inspection include the following three questions:

- 1. To what extent do forces treat all the people they serve with fairness and respect
- 2. How well do forces ensure that their workforces behave ethically and lawfully
- 3. To what extent do forces treat their workforces with fairness and respect

Each force is assessed against the three key questions and then the amalgamated scores from those three assessments combined to give the overall assessments indicated above. In line with the other PEEL assessments forces are graded across four categories: outstanding; good; requiring improvement; and inadequate.

42 of the 43 police forces in England and Wales were assessed as part of the review:

- One force (Kent) was assessed as being outstanding
- Six forces were assessed as requiring improvement. These were Northamptonshire Police; Cleveland Police; City of London Police; West Midlands Police; Warwickshire Police and West Mercia Police;
- All other forces, with the exception of Greater Manchester Police, were assessed as being good.
- After the terrorist attack at Manchester Arena, HMICFRS after consulting Greater Manchester Police decided that they would not undertake inspection fieldwork scheduled in immediately after the incident

These scores are broadly consistent with the position in 2016.

Headline messages from the Legitimacy Assessment

Forces across England and Wales are generally good at treating people with fairness and respect. The assessment also looked at other aspects linked to this including the tone from the top and also other factors such as an increased focus on training in key areas such as unconscious bias and communication skills. The

report looked at the use of coercive powers within the police. Overall this was generally assessed as being good. However the report noted variances across police forces in how they make use of external scrutiny to assess how effective they are at recording and monitoring this area.

Another area of focus was how good police forces are at ensuring that their workforces behave ethically and lawfully. The overall conclusion was that forces are good at this with 34 of the forces assessed scoring a grading of good with eight requiring improvement. The report also commented favourably on the use of ethics in training to support their performance in this area. Countering that though, there were still some concerns raised in the report about the application of national vetting procedures within some forces.

Overall police forces were assessed as being good at treating officers and staff with fairness and respect. This assessment was not consistently demonstrated across all forces with nearly a third of those assessed in this area being assessed as requiring improvement. There was evidence that forces are continuing to request and receive data from their workforce to help aid fairness and respect.

In their conclusion HMICFRS pointed to good practice across a number of key areas within their Legitimacy assessment. However there are still opportunities for forces to improve across a number of areas with one particular area being how forces apply the use of stop and search powers.

Individual force press releases are available for each of the forces inspected as part of the Legitimacy Assessment.

Proposed Policing Inspection Programme and Framework 2018/19

HMICFRS have published a consultation on their 2018/19 proposed inspection programme for police forces. Introducing the consultation, HMICFRS emphasised that the annual PEEL assessments will still continue to be the cornerstone of their assessment programme for the police. The key change being introduced with the new programme is the emphasis to be placed on risk. This would see the annual inspections at each force being completed in a more integrated manner with one visit. The assessment of risk at each force would be determined based on knowledge previously obtained from the three previous annual PEEL assessments.

Greater emphasis will be placed on the Force Management Statements (FMSs). The use of these documents will assist HMICFRS in focusing their inspection on those areas that pose the greatest risk to individual forces as assessed by force management themselves. A number of forces have been involved in the development of FMSs. Once fully implemented FMSs will detail the Chief Constable's assessment over the next four years covering the following key areas:

- ► The full range of demand (crime and non-crime, latent and patent) which the force is likely to face
- The condition, capacity, capability, serviceability, performance and security of supply of the force's workforce and other assets (such as ICT)
- ► The force's plans to improve the efficiency
- The force's income

The completion of these by force management and in turn their review on assessment will help assist HMICFRS in coming to an assessment on the efficiency and effectiveness of each force.

The consultation asks forces and other interested parties to comment on the proposals in particular the change in focus to a more risk based assessment as well as HMICFRS' assessment of the key risk areas. These will form part of the wider assessment referred to in the consultation as National Thematic Inspections.

The consultation is scheduled to close on 19 February 2019.

EU General Data Protection Regulation: are you ready?

On 17 December 2015, after more than three years of negotiations and several draft versions of the General Data Protection Regulation (GDPR), an informal agreement was reached between the European Parliament and Council of the European Union. The GDPR is a significant change for organisations. It introduces more stringent and prescriptive data protection compliance challenges, backed by fines of up to 4% of global annual revenue. The regulation replaces Directive 95/46/ EC, which has been the basis of European data protection law since it was introduced in 1995.

The Regulation has a significant impact on organisations in all sectors, bringing with it both positive and negative changes in terms of cost and effort.

Key changes proposed by the EU GDPR include:

- Regulators can impose fines of up to 4% of total annual worldwide turnover or €20,000,000
- Data Protection Officers (DPOs) DPOs must be appointed if an organisation conducts large scale systematic monitoring or processes large amounts of sensitive personal data
- Accountability organisations must prove they are accountable by establishing a culture of monitoring data processing procedures, minimising data retention and building safeguards, and documenting data processing procedures.
- Organisations must undertake Privacy Impact Assessments when conducting risky or large scale processing of personal data
- Consent to process data must be freely given, explicit and individuals must be informed of their right to withdraw their consent
- Organisations must notify supervisory authorities of data breaches 'without undue delay' or within 72 hours, unless the breach is unlikely to be a risk to individuals
- ► Introduction of new rights right to be forgotten, right to data portability and right to object to profiling
- Organisations should design data protection into the development of business processes and new systems and privacy setting should be set a high level by default
- Data processors become an officially regulated entity

Whilst organisations may welcome the harmonisation of laws across the 28 EU member states which will make the complex data protection landscape easier to navigate, the introductions of new rights for individuals are likely to increase the regulatory burden for organisations.

Organisations need to review their current data protection compliance programmes to determine next steps and decide on the level of investment they need to make before 2018 to address the changes.

Organisations need to act now to ensure that they are ready to comply with the new Regulation when it comes into force on 25 May 2018.

Other

Police workforce statistics England and Wales

The Home Office has published its latest workforce statistics for England and Wales. The report is published quarterly. This report contains the data for all 43 police forces in England and Wales and reflects the position as at 30th September 2017.

Headline messages from the report include the following:

- ➤ There were 198,388 (FTE) workers as at 30th September 2017. This represented a nominal increase of 180 FTE from a year earlier but a decrease of 296 FTE from the same figure six months earlier as at 31st March 2017. This is broken down further within the report across key headings such as police officers, police staff and special constables
- ➤ The actual number of police officers was 121,929 as at the end of September. This represented a decrease of 930 officers (or 0.8%) when compared the position 12 months previous
- Of the 43 police officers across England and Wales some 25 police forces saw police officer numbers fall in the previous 12 months

The report also includes information across a number of other areas including internal investigations involving police officers and staff as well as misconduct hearings.

Public Views of Policing in England and Wales 2017/18

IPSOS Mori have published their latest annual assessment of Public Views of Policing in England and Wales on behalf of HMICFRS. The survey brings together the views of approximately 12,500 people from across England and Wales aged 16 years or over. The assessment brings together a number of core themes. These include:

- Safety and security in the local area
- Image and reputation of local policing
- Priorities and responsibilities for local policing
- Interest and knowledge about local policing
- Contact with the police

Safety and security in the local area

Headline messages include the fact that there has been a 5% increase since 2015 by respondents who believe that crime and anti-social behaviour are a problem in their local area (up from 25% to 30%).

In addition an increasing number of participants in the study believe that local crime and anti-social behaviour is now more of a problem than it was a year ago (23% compared to 17% in 2016 and 15% in 2015). Interestingly however 65% of participants feel that the issue has not changed in the last year for them with a small number (5%) saying that the issue is less of a problem than a year ago.

This section of the report also highlights a number of the key criteria against which the police were graded including key questions about the ability of the police to deal with particular types of emergency.

Image and reputation of local policing

This section looks at the visibility of the local police and also changes in local policing in the last year. It also focuses on participant's satisfaction with local policing.

The key messages include no real change in the % of participants who were satisfied with the policing in their local area (53%). However there was a change in the % of those participants who were willing to conclude that the standard and level of policing in their local area has got worse (25% in 2017 up from 20% in 2016). A further worrying trend in this area was the % of participants who have identified issues in respect of the visibility of front line police officers. This figure has grown in each of the last three years (44% in 2017 compared with 41% in 2016 and 36% in 2015).

Priorities and responsibilities of policing

This section of the report focuses on the priorities that participants felt the police should have in their local area as well as the responsibilities that the police had in respect of keeping the local population safe and secure.

In respect of priorities, the following were ranked from highest to lowest – responding in person to emergencies (67%) and tackling crimes of all types (63%). Third on that list saw a significant increase in the % of participants who saw the police response to terrorism as a priority (56% up from 48% in 2016). Online crime is another growing area of police focus which saw an increase year on year (17% vs. 13% in 2016).

Interest and knowledge about local policing:

Participants in this section were asked to respond to a series of questions which dealt with how knowledgeable they were about their local police as well as how they informed themselves and sought out information about local policing.

An increasing trend in this year's report is the % of participants who noted an increased interest in the local police in their area (80% in 2017 vs. 75% in 2016). This interest is driven by a desire to understand what the police are doing to reduce crime and anti-social behaviour in the area (45% and 43% respectively).

Contact with the police

Participants were asked to comment upon their recent experiences in the last 12 months in respect of their interaction and contact with the police.

One in ten of the population (9%) have reported that they have been a victim of crime or anti-social behaviour. Three in ten individuals reported having some form of contact with the police in the last year. Also reported within section of the report are respondent's preferences in respect of how certain individuals would personally report crimes to the police with a higher % stating that they would report a crime against the person via 999 whilst other crimes would be reported via the 111 route.

Key questions for the Audit Committee

How has the general economic forecast for 2018 been considered by your Police authority for the 2018-19 budget?

What impact does the latest Police Finance Settlement have on your force? Are there any risks associated with the settlements and, if so, are these adequately reflected in the risk register?

Has your Authority considered how IFRS 15 might impact your revenue streams?

What does your Value for Money profile tell you about your force? Is there anything that can be learned from key comparators as part of the benchmarking exercise?

How has the authority prepared for the accelerated accounts closedown timetable for 2017-18?

What does the latest Efficiency and Legitimacy assessment scores say about your Force? Is there any learning or issues that need to be considered or reflected in the risk register?

Are you aware of the proposed changes to the HMICFRS inspection programme as detailed in the consultation?

Has the Authority considered the implications of the new GDPR, and is the Authority confident that it comply with its requirements when it comes into force?

Find out more

EY Item Club forecast

http://www.ey.com/uk/en/issues/business-environment/financial-markets-and-economy/item---forecast-headlines-and-projections

Police Finance Settlement 2018/19

https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-12-19/HCWS372/

http://qna.files.parliament.uk/ws-attachments/809130/original/Police%20Grant%20tables%20FINAL.pdf

IFRS 15 - revenue from contracts with customers

http://www.ey.com/Publication/vwLUAssets/ey-applying-revenue-october-2017/\$FILE/ey-applying-revenue-october-2017.pdf

Value for Money Profiles 2017

https://www.justiceinspectorates.gov.uk/hmicfrs/our-work/value-for-money-inspections/value-for-money-profiles/#2017

EY - CIPFA Accounts Closedown Workshop 2017-18

For Faster Close Activities Checklist: please contact your local engagement lead

For a full list of locations and dates available search for 'Accounts Closedown Workshop' at http://www.cipfa.org/training

HMICFRS Efficiency Assessment

https://www.justiceinspectorates.gov.uk/hmicfrs/news/news-feed/significantly-stressed-forces-need-to-continue-to-change/

https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/peel-police-efficiency-2017.pdf

HMICFRS Legitimacy Assessment

https://www.justiceinspectorates.gov.uk/hmicfrs/news/news-feed/forces-working-hard-to-improve-their-legitimacy/

https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/peel-police-legitimacy-2017-1.pdf

HMICFRS Proposed Inspection Programme 2018/19

https://www.justiceinspectorates.gov.uk/hmicfrs/publications/hmicfrs-2018-19-inspection-programme-and-framework-for-consultation/

https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/hmicfrs-inspection-programme-consultation-2018-2019.pdf

EU General Data Protection Regulation

http://www.ey.com/Publication/vwLUAssets/ey-gdpr-what-you-need-to-know/\$FILE/ey-gdpr-what-you-need-to-know.pdf

http://www.ey.com/Publication/vwLUAssets/EY-eu-general-data-protection-regulation-are-you-ready/\$FILE/EY-eu-general-data-protection-regulation-are-you-ready.pdf

Police Workforce Statistics England and Wales

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/676204/hosb0118-police-workforce.pdf

Policing in England and Wales 2017/18

https://www.ipsos.com/sites/default/files/ct/publication/documents/2017-12/public-perceptions-of-policing-in-england-and-wales-2017.pdf

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ED None

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JOINT INDEPENDENT AUDIT COMMITTEE



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Title: Progress on 2017/18 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 2017/18 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 2017/18 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 2017/18 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 or impacts on the Joint Internal Audit Team's resource plan for 2017/18, with the plan being delivered by the Chief Internal Auditor, Principal Auditor and TIAA Ltd (our ICT audit provider).

2017/18 Audit Plan Status and Changes

2.2 The progress made in delivering the 2017/18 Joint Internal Audit Plan, as at the 28 February 2018, is shown in Appendix A and summarised in the table below.

Status	Number of Audits	% of Audits
To Start	0	0%
Scoping	0	0%
Fieldwork / Ongoing	5	20%
Exit Meeting	4	17%
Draft Report	4	17%
Final Report / Complete	10	42%
Complete (No Report)	0	0%
Removed	1	4%
TOTAL	24	100%

2.3 The only changes to the Joint Internal Audit Plan 2017/18 since the previous JIAC meeting in December have been some minor audit title updates and day allocation alterations. There have been no significant changes and all the planned work is due to be delivered by year-end.

2017/18 Performance Indicators

2.4 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 Measure	Target	Current Status	R/A/G
1.	Days between testing start date and the First Draft Report.	85%	71%	(
	(Aim: 4 x the agreed audit day allocation (original or revised)).		(10 / 14)	
2.	Days between the First Draft Audit Report and the Final Draft Audit Report.	85%	82%	Û
	(Aim: 20 days).		(9 / 11)	
3.	Days between the Final Draft Audit Report and the Final Audit Report.	85%	100%	⇔
	(Aim: 10 days).		(10 / 10)	
4.	Audit reviews completed within the agreed audit day allocation.	90%	100%	⇔
			(10 / 10)	
	(Aim: Each audit day allocation (original or revised)).			
5.	Joint Internal Audit Plan delivered.	95%	Year-end reporting	N/A
	(Aim: Each audit review completed, excluding any agreed changes (i.e. removed audits)).		. 0	
6.	Annual Internal Audit Quality Questionnaire outcome.	95%	Year-end reporting	N/A
	(Aim: Responses who strongly or tended to agree with the statements).			

- 2.5 The detail to support the current performance levels are:
 - Ten of the 14 first draft reports issued have been within the performance indicator target. The four that have missed the target were by 2, 9, 21 and 39 days, due to Force staff availability to complete the audit testing or respond to and discuss the outcome of the audit.
 - Nine of the 11 final draft reports issued have been within the performance indicator target. The two that have missed the target were by 15 and 37 days, due to staff responses to the draft report and staff availability to discuss the report content.
 - All ten final reports have been issued within the performance indicator target.
 - All ten completed audits have been delivered within the agreed audit day allocation.
 - The remaining two performance indicators will be reported at year end.

Completed Audit Outcomes

- 2.6 Appendix A contains the details of each audit, the scope and current status. Since the previous meeting and as at 28 February 2018, four audits have been completed:
 - Child Exploitation Framework and Governance reasonable assurance.

- Cyber Crime (Framework and Oversight) reasonable assurance.
- Ethics and Cultural Learning reasonable assurance.
- Force Demand and Resilience Management substantial assurance.
- TVP Internet and Intranet Content Management limited assurance.
- ICT Information Technology Infrastructure Library Change Management

 substantial assurance.
- 2.7 Copies of Section 2 (Executive Summary) of the final reports have been circulated to the JIAC members, in advance of the meeting.

Fraud

- 2.8 Work to investigate the Cabinet Office's 2016/17 NFI matches has virtually been completed. The Payroll Team have reviewed and closed all of the recommended payroll matches from the initial exercise. The team also submitted data as part of the mid-year NFI mortality check and have investigated all of the matches. One match was able to resolve an outstanding issue where payments had been returned. The check confirmed that the individual had died, so this can now be actioned and closed. In relation to creditor matches, the Receipts, Procure and Pay Team have checked the priority matches, and again, no issues have been found.
- 2.9 The Joint Internal Audit Team have not been notified by PSD of any fraud or irregularity matters which have internal control implications and have required a change to the Audit Plan. In relation to the previously reported LPA petty cash discrepancy, which was reviewed and written off by Corporate Finance, no further work was completed by the Force's Professional Standards Department. An audit has been included within the 2018/19 Joint Internal Audit Plan that will review LPA Financial Controls.

PSIAS Update

2.10 The team's External PSIAS Quality Assessment was completed in October 2017. The assessment raised two recommendations and three suggestions. An update on progress in implementing the actions is provided at Appendix B. Of the five actions, three have been completed and two are in progress.

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 Internal Audit Strategy and Annual Plan 2017/18.

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 2017/18 audit	
plan. This report has been produced in compliance with United Kingdom Public Sector Internal Audit Standards (PSIAS).	
Legal Advice	
No known legal issues arise from the contents of this report.	PCC Chief Executive Officer
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: 2 March 2018

Director of Finance (TVP)

Date: 6 March 2018

APPENDIX A

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.

Audit Review	Scope / Objective	Area	Planned Days (March 2017)	Planned Days (March 2018)	March 2018 Status	Actual Days
Bail Management (Pre-charge and RUI)	 The audit scope will focus on the following areas: Procedures, guidance and training. Use of 'Released Under Investigation'. Oversight and monitoring of pre-charge bail / RUI use. 	ACC Crime & Criminal Justice	12 days	12 days	Fieldwork	N/A
Child Exploitation Framework and Governance	 The audit scope will focus on the following areas: Force wide and Area guidance and procedures. Child exploitation identification, recording and escalation. Child exploitation oversight, monitoring and risk management. 	ACC Crime & Criminal Justice	15 days	15 days	Final Report – Reasonable Assurance	15 days
Cyber Crime (Framework and Oversight)	The audit scope will focus on the following areas: - Strategy, oversight and monitoring Training and internal communications / guidance External communications.	ACC Crime & Criminal Justice	12 days	14 days	Final Report – Reasonable Assurance	14 days
Firearms Licensing (Administration and Management)	The audit scope will focus on the following areas: - Processing of new / renewal applications Monitoring of current certificate holders Oversight and performance monitoring.	ACC Crime & Criminal Justice	12 days	16 days	Draft Report	N/A

Audit Review	Scope / Objective	Area	Planned Days (March 2017)	Planned Days (March 2018)	March 2018 Status	Actual Days
Force MASH Restructure (Action Plan and Oversight)	The audit scope will focus on the governance and delivery of the ongoing MASH restructure process.	ACC Crime & Criminal Justice	15 days	5 days	Draft Report	N/A
Force Demand and Resilience Management	The audit scope will focus on the following areas: - Current demand management Future demand management - Tasking and resilience arrangements.	ACC Local Policing	15 days	15 days	Final Report – Substantial Assurance	15 days
Mental Health Framework and Governance	 The audit scope will focus on the following areas: Procedures, guidance and training. Mental Health response and arrangements. Partner Agency working. Oversight and monitoring of Mental Health incidents. 	ACC Local Policing	15 days	15 days	Final Report – Reasonable Assurance	15 days
ERP (TVP Governance, Sprint & Testing Process)	The audit scope will focus on the following areas: - Project reporting, decisions and interdependencies.	Deputy Chief Constable	7 days	9 days	Part 1 – Management Letter	9 days
,	Project implementation.Risk and issues management.		11 days	5 days	Part 2 – Exit Meeting	N/A
Force Risk Management and Business Continuity Arrangements	The audit scope will focus on the following areas: - Risk management arrangements and oversight Business continuity arrangements and oversight.	Deputy Chief Constable	12 days	18 days	Exit Meeting	N/A
TVP Internet and Intranet Content Management	The audit scope will focus on the following areas: - Internet content management (TVP website) Police.uk content management (TVP sections) TV Alerts messaging management Intranet content management (TVP Knowzone).	Deputy Chief Constable	12 days	16 days	Final Report – Limited Assurance	16 days

Audit Review	Scope / Objective	Area	Planned Days (March 2017)	Planned Days (March 2018)	March 2018 Status	Actual Days
Gifts, Hospitality and Interests	The audit scope will focus on the following areas: - Policy, procedures and guidance Gifts, hospitality and interest process Review, scrutiny and monitoring.	Deputy Chief Constable	0 days	3 days	Exit Meeting	N/A
Key Financial Controls	The audit scope will focus on the following areas: - Budget monitoring Procure to pay Debt management Payroll.	Director of Finance	20 days	20 days	Draft Report	N/A
ICT - Application Lifecycle Management	- Policy and procedures ICT risk management Unsupported server and application software platforms ICT rationalisation.	Chief Information Officer	10 days	10 days	Exit Meeting	N/A
ICT - Asset Management	The scope of the audit is yet to be determined.	Chief Information Officer	10 days	0 days	Removed	N/A
ICT - Incident and Problem Management	The audit scope will focus on the following areas: - Policy and procedures Incident management logging Incident management process Problem management process Training Incident reporting.	Chief Information Officer	0 days	11 days	Fieldwork	N/A

Audit Review	Scope / Objective	Area	Planned Days (March 2017)	Planned Days (March 2018)	March 2018 Status	Actual Days
ICT - Information Technology Infrastructure Library Change Management	The audit scope will focus on the following areas: - Policy and procedures Change management system Change Advisory Board (CAB) Request for change Change monitoring and oversight Emergency changes.	Chief Information Officer	10 days	10 days	Final Report – Substantial Assurance	N/A
Information Management - Data Security and Encryption	The audit scope will focus on the following areas: - Procedures, guidance and training Digital movement of data Monitoring and oversight.	Chief Information Officer	12 days	12 days	Final Report – Reasonable Assurance	12 days
Ethics and Cultural Learning	The audit scope will focus on the following areas: - Ethics and integrity governance structure Organisational lessons learnt.	Director of People	15 days	15 days	Final Report – Reasonable Assurance	15 days
Police and Crime Plan Monitoring	The scope of the audit is yet to be determined.	OPCC Chief Executive	12 days	12 days	Fieldwork	N/A
Victims Service Redesign	The audit scope will focus on the following areas: - Project governance.	OPCC Chief Executive	6 days	7 days	Part 1 – Management Letter	7 days
	Project delivery.Risk and issues management.		6 days	6 days	Part 2 – Draft Report	N/A
Limited Assurance Audit Follow Up	The review will follow up on any limited assurances audits issued in 2015/16 and 2016/17.	General	10 days	5 days	Fieldwork	N/A
Sources of Assurance	The review will capture any additional sources of assurance which will contribute to the Annual Internal Audit Report 2017/18, including the Chief Internal Auditor's Annual Opinion Statement. Sources will include both internal and external sources.	General	11 days	10 days	Ongoing	N/A

Audit Review	Scope / Objective	Area	Planned Days (March 2017)	Planned Days (March 2018)	March 2018 Status	Actual Days
		Total Planned	260 days	261 days		
		Days				
JIAC Days	An agreed number of days for the Joint Independent Audit Committee to utilise should they require a specific piece of audit work being completed.	Other	10 days	10 days	To be Resourced	N/A
	(Note: these days are not currently resourced within the plan).					

APPENDIX B EXTERNAL PSIAS QUALITY ASSESSMENT ACTION PLAN

No.	Recommendation	Report Response	Responsible Person	Action Date	Current Status
R1	The audit charter should be amended to assign the term 'the board' to the Joint Independent Audit Committee.	The team were aware that the current charter needed updating and had agreed with the JIAC at the June meeting that this would be done following the PSIAS assessment. A revised charter has been produced, which reflects the joint nature of the service and local governance arrangements. The charter has been discussed at the November Audit Board and will be presented to the JIAC on the 13 December 2017.	Neil Shovell Chief Internal Auditor	31 December 2017	An updated Audit Charter was presented to the December 2017 JIAC meeting.
R2	The Joint Independent Audit Committee should undertake annual reviews of its remit and effectiveness and carry out the review for 2017/18 as soon as practicably possible.	A survey on the effectiveness of the JIAC has been circulated. A copy of CIPFA's "Audit Committees: Practical Guidance for Local Authorities and Police (2017 Edition)" will be obtained and used to conduct an assessment of the JIAC's remit and effectiveness.	Dr Louis Lee Chair of the Joint Independent Audit Committee	30 June 2018	In progress. Although ordered, CIPFA's "Audit Committees: Practical Guidance for Local Authorities and Police (2017 Edition)" is due for publication in March 2018. Once a copy had been obtained, it will be used to conduct an assessment of the JIAC's remit and effectiveness.
S1	A section could be added to the declaration form at the next revision regarding internal auditors having due regard to the Seven Principles of Public Life.	As part of the team's 2017/18 Audit Professional Declaration, question 1 covered the PSIAS Code of Ethics. However, the team's Audit Professional Declaration Record Template has been updated to explicitly include a question with regard to team members being "aware of and have regard to the Committee on Standards of Public Life's Seven Principles of Public Life".	Neil Shovell Chief Internal Auditor	Completed at the time of the review.	-

No.	Recommendation	Report Response	Responsible Person	Action Date	Current Status
S2	Evaluate the specialist data interrogation and analysis software options and applications that are available, and obtain the best solution that meets the needs of the Service.	The template will be used as part of the 2018/19 annual declaration process. Force wide use of any data interrogation software will be investigated to identify if any systems have already been procured and are in use. If no system is identified, external options will be evaluated, based on service needs and added value.	Neil Shovell Chief Internal Auditor	31 March 2018	Some initial research has been completed into data interrogation software. Certain areas of the Force use Business Objects to produce reports from the necessary TVP systems. Further work needs to be completed before a final decision is made on whether any interrogation software
S3	A paragraph could be added to the audit report template that states that the audit has been conducted in conformance with the Public sector Internal Audit Standards.	The audit report template has been updated to include a statement that the "Joint Internal Audit Team complies with the Public Sector Internal Audit Standards and this review has been completed in accordance with those standards".	Neil Shovell Chief Internal Auditor	Completed at the time of the review.	would be beneficial to the service.



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 26 actions that are currently overdue:
 - 9 actions are due for completion by the end of March 2018;
 - 4 actions are due for completion by the end of April 2018;
 - 3 actions are due for completion by the end of May 2018;
 - 8 actions are due for completion of by the end of June 2018; and
 - 2 actions are due for completion by the end of September 2018.

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 January 2018 in relation to the years 2015/16 to 2017/18. It shows that in total there were 26 overdue actions at this date; these relate to 12 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 10 to 12 since the last report to this Committee in December 2017.
- 2.2 Appendix 2 shows the changes in the number of overdue actions since the previous report to this Committee in December 2017. The total number of outstanding overdue actions reported has risen from 17 to 26.
- 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 January 2018. The information is based on responses from managers received up to and including 2nd March 2018. 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 There are 16 priority 1 overdue actions.
- 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.

Priority 2 rated overdue actions

2.6 Of the priority 2 actions that are overdue none are specifically drawn to the attention of the Committee.

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? Yes

Name & Role	Officer
Head of Unit	Chief Internal
This report provides the Committee with essential management	Auditor
information on the number and status of current overdue actions	
from internal audit reports.	
Legal Advice	PCC Chief
No known legal issues arise from the contents of this report.	Executive
Financial Advice	PCC Chief
No known financial issues arise from the contents of this report.	Finance Officer
Equalities and Diversity	Chief Internal
No known equality issues arise from the contents of this report.	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: 05/03/18

Director of Finance (TVP) Date: 06/03/18

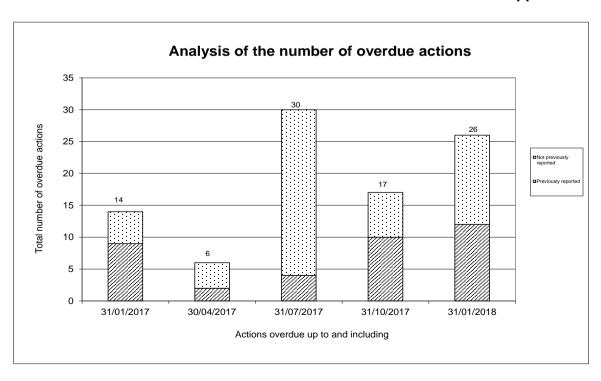
Appendix 1

ANALYSIS OF OVERDUE ACTIONS AS AT 31st JANUARY 2018

Audit Subject/Location	Outstanding Overdue	Priority 1	Priority 2	Previously Reported
2015/16		•	•	
Fuel Cards	1	-	1	1
TOTAL	1	0	1	1
2016/17				
Access to Systems (Active Directory) *	2	2	-	-
Back-up and Recovery *	2	2	-	-
Cyber Security *	1	1	-	-
Equality and Diversity	2	1	1	2
Evidential Property Administration	1	1	-	1
Missing Persons (Framework and Governance)	3	3	-	3
Organisational Programme Governance	2	2	-	1
PCC Governance	1	-	1	-
TOTAL	14	12	2	7
2017/18				
Information Management: Data Security and Transfer	3	2	1	2
Intranet and Internet Content Management	2	-	2	-
Mental Health Framework and Governance	6	2	4	2
TOTAL	11	4	7	4
OVERALL TOTAL	26	16	10	12

^{*} Details of these actions have been provided under Part 2 of the meeting agenda due to the security classification of the original reports.

Appendix 2



Appendix 3

UPDATE ON PROGRESS IN DELIVERING OVERDUE AGREED ACTIONS

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date
Equality and Diversity	Final report issued on: 03/05/17	CCMT Lead: Dr Steven Chase			
Equality Impact Assessment (EIA) guidance There are guidance notes which are designed to 'explain how to complete an Equality Impact Assessment'. However these were last updated in 2013 and the EIA template includes links do not work. Risk exposure: Equality and Diversity issues are not considered consistently, or at all, leading to failure to fully consider and address relevant equality issues and potential challenge.	A decision will be made as to who will own this guidance going forward and who users of the guidance will be directed to for assistance. Following this decision, the guidance will be reviewed and updated as necessary.	30/06/17	1	After the initial meetings, a meeting is now scheduled for 8th March between Strat Governance, Policing Strategy and People Directorate to review the constituent parts of Equality Impact Assessments and decide which areas of the business need to be owners / stakeholders / advisers etc. Overarching guidance is required (prepared by business area experts), with training provided to 'navigators' who will provide EIA advice in future.	31/03/18
Completion of EIAs – general None of the TVP documentation seen sets out whether policies, procedures and practice should all be subject to formal EIAs, although it is understood that this is best practice. When sampling policies from the 'Policy and Procedures' intranet page there were 'other' documents but in each case the EIAs pre-dated the version of the document by some time. There were also other documents which did not have EIAs. Neither was it clearly stated anywhere whether all projects and programmes should be subject to an EIA and, if so, at what point in the process an EIA should be completed and who should be consulted. The overarching picture was that EIAs are completed but this is generally after, rather than before, a decision to make a change has been made and there was only ACPO sign off documented on 1 of the 7 EIAs seen.	A meeting will be convened to discuss the points at which EIAs should be completed within the Change process. This will then be added to the change process and agreement sought on the appropriate Team to monitor this according to where it sits within the process.	30/06/17	2	The first meeting has taken place to discuss the completion of EIAs within the Change framework / process. The Group, referenced above, will consider the Change functions alongside other areas requiring the production of an EIA to include this area as part of a holistic review / action plan.	31/03/18
Risk exposure: Failure to compile EIAs for all relevant policies/changes, at the correct time, leads to failure to fully consider and address relevant equality issues and potential challenge.	Final report issued on 03/05/47			CCMT Loads ACC Tim Do Mouer	
Evidential Property Administration	Final report issued on: 03/05/17			CCMT Lead: ACC Tim De Meyer	
Firearms storage At both sites visited it was evident that there is	Operation Dragonroot is progressing and this should assist with clearing the backlog of older items held. Systems agreed under this	30/09/17	1	Operation Dragonroot has now ceased. At the time it ceased there were significant issues with freezer capacity so the	30/06/18

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date
significant pressure on Firearms storage space, including a large bulk of items which had been held for an extended period at one site.	operation, with regard to how to progress licensing related items, should also assist going forward with dealing with items in a timely manner.			management of the freezers had to be prioritised over the firearms (the firearms, whilst not ideal to retain in large numbers, do not present any immediate risks.	
The Evidence Manager confirmed that this issue is being looked at through Operation Dragonroot and, in particular, via discussion with the Firearms Licensing Department. However, a significant issue will remain in place until further progress can be made in establishing a robust system for processing these items in a timely manner. Risk exposure: Property is not stored appropriately or safely leading to damage and / or injury to EMU, or other, staff.				The firearms backlog has already been improved through Operation Brave (purge process). Operation Faline, to be carried out by a dedicated resource and supported by the Evidence Management Unit staff, will go live from 5 th March onwards. This operation is designed to purge legacy firearms property and should significantly alleviate pressure on storage space.	
Property is not processed in a timely manner leading to inappropriate retention and storage space pressures.				In addition, the large bulk of firearms mentioned is being progressed. This has proved to be problematic given the sheer volume but we now have a clear plan in place to manage them. We are just waiting for a contractor to clear vetting to be able to carry out the valuation and then we will look to go out to tender for them.	
				Going forward, we should then be in a position to manage firearms as business as usual. This is largely due to the introduction of GEMS, recent improvements in the retention review requests and Operation Brave (purge process).	
Fuel cards	Final report issued on: 25/05/16			CCMT Lead: DCC John Campbell	
Fuel spend/card usage monitoring Monthly data is being issued to LPAs/OCUs/Departments showing their fuel spend, broken down by vehicle, but there is no guidance issued with the data to indicate the key points e.g. trends, anomalies etc which recipients should be considering.	The monthly data being issued will be reviewed to determine if the right data is being issued to the right people, and what guidance is then needed depending on the job role of those receiving it.	30/09/16	2	This action was originally delayed due to management vacancies and a subsequent decision to restructure the Transport Team. The new Fleet Services & Logistics Manager is now in place and is looking at ways in which to update and improve processes and how we interact with the forces in a more focused way, including in relation to Fuel Cards. This will be helped by filling the	30/09/18
Risk exposure: Management data is not suitably analysed to identify and address potential issues/anomalies in usage/spend.				Cards. This will be helped by filling the remaining vacancies (as it will provide support/time).	
				Given the delay in the ERP system we will relook at how we are using Tranman / data capture / reporting etc with a view to enhancing and potentially automating the	

Control weakness	and risk exp	osure		Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date
							reporting taking place.	
Information Mana Transfer	agement: Da	ata Security	and	Final report issued on: 30/08/17			CCMT Lead: Amanda Cooper	
Monitoring During the audit monitoring of TVP's management e-leaidentified that the between the two Fo The audit also revie and HC for each correct of Course Government Security Classification MoPI 1 MoPI 2/3 Appropriate Use of Force IT systems Force Data Protection and Information Security At TVP, although the mandatory courses Units or Department these are overseen Board (IGB). Risk exposure: If unaware of GSC are potentially incorrect taken.	, the completed and HC's matering were en and HC's matering were en andatory roes. Event the computer of the	ndatory inform reviewed. It courses diff beletion rates at HC % Complete 73% 42% 44% 80% 77% beletion rates for there were cell completion rates ement e-lear mation Govern as and staff the rements, leading triate action to the course of the	ation was fered TVP TVP Try Try Try Try Try Try Try Tr	The next Information Governance Board, which is a joint TVP / HC meeting, is due to take place on the 23 August 2017. At this meeting, the issue of mandatory information management elearning will be discussed with a view to aligning the requirement at TVP and HC. Agreement will then be sought at TVP and HC as to the mandatory information management e-learning required at both Forces. At HC, the issue may not be as bad as it appears, but will require further work to resolve both what the training coverage is and tie in mandatory training requirements to the new processes being brought in.	31/10/17	1	HC Training confirmed the figures provided for audit are the most accurate with the current recording capabilities. Action was not discussed at the Aug 17 IGB as there was a fuller agenda of some operational matters due to the delay since the previous meeting. It has been added to the Dec 17 IGB Agenda to seek an in principle view that there should be mandatory IM training in HC & TVP. The NPCC has recently stated that due to the new Data Protection legislation (effective in May 18) they will review the current suite of NCALT IM courses (incl. MoPI) and consolidate / update where possible by May 18. Once provided, IGB agreement will be sought as to which courses should be mandated. To mitigate the risk in the meantime, key messages and reminders are being built into the Data Protection Reform communications strategy.	30/06/18
The audit tested f discuss how they s (i.e. DVD / CD, e	ive departme	ents within TV a removable m	nedia	Within HC, the JIMU will conclude their review of relevant business areas to identify how and when DVDs and CDs are sent to external bodies.	31/12/17	1	Delivery of this action needs to be extended, partly due to staff vacancies and partly so we can assess how well the Egress pilot is working.	30/06/18
whole, departments	are aware of	the JIMU fund	ction,	Where required, action will be taken to ensure that sufficient controls and safeguards are in				

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date
applying secure processes when sharing data and managing any risks.	place (i.e. the use of password protection and special delivery).				
Testing did identify one common theme in that TVP do not currently have a Force wide solution for using data encryption, mainly due to issues with the receiving organisation not being able to view the data. One department does use encryption software, but they do have issues with other organisations viewing the data that is shared. The software is also freely available, but unsupported.					
There has also been a recent issue at another Police Force who were fined £150,000 by the Information Commissioner's Office (ICO) after three unencrypted DVDs were lost in the post. The ICO recommended actions to take if encryption software is unavailable.					
The issues regarding encryption were identified by TVP in July 2014 and are recorded in the Force's Generic Risk Register. Criminal Justice are having ongoing discussions to evaluate their current arrangements, with a view to identifying an interim solution, pending the introduction of a national Digital Evidence Management Solution (DEMS).					
HC reported that further action needs to be taken to ensure that sufficient controls and safeguards are in place (i.e. the use of password protection and special delivery), before a Force wide solution is identified.					
Risk exposure: Insecure data encryption and security arrangements, leading to sensitive personal or investigation data being viewed by inappropriate individuals, impacts on successful case outcomes, fines or reputational damage.					
Security Incident Reporting Tool TVP and HC both utilise a web based Security Incident Reporting Tool (SIRT) to capture any security breaches or incidents. The SIRT is managed by Force Security, with any relevant	The use of the SIRT by HC will be reviewed with a view to raise awareness of the tool for reporting any data breaches.	31/10/17	2	The process by which security incidents will be reported is due to change to V-Fire. JIMU has fed into the data that needs to be captured. JIMU will attend a demonstration of the new tool on 12/12/17.	30/04/18
information management breaches being forwarded to the JIMU for logging, investigating and follow up. A comment was made during the audit that the current questions noted in the SIRT template have not been updated to reflect the data that the JIMU currently require. However, based on both				The decision has been made to delay awareness / promotion communications until the transition to V-Fire is made to avoid confusion to staff. V-Fire go live has been delayed due to resource constraints. However, this offers an opportunity to tie the	

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date
organisation's current priorities and workload, any changes may not take place for a couple of years, although there has been a suggestion that VFire could manage security reporting in the future.				launch in with the wider communications messages on Data Protection reform (GDPR) over the coming months.	
One further observation was that the number of breaches reported by TVP and HC vary significantly.				The lower HC reporting levels were raised at the HC Security Board in order to raise awareness with stakeholders and promote further use. Further communications about	
Risk exposure: A lack of consistent and comprehensive reporting of security breaches and incidents, leading to prompt action not being taken to prevent any repeat incidents.				reporting security breaches are captured in the JIMU led Project Plan to implement the new Data Protection Legislation (Project Board begins 7/12/17).	
TVP Intranet and Internet Content Management	Final report issued on: 09/01/18			CCMT Lead: DCC John Campbell	
TVP Publication Scheme compliance/currency of information The TVP Publication Scheme sets out information that is required to be on the website along with update frequencies. Responsibility for ensuring up to date information is provided to be added to the website sits with the relevant Teams across the Force who own the specific types of information, although these responsibilities have not yet been formally documented/ mapped out. Sample testing also identified several issues in relation to the currency and completeness of the information on the website (at the time of review in late June): a) Data/documents were not up to date. b) Frequency of update on the publication scheme did not always match to the frequency of update stated on the website. c) There were a number of items shown on the TVP scheme which are not yet available on the website.	(c) The Sponsorship, Keyholder Services, Records Management and Personal Data policies are under review and will be added to the website once complete.	31/01/18	2	These are still under review.	31/03/18
Risk exposure: Out of date information is shown or required / agreed information is not available on the website resulting in potential challenge or complaint.					
Messaging oversight Lead LPA TV Alert Administrators have recently been nominated for each LPA. They have been encouraged to promote local contacts and look at plans to ensure consistent TV Alert support for their LPAs. It was noted however that there is no detail setting out exactly what the Leads are responsible	To ensure the responsibilities of the Lead LPA TV Alert Administrators are clear a role document is being created and will be communicated to all relevant parties.	31/01/18	2	A role spreadsheet has been created and guidance emails have been sent. The role document is still to be agreed between comms and local policing.	31/03/18

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date
for going forward to ensure that they are clear on their responsibilities and are as effective as possible. The Community Engagement Communications Officers, who are new in post, are in the process of implementing a number of changes and improvements to the processes in relation to TV Alerts to provide increased oversight and guidance. At the time of the audit, this work had not been assigned a firm timescale. Against this, it is appreciated that the Corporate Communications Department restructure has only recently been completed and the above is therefore a work in progress. Risk exposure: Lack of oversight of messages being sent out leads to inappropriate messages/practices not being highlighted and		•			
promptly addressed and potential failure to fully maximise benefits of TV Alerts. Mental Health Framework and Governance	Final report issued on: 25/08/17			CCMT Lead: ACC Nicola Ross	
Mental Health Reference Database Content The Reference Database contains guidance and procedures with regard to Mental Health. The audit identified an inconsistent and ad-hoc approach to overseeing and updating the content. A review of the content of the database identified the following: - One link identified an error message that the "Page cannot be displayed. Please report this error to the administrator". - The link did not work for the guide to help complete the minimum information required. It was noted that the Reference Database is due to be replaced during the Autumn with a new Knowledge Base system. Risk exposure: Inaccessible corporate guidance, leading to officers and staff being unaware of the necessary action required.	The Reference Database mental health content will be reviewed and updated and Local Policing will diarise an annual review of the content. The Mental Health content of the new Knowledge Base system will also be agreed.	30/11/17	2	The Reference database remains out of date and does not currently reflect the legislative changes from the Police and Crime Act (PaCA) 2017. The database will need to be reviewed and appropriate amendments made to reflect current legislation.	30/04/18
Section 135 and 136 Occurrences The audit tested a sample of ten Section 135 and 20 Section 136 occurrences. Testing focussed on the key controls from the Section 135 and 136 templates to ensure they had been applied and documented	The lack of scrutiny has been raised with LPA and Contact Management Mental Health Leads. This will continue to be monitored and raised as part of the LPA Mental Health Lead Group meetings.	31/12/17	2	Confirmation is required from Contact Management as to whether guidance has been received regarding s135/136 guidance and changes to legislation. Guidance is to be disseminated to the MH	30/04/18

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date
correctly in Niche. For Section 135 occurrences, testing identified the following: - None of the sampled ten cases had a Mental Health Champion / SPOC review. - Two of the cases reviewed did not have the Mental Health qualifier selected. - Within one occurrence, the mode of transport was not noted in the OEL. - Within one occurrence, the Section 135 OEL template was not copied into the OEL. For Section 136 occurrences, testing identified the following: - Of the 20 cases sample checked (between September 2016 and March 2017), 11 did not have a Mental Health Champion / SPOC review noted in the OEL. - Two of the cases reviewed did not have the Mental Health qualifier selected. - For three cases, the OEL record stated that SCAS (South Central Ambulance Service) were called, but at exactly 00:00. Risk exposure: A lack of Force compliance and oversight of the required Section 135 and 136 process, leading to potential operational issues not being resolved.	A Contact Management Knowledge Factsheet will also be considered, providing the necessary guidance and requirement for S135 and S136 occurrences.			SPOCs re compliance with reviews for all 135/136 occurrences.	
Escalation Protocols The Force have 15 protocols in place that detail the escalation processes that should be applied by TVP when requesting a service from a partner agency. In reviewing the processes, 12 are dated 2017 (January and February) and three are dated 2016 (August, October and November). During the audit it was commented that although they are agreed, the processes are out of date and numbers have changed, so they need to be reviewed and updated. Risk exposure: Out of date escalation processes and contacts, leading to operational impacts if officers and staff are applying incorrect procedures.	Escalation processes are being updated and we are awaiting content from LPA Leads. The Interagency Joint Working Protocol is still valid in its current form, but will be updated when the PaCA 2017 changes are implemented.	31/01/18	1	All area MH SPOCs have been contacted by email and asked to review their own LPA entry on Livelink and to confirm that escalation process and contacts are up to date/provide any amendments for update to Livelink.	30/04/18
Corporate Mental Health Performance Monitoring Audit testing found that the Force has not historically identified or been monitoring any Mental Health performance measurements at a corporate level.	The Mental Health Steering Group is awaiting feedback from Service Improvement as to what Mental Health performance and management information is possible utilising the data that is currently captured.	31/12/17	1	Awaiting updates from Service improvement as to what performance and management information is possible with current data and whether new data needs to be captured considering legislative changes.	31/05/18

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date
However, this is currently being resolved and there was evidence of ongoing discussions at the Force Mental Health Steering Group to identify the necessary performance information. The latest discussion took place at the 23 May 2017 meeting.	Once agreed, the form, frequency and review process for the information will be agreed.			Following this discussion we will review processes to be brought to the MH steering group.	
The "wish list" of Mental Health performance measurements are currently with Service Improvement, who are determining how the information can be produced.					
Risk exposure: A lack of corporate oversight of key Mental Health performance measurements, leading to issues not being addressed and an overall operational impact on Force demand.		04/40/47			00/05/40
Mental Health Performance Toolkit and Custody Data The Force have a Mental Health Performance Toolkit, which provides information and statistics in relation to Section 136 Detentions and Custody Detentions. In discussing the use of the toolkit with Area Leads, testing found that in some Areas, there is only an occasional use of the toolkit. The Custody function within the Criminal Justice department also circulate data. Each Area can then utilise the data although there is no expectation on the LPAs to use the data. Testing within each Area found one Area that does not utilise the data circulated, although they do review every Section 136 occurrence. Risk exposure: Ineffective use of Force wide Mental Health performance information, leading to any Area issues not being reviewed or addressed.	The Mental Health Performance Toolkit captures the data required by the Home Office. This data, as well as the custody data, should be shared by Strategic and LPA Leads at their respective partnership meetings. The use of this information will be discussed and reinforced at the Mental Health Steering Group.	31/10/17	2	Mental Health data is available on a number of systems. LPAs manage their MH demand and performance using Niche both for crime and custody and Sec136 detentions. The data captured on the tools for HO reporting requirements allow central monitoring of demand data including performance by partners. Work will be undertaken to scope if Home Office data requirements have changed as a result of the PaCA (2017).	03/05/18
Mental Health Champion Role The Force have 13 Mental Health Champions for each LPA. There is a Role Profile for the Mental Health Champions, but testing found that the document has not been updated or reviewed since July 2015. Having discussed this with the Mental Health Lead, it is proposed to add the Role Profile to the next Force Mental Health Steering Group for discussion.	The Mental Health Role Profile will be discussed at the next Mental Health Steering Group. Once agreed, the Role Profile will be made available on the Knowzone.	31/10/17	2	This is not a priority at the moment as the officers carrying out the role of mental health champion are all fully aware of their responsibilities, the fact that there is insufficient time to complete some of the responsibilities is not something that can be effected by an update of the profile. This activity is not a dedicated role, rather an additional responsibility the individual takes on.	30/06/18
Discussions with Area Leads in relation to the role also identified that one Area was unaware of the				The role profile will be considered and published as soon as current demand	

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date
Mental Health Champion Role Profile.				relaxes.	
Risk exposure: An out of date Mental Health Champion Role Profile and Force wide liaison on Mental Health issues, leading to ineffective or inconsistent local approaches or a lack of sharing of local issues.					
Missing Persons (Framework and Governance)	Final report issued on: 11/01/17			CCMT Lead: ACC Tim De Meyer	
Missing Person Coordinator (MPC) Induction and Processes As part of the audit, the induction, training and processes for the Force MPC role were reviewed. The audit found the following: - There is no formal or consistent training or induction process for the MPC role. - The MPC job description is in need of review and update. - There was no specific process or procedure documentation provided by MPCs, to ensure standardisation and consistency across TVP. - The Knowzone includes a MPC Toolkit, but the content of the toolkit just relates to officer guidance in completing safe and well checks. Risk exposure: MPCs lack a consistent induction or	A training and induction process is currently being developed for MASH staff, including MPCs.	31/07/17	1	The training needs are currently being reviewed. MASH Training has been acknowledged as an issue and its development is currently being managed by the MASH Restructure Action Plan and MASH Operational Group Action Plan.	31/03/18
procedure document, leading to inconsistent or ineffective approaches.					
Return Interview - Approach There is a Thames Valley Joint Protocol re: Missing Children (April 2014), which contains detail on TVP's responsibility in sending information to the local authorities to conduct return interviews. The document has not been reviewed and updated to ensure it is line with the changes to the new Missing Person SOP. There is no information included in the protocol that states the local authority's responsibility in premative	The revised Missing Persons "Operational Guidance" will include guidance and detail on the return interview process at TVP, including: - Why they are useful (i.e. noting any crime committed, disclosing key information or intelligence, identifying associates or helping to inform a joint risk assessment). - The role and responsibility of the MPC in the return interview process.	31/07/17	1	The role of the MPCs needs to be reviewed and TVP's Operational Guidance needs to be tweaked. These issues are on the draft agenda for the (soon to be re-established) Missing Person Operational Group, which is provisionally due to meet in January.	31/03/18
states the local authority's responsibility in promptly returning any completed return interviews to TVP or informing TVP where a requested return interview has been unsuccessful or not completed. Risk exposure: TVP do not receive key information relating to an individual's risk of going missing, leading to appropriate actions not being taken.					

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date
Return Interview – Niche Records As part of the audit, a sample of 20 occurrences were reviewed to establish whether return interviews had been received by the Force. A further sample of 34 Return Interviews were tested, to establish the return rate by area. Testing identified a number of issues around low levels of returns being received and returns not being completed promptly.	A consistent process will be introduced across the Force that enables TVP to raise any issues in relation to return interview submission rates or quality. (A separate action will address the guidance and detail on the return interview process at TVP and the role of the MPC.)	31/07/17	1		
The audit attempted to identify the processes in place within each Hub area for overseeing the number of return interviews received and escalating any concerns if return interviews are not being forwarded to the Force, or on a timely basis. There were differing approaches to monitoring and chasing return interview documentation and there was also a lack of formal process for escalating observations TVP might have in terms of return interviews not being forwarded on a timely basis to the Force. Risk exposure: TVP are not receiving useful and relevant information regarding the missing incident, leading to ineffective action being taken. TVP are also not escalating issues with regard to key information not being shared across partner agencies, leading to concerns not being addressed.					
Organisational Programme Governance	Final report issued on: 21/04/17			CCMT Lead: DCC John Campbell	
Change Framework Terms of References Within the new Change Process and Framework, a number of meetings take place to manage change from proposal through to delivery and lessons learnt. As part of the audit, the Terms of References for each meeting were reviewed. Testing found that some of the ToRs required updating or where draft versions.	The Terms of References for the Force Change Review Part 1, Force Change Review Part 2, Joint Moderation Panel and Force Transformation Board will be reviewed and updated.	31/07/17	1	The Terms of Reference for Force Change Review Part 2 and Transformation Board have been reviewed, refreshed and signed-off by the respective boards. The ToR for Force Change Review Part 1 will be refreshed and signed-off by the first ¼ 2018. The delay in signing these off is due to the interdependency with the Hampshire Constabulary meeting and the Central	31/03/18
Discussions during the audit identified that the Terms of References for the key meetings listed in the Change Framework were being reviewed and updated to ensure that they accurately reflected the aim and objectives of the meetings, the list of required attendees was correct and the decision making power of the meeting was clearly documented.				Moderation Panel.	

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date	
Risk exposure: Out of date or inaccurate meeting Terms of References, leading to a lack of clarity on the role, attendees and decision making power of each meeting.						
Programme and Project Framework There is an ongoing piece of work to align the Force's current programme and project management procedures and guidance with ICT's and Hampshire Constabulary's change process, governance and documentation. Risk exposure: An inconsistent approach to managing change programmes and projects, leading to change being ineffectively managed and delivered.	The Force's programme and project management templates and guidance will be reviewed, updated, and where required, aligned with ICT's and Hampshire Constabulary's change process, governance and documentation.	31/12/17	1	Standard project process has been agreed with Hampshire and ICT so we can work to the same overarching project stages and gateways. Interim templates for Project Charter, Business Case, Monthly Status Reports and End of Project report have been adopted (mirroring the ICT standards) but not yet completely aligned with Hampshire and ICT. Template for Project Initiation Document has been approved and has now been adopted across TVP, HC and Joint ICT. Work is in progress to develop, agree and approve standard project templates across TVP Change, Hampshire Force Development and ICT. Project Charter/Application, Business Case and Monthly Status reports templates have all been drafted collaboratively and expect to be approved shortly. A proposal for project/programme/portfolio alignment and governance across TVP, Hampshire, Surrey and Sussex will be presented for approval at the SERIP regional board on 1 March Additional standard project templates will be agreed with Hampshire Force Development and ICT with a target date of 31 March 2018.	31/03/18	
PCC Governance	Final report issued on: 14/03/17 OPCC Lead: Paul Hammond					
OPCC Policies and Procedures The PCC website has a section relating to the organisation's Policies and Procedures. Testing conducted during the audit identified that there is currently no monitoring process for ensuring all relevant policies and procedures listed on the PCC's website are reviewed annually and kept up to date. There are examples of policies and procedures that are up to date but this is an ad-hoc process usually	12.2 Consideration will be given to adopting a standard policy collation process and template, which will include: - A policy date A policy review date A named policy owner.	31/12/17	2	This action has not been completed and will be investigated, once the new Governance Manager starts in post.	30/09/18	

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Update on progress and/or alternative action taken	Anticipated completion date
and update the document.					
Testing completed also identified, policies or procedures that are not dated, policies which had not been updated since 2012 / 2015, policies or procedures that had no review date and policies or procedures that had no owner named. It was therefore difficult to establish whether the documents that were available were current and up to date. The audit was also unable to locate a formal process for collating a policy or procedure and there was also no consistent template being used.					
Risk exposure: Policies and procedures are not regularly reviewed, leading to key documentation being out of date.					



JOINT INDEPENDENT AUDIT COMMITTEE



Report for Information				
Title: Internal Audit Strategy and Joint Internal Audit Plan 2018/19				
Executive Summary:				
This report details the Internal Audit Strategy and Joint Internal Audit Plar 2018/19, including the methodology for collating the plan and the audit areas included for 2018/19.				
Recommendation:				
The Committee is requested to note and endorse the Internal Audit Strategy and Joint Internal Audit Plan 2018/19.				
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 details the Internal Audit Strategy and Joint Internal Audit Plan 2018/19, including the methodology for collating the plan and the audit areas included for 2018/19.

2 Issues for consideration

- 2.1 The report attached is the Internal Audit Strategy and Joint Internal Audit Plan 2018/19. The document includes details on the:
 - Strategy for delivering the Joint Internal Audit Service for Thames Valley Police (TVP) and the Office of the Police and Crime Commissioner (OPCC).
 - Methodology applied in collating the plan of audit work.
 - Resources available for delivering the audit service.
 - Details of each area that will be reviewed during the year and the days allocated.
 - Service performance indicators that will be monitored and reported on during the year.

3 Financial comments

3.1 The Joint Internal Audit Plan can be delivered within existing resources.

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 details of the Internal Audit Strategy and Annual Plan 2018/19, including the methodology for collating the Audit Plan and the audit areas	
included for 2018/19. This report has been produced in compliance with United Kingdom Public Sector Internal Audit Standards (PSIAS).	
Legal Advice	
No known legal issues arise from the contents of this report.	PCC Chief Executive
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: 2 March 2018

Director of Finance (TVP)

Date: 6 March 2018





JOINT INTERNAL AUDIT SERVICE

INTERNAL AUDIT STRATEGY AND JOINT INTERNAL AUDIT PLAN 2018/19

1. Internal Audit Strategy

- 1.1 This document sets out the Joint Internal Audit Service's strategy and work plan for 2018/19.
- 1.2 The Police and Crime Commissioner (PCC) and the Chief Constable are required to maintain effective internal audit of their affairs by the Accounts and Audit (England) Regulations 2015. The Financial Management Code of Practice for the Police Forces of England and Wales (2013) recommends a Joint Internal Audit function to cover both bodies.
- 1.3 The Joint Internal Audit Service is governed by the framework and guidance set out in the Public Sector Internal Audit Standards (PSIAS). The PSIAS defines Internal Audit as an "independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".
- 1.4 Standard 1312 of the PSIAS relates to "External Assessments" and that these "must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation". The Joint Internal Audit Team was externally assessed by the Chartered Institute of Public Finance and Accountancy (CIPFA) during October 2017. The opinion of the external assessor for the Joint Internal Audit Team is that "the service generally conforms to all the requirements of the PSIAS and Local Government Application Note", which is the best outcome the team could have achieved.
- 1.5 In-accordance with the PSIAS, the Chief Internal Auditor must produce a risk-based Audit Plan, which details the priorities of the Joint Internal Audit Service and is consistent with the organisation's priorities and objectives. In collating the Joint Internal Audit Plan, Internal Audit seek input from their customers to determine the risks and scope of each assignment. However, Internal Audit retain overall control of the process and content of the plan.
- 1.6 The Joint Internal Audit Plan is designed to enable an Annual Internal Audit opinion to be produced, which comments on the adequacy and effectiveness of the governance arrangements and internal controls in place to manage and mitigate risk. The Chief Internal Auditor provides this opinion in an annual report, which is used to inform the PCC's and Chief Constable's separate Annual Governance Statements.
- 1.7 For 2018/19, the Joint Internal Audit Service will be delivered by:
 - Chief Internal Auditor.
 - Principal Auditor.
 - TIAA Ltd (ICT Audit Contractor).
- 1.8 The audit methodology will utilise electronic working papers and reports.
- 1.9 Consistent with previous years, the strategy supports a flexible service that can react to changes in the organisation's risk profile and the customer's needs.

1.10 The PSIAS requires all internal audit activities to implement and retain an Internal Audit Charter. The purpose of the Internal Audit Charter is to formally define the internal audit activity's purpose, authority and responsibility. The Joint Internal Audit Service has adopted an Internal Audit Charter, which is subject to an annual review.

2. Audit Planning Methodology

- 2.1 The consultation process for developing the Joint Internal Audit Plan included the following:
 - Discussions and correspondence with the Force's Chief Constable's Management Team (CCMT) and their direct reports.
 - Discussions and correspondence with the PCC's Senior Officer Group (SOG).
 - Additional meetings and correspondence with the Deputy Chief Constable, Assistant Chief Constables, Directors, Heads of Service and Senior Managers at TVP and the PCC's Chief Executive and Chief Finance Officer.
 - Liaison with the Force Governance and Service Improvement Team.
 - Review of the Force Strategic Assessment and Force Risk Registers, as well as the Police and Crime Plan and the OPCC's Risk Register.
 - Input from TIAA's (ICT Audit Contractor) Global Universe Audit Risk Determination (GUARD) methodology in relation to current ICT risks.
 - Review of other sources of information including national and local strategies and policies, organisational changes and collaborative arrangements.
- 2.2 Having completed the process detailed in paragraph 2.1, the 2018/19 Joint Internal Audit Plan has been collated (attached as Appendix A to this report). The plan lists the identified audit reviews, planned days and CCMT / SOG lead. The detailed scope of each review will be agreed at the beginning of each audit.
- 2.3 The Joint Internal Audit Plan provides a good level of coverage across both organisations. Details of the areas being covered within TVP are:
 - There are three audits being completed within Crime and Criminal Justice, looking at the areas of Body Worn Video, County Drug Lines and the Multi Agency Safeguarding Hubs (MASH).
 - Two reviews are being completed within Local Policing in relation to LPA Financial Controls and Partnership Information Data Sharing.
 - One area within Regional Crime and Counter Terrorism, looking at Counter Terrorism Policing South East's Financial Management.
 - Within Information and Communication Technology, three audits are being completed focusing on Asset Management, Network Management and Knowledge Transfer. One audit will also be completed within Information Management, looking at the

- organisation's approach to the new General Data Protection Regulation.
- Within the Deputy Chief Constable's portfolio, three strategic audits are being completed which will focus on changes to the Force's Risk Management and Business Continuity arrangements, Force Performance Management and Delivery Plan Performance and the Force's approach to Project Lessons Learnt and Benefits Realisation. One further audit will be completed on the Chiltern Transport Consortium's Governance Arrangements.
- Two audits will take place within Finance looking at the Force's Key Financial Controls and Contract Management.
- Two audits are also being completed within People, focusing on the Actings and Promotions Process and the Force's Recruitment Process.
- The Joint Internal Audit Team are responsible for auditing the noncollaborated functions within Operations. The audit planning process did not identify any areas that needed to be included within the plan.
- 2.4 Within the OPCC, the following audits are being completed:
 - A review of the operations of the new Victims First Hub.
 - A review of the OPCC's process for completing Statutory Responses (FOI, GDPR and Subject Access Requests).
- 2.5 Two general pieces of audit work have also been included in the plan:
 - An audit to follow up on any previously issued "limited assurance" reviews.
 - One further review which will continue to develop the external Sources of Assurance work, which complements the Annual Internal Audit Report and Chief Internal Auditor's Annual Opinion Statement.
- 2.6 A number of days have also been allocated in the plan to:
 - Supervise and oversee individual audit completion.
 - Provide any advice or consultancy.
 - Administer the guarterly management action follow up process.
 - Maintain an overview of any fraud investigations.
 - Complete the Internal Audit Annual Report and contribute to the Annual Governance Statement process.
 - Review Internal Audit's compliance with the PSIAS.
 - Facilitate the resolution of any matches identified through the 2016/17 National Fraud Initiative (NFI) exercise and oversee the process for submitting the data for the 2018/19 NFI exercise.
 - Finalise any 2017/18 audit reviews.
- 2.7 Additionally, an allocation of 10 days has been agreed for the Joint Independent Audit Committee (JIAC) to utilise, should they request a specific

- piece of audit work be completed. These days are not currently resourced within the Joint Internal Audit Plan.
- 2.8 The Audit Team for Hampshire Constabulary and OPCC have confirmed that they will not be completing any HC led collaboration audits during 2018/19 (i.e. Joint Operations Unit or Contact Management Senior Management Team).

3. Resources

3.1 The Joint Internal Audit Service is resourced as follows:

Officer	Employing Organisation	Available Resources
Chief Internal Auditor	OPCC	259 days
Principal Auditor	OPCC	176 days
ICT Auditors	External Contractor	30 days
	TOTAL DAYS	465 days

- 3.2 Appendix B details an analysis of the overall resources available for 2018/19. The total amount of days available for delivering the service is 465. Following the exclusion of overheads, non-chargeable and corporate work in delivering the service, the total number of days available for assurance activity is 330.
- 3.3 The available days have been allocated as follows:

TVP (CCMT) / OPCC Area	Total Days	Plan %
TVP - Crime & Criminal Justice	40 days	12%
TVP - Local Policing	28 days	8%
TVP - Operations	0 days	0%
TVP - Regional Crime and Counter Terrorism	12 days	4%
TVP - Information	42 days	13%
TVP - Deputy Chief Constable	50 days	15%
TVP - Finance	28 days	8%
TVP - People	22 days	7%
OPCC	22 days	7%
General	16 days	5%
Other	70 days	21%
TOTAL PLANNED DAYS	330 days	100%

4. Resource Comparison

- 4.1 Summarised in the table below is a comparison of non-chargeable days against the chargeable / audit days planned over the last five years. The comparison also shows the % productivity of the service.
- 4.2 The main points to note are:
 - The non-chargeable days have reduced over the last two years, since the service was brought back in house.
 - The number of chargeable days has slightly increased since the service was brought back in house.
 - The number of audit days has slightly decreased, compared to 2016/17, but is at a higher level compared to when the service was partly outsourced between 2009 and 2016.
 - The % productivity has increased over the last two years.

Description	2014/15	2015/16	2016/17	2017/18	2018/19
Non-Chargeable Days	9	9	20	17	15
Chargeable Work	29	29	31	34	37
Audit Days	327	317	338	331	330
TOTAL	365	355	389	382	382
% Productivity	97.5%	97.5%	94.9%	95.6%	96.1%

5. Risks

5.1 The key risk to the achievement of the Audit Plan is staff retention. This is considered low risk at this stage.

6. Performance Monitoring

- 6.1 The Joint Internal Audit Team's 2018/19 Performance Indicators are attached at Appendix C.
- 6.2 Progress in delivering the Joint Internal Audit Plan, as well as an update on the Team's overall performance against the noted indicators, will be presented at every meeting of the JIAC.

Chief Internal Auditor March 2018

APPENDIX A JOINT INTERNAL AUDIT PLAN 2018/19

Listed below are the audit reviews currently included within the 2018/19 Joint Internal Audit Plan. The specific scope and risks included within each review will be agreed when the audit commences, but in general, will include a review of the governance framework, key internal controls and management of risk.

Organisation	Audit Review	Force CCMT / OPCC SOG Lead	Planned Days
TVP	Body Worn Video (Strategy, Use and Storage)	ACC Crime & Criminal Justice	12 days
TVP	County Drug Lines	ACC Crime & Criminal Justice	13 days
TVP	Force MASH Arrangements	ACC Crime & Criminal Justice	15 days
TVP	LPA Financial Controls	ACC Local Policing	13 days
TVP	Partnership Arrangements – Information and Data Sharing	ACC Local Policing	15 days
TVP	Counter Terrorism Policing South East – Financial	ACC Regional Crime and Counter	12 days
	Management	Terrorism	
TVP	ICT Asset Management	Chief Information Officer	10 days
TVP	ICT Knowledge Transfer	Chief Information Officer	10 days
TVP	ICT Network Management	Chief Information Officer	10 days
TVP	Information Management - General Data Protection Regulation	Chief Information Officer	12 days
TVP	CTC Governance Arrangements	Deputy Chief Constable	12 days
TVP	Force Risk Management and Business Continuity Arrangements	Deputy Chief Constable	8 days
TVP	Force Performance Management and Delivery Plan Performance	Deputy Chief Constable	15 days
TVP	Force Project Lessons Learnt and Benefit Realisation	Deputy Chief Constable	15 days
TVP	Contract Management (Operations and Professional Services)	Director of Finance	15 days
TVP	Key Financial Controls	Director of Finance	13 days
TVP	Actings and Promotions Process	Director of People	11 days
TVP	Recruitment Process	Director of People	11 days
OPCC	OPCC Statutory Responses (FOI, GDPR and Subject Access Requests)	Chief Executive	10 days
OPCC	Victims First Hub	Chief Executive	12 days
N/A	Limited Assurance Audit Follow Up	General	8 days
N/A	External Sources of Assurance	General	8 days

Organisation	Audit Review	Force CCMT / OPCC SOG Lead	Planned Days
		TOTAL	260 days
N/A	Audit Supervision	Other	25 days
N/A	Advice and Consultancy	Other	10 days
N/A	Follow Up	Other	9 days
N/A	Fraud Liaison	Other	3 days
N/A	Annual Report and AGS	Other	3 days
N/A	PSIAS Assessment	Other	3 days
N/A	National Fraud Initiative	Other	7 days
N/A	2017/18 Carry Forward	Other	10 days
		TOTAL	70 days
		GRAND TOTAL	330 days
N/A	JIAC Resource Allocation (not resourced)	N/A	10 days

APPENDIX B ANALYSIS OF RESOURCES FOR 2018/19

	OPCC	OPCC	External	
	Chief Internal Auditor	Principal Auditor	ICT Auditor	TOTAL
	Days	Days	Days	Days
GROSS RESOURCES	259	176	30	465
OVERHEADS				
Leave (Annual and Public)	42	24		66
Sick Leave	5	3		8
Training	5	4		9
TOTAL OVERHEADS	52	31	0	83
NET RESOURCES	207	145	30	382
NON-CHARGEABLE				
Administration	3	2		5
Staff PDR	2	1		3
Team Meetings	4	3		7
TOTAL NON-CHARGEABLE	9	6	0	15
		100		
CHARGEABLE TIME	198	139	30	367
CORPORATE WORK	10			10
Audit Service and Plan Monitoring	10	0		10
Audit Plan Development	5	2		7
External Audit and External Bodies	1	1		2
Collaboration Governance Board	2	0		2
Governance, Assurance and Compliance Group	3	2		5
Joint Independent Audit Committee	6	5		11
CORPORATE WORK TOTAL	27	10		37
OPCC/TVP AUDIT WORK	171	129	30	330

APPENDIX C PERFORMANCE INDICATORS 2018/19

Ref.	Performance Indicator	Measure	Target			Frequency of Reporting	
Nei.	renormance mulcator	Measure	Green	Amber	Red	Frequency of Reporting	
1	Testing Phase: Days between testing start date and file review.	4 x the agreed audit day allocation (original or revised).	100-85%	70-84%	>69%	Each JIAC meeting.	
2	Reporting Phase: Days between Exit Meeting / Findings and Risk Exposure Summary and the Final Report.	40 days.	100-85%	70-84%	>69%	Each JIAC meeting.	
3	Audit reviews completed within the agreed audit day allocation.	Each audit day allocation (original or revised).	100-85%	70-84%	>69%	Each JIAC meeting.	
4	Joint Internal Audit Plan delivered.	Each audit review completed, excluding any agreed changes (i.e. removed audits).	100%	90-99%	>89%	Annually to the JIAC. Included within the Annual Internal Audit Report.	
5	Annual Internal Audit Quality Questionnaire outcome.	Responses who strongly or tended to agree with the statements.	100-95%	85-94%	>84%	Annually to the JIAC. Included within the Annual Internal Audit Report.	