|  |  |
| --- | --- |
| **JOINT INDEPEND****COMMI** | **ENT AUDIT TTEE** |

# P1C1T1#yIS1P3C2T1#yIS1Annual Assurance Report 2023 from the Joint Independent Audit Committee to the PCC for Thames Valley and the Chief Constable of Thames Valley Police

**Introduction**

JIAC is a key part of the governance of both Thames Valley Police (TVP) and the Officer of the Police and Crime Commissioner (OPCC). It oversees an independent assurance regime which checks that appropriate controls are in place and critical risks are being managed.

Both the Chief Constable and the PCC draw on JIAC’s work when certifying that the accounts are in good health.

JIAC operates through a series of formal meetings attended by senior leaders in TVP and OPCC; supported by private briefings from the PCC, Chief Constable and both Internal and External Audit; and supplemented by individual JIAC members observing key elements of TVP’s governance bodies. JIAC members have also been invited to visit TVP operational centres or observe parts of TVP’s work; and we receive a range of reports including from HMICFRS.

This Report explains how the Committee has complied with its responsibilities, referred to in Appendix 1, during the last twelve months to December 2023.

We are pleased to report that, as in 2022, the risk management and internal control environment in TVP and OPCC was operating efficiently and effectively. We have noted the recent PEEL assessment from HMICFRS, and will be following up with the force on the inspector’s comments around mitigating risks in a timely manner.

# GENERAL OBSERVATIONS AND OVERALL NARRATIVE

We have been impressed by the diligence both TVP and OPCC apply to **controls and risks**. Senior leadership is alert to risks, bringing an informed and thoughtful perspective to discussions. The management teams in both organisations operate good controls and prioritise actions appropriately. We have noted some deterioration in completing higher- priority **audit actions** and have been reassured that this is receiving senior management attention.

The **financial position** is good, although it remains difficult for TVP to establish and govern multi-year change programmes when their income position is principally set on a 1-year basis. The external audit process produced a clean bill of health, albeit after some frustrating delays within TVP, OPCC, the external auditor, and the pension auditor.

This year TVP has faced **risks** on a wide front, particularly around **resourcing** (attracting and retaining sufficient qualified personnel) and consequent key **operational pressure points** (eg incident response teams). We have observed strong management focus on these areas with good results, although retention pressures and the medium-term impact of absorbing fresh recuits will continue to need close focus in 2024.

The new Chief Constable has set out a series of **strategic goals** which we have welcomed as a way to anchor activity across the Force. These goals will reduce risk as well as enhance service. Not all underpinning elements are in place yet: in particular we are not yet convinced by the Force’s **talent strategy**, ie a multi-year view of what skills and culture will be required in response to changing policing methods and crime types. We also believe the Force’s **IT/data systems and skills** have a significant journey to underpin some of the future elements of policing, and in particular the intent to become a data-led organisation.

We will look forward to an update in 2024 on how progress towards the strategic objectives are governed and assured.

**Reputational risk** has been a particular focus this year, with heightened public concern following the troubling cases in the Metropolitan Police: we have seen evidence that TVP is in a much stronger position, and is very active in pre-empting the difficulties which have so severely damaged the Met’s reputation. We have seen good work on ethics, culture and public responsbility; and we welcome the recent work by OPCC to renew and refresh governance of these areas.

**Cyber threat** has been discussed a number of times and so far TVP has not knowingly experienced a significant cyber attack. Management recognises that this continues to be a high-profile risk, particularly in the context of accelerating ransomware threat, and actions are under way to further strengthen TVP’s resilience and security. We will look forward to reviewing progress in 2024.

We continue to be concerned that the **programme to replace the Airwave radio system**, led by the Home Office, has been reported to us as unacceptably high-risk and without a clear resolution timetable—a rare and toxic combination. Failure of the police radio system could place lives at risk, both of the public and of officers; the current state is not robust, with danger signs (occasional failures which take too long to escalate and address) and deficiencies (eg officers waiting in the JR A&E department are out of radio contact); and future strategic initiatives around data may be impeded by poor communication infrastructure. We have seen that TVP has taken whatever measures can lie within its control; and TVP has responded to several systems and communcations failures in a robust way. Nevertheless we have urged TVP to continue pressing for a resolution to this national issue.

Risks around TVP’s capacity for **digital forensics** had been a concern in previous years and we were pleased to note significant planned investment in this area. We will take a fresh look at this area in 2024, including a focus on risk management for the new **construction project**.

TVP relies on a range of services delivered through **partnerships** with other Forces. This year we have probed how risks are managed and escalated from such partnerships. We will continue to keep partnerships in view in 2024.

TVP and OPCC also rely on **local partnerships**, eg social care and mental health; several of these are under strain but generally we have been reassured by TVP’s and OPCC’s approach. We have noted the recent decision to reduce police response to mental health calls, which should improve police resource availability elsewhere; we will look forward in 2024 to updates on this initiative as it beds in.

We have also noted concerns about **court-related delays**, especially for rape and sexual assault. These delays have a significant impact on policing by leading to withdrawal of

victims, witnesses and cases. This is a national issue largely outside TVP’s control. We have seen strong management attention and mitigations within TVP.

Our Committee has been well supported, although we have recently noted a decline in **attendance** from top management at our formal meetings and hope to see this strengthen in 2024.

Finally, we would like to record our thanks for the **openness and access** which both TVP and OPCC have provided, and for the participation of their management teams in our work.

# DETAILED REPORT ON ASSURANCE IN 2023

**Financial Management and Reporting**

We received updates during 2023 on progress to complete the external audit of the separate Statement of Accounts for 2021/22 for the PCC & Group and the Chief Constable. Following an extremely challenging financial closedown and audit period, we received and discussed the Annual Audit Report at our meeting in October, which included the Auditor’s value for money (VFM) commentary.

In December 2022 we received a draft copy of the Annual Treasury Management Strategy Statement for 2023/24 which we reviewed and scrutinised robustly, before it was formally approved by the PCC in January 2023. We considered and noted the Treasury Management Outturn Report for 2023/24 in June. This report explained how officers had complied with the annual treasury strategy statement. We were reminded of the established governance arrangements, and that regular progress reports during the year were presented to the PCC and Chief Constable rather than the Committee.

Having considered all the information available to us we are satisfied that both the PCC’s Chief Finance Officer and the Force Director of Finance have the necessary capability and capacity to ensure the proper administration of the PCC’s and Force’s financial affairs.

Indeed, the experience and skills of the two individuals concerned, and the teams they lead, have been of real benefit to the PCC and the Force and we commend their efforts and achievements.

# Internal Control and Governance Environment

In March, we received an initial draft of the 2022/23 Annual Governance Statement (AGS) for consideration. Although no significant governance issues had been identified the covering report explained the key issues that had been considered by the Governance Advisory Group before reaching this conclusion. Overall, we were happy to endorse the accuracy of the AGS for inclusion in the annual Statement of Accounts.

We received an updated AGS for consideration and endorsement at our meeting in June. It was pleasing to note that following a review of the effectiveness of the present governance arrangements there were no significant governance issues that required immediate attention nor were there any potential issues that may have an adverse impact on the internal control environment during 2022/23.

In March, we received the updated Framework for Corporate Governance for 2023/24, which included the Statement of Corporate Governance, the Joint Code of Corporate Governance

for the PCC and Chief Constable, and the Scheme of Corporate Governance, which included Financial and Contract Regulations. Only minor amendments were required this year to ensure that it remained relevant and fit for purpose.

In June we received an annual report from the Director of Information, as the Senior Information Risk Owner (SIRO), which provided a summary across HC and TVP for the information assurance and information governance during 2022/23, to provide assurance that information risks were being managed effectively and highlighted some of the key decisions that had been escalated to the SIRO during the year. This area remains complex and challenging for the Force with the report summarising the increased focus on cyber specific security, malware detections and third party attacks. The Force have carried out a rapid maturity self-assessment against its core functions to provide a baseline, as well as areas for future improvement. We noted both progress and continued management attention in this area.

In March, we received a verbal update on TVP’s Force Management Statement which highlighted areas of risk and investment for future years.

In March, we also received the PESP Assurance Report 2022 which provided independent assurance as to the adequacy and effectiveness of the Force’s arrangements for handling and dealing with complaints made against the Force.

Additional reports presented at the March meeting included an update on the ongoing Force Review process and outcome, an update on the Force’s approach and structure to Cyber Governance and a report on the Force’s current Portfolio, Programme and Project Management arrangements. We found all three reports useful in providing us with an overview of the areas currently being addressed by the Force.

In October we received a copy of the new Value For Money Strategy has been collated to provide assurance that the OPCC and Force have a sound approach to making the best use of their resources and helps people across the organisation understand the approach and what is required.

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

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

# Corporate Risk Management

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

We have suggested that the Force prioritise issue, risks and incidents not just by operational impact (ie lost work) but also by potential for public harm (eg delays to safety-critical attendance). This shift in focus is under way.

Significant operational risks currently facing the Force relate to overall demand, missing persons, backlogs within the Multi-Agency Safeguarding Hub, custody and fleet management. Additional risks relate to the Force’s resources, recruitment and attrition.

Reputational risk has been a management focus this year, following a series of cases which have severely damaged the reputation of the Metropolitan Police. We have been briefed on how this risk translates into TVP’s area and we noted a range of important initiatives to pre- empt similar issues impacting TVP, including a strong focus on Violence Against Women and Girls (VAWG), close senior attention to culture and misbehaviour, and acceleration of action when personnel incidents arise. Despite a number of cases emerging, TVP has acted strongly to ensure that it sustains public confidence. We will continue to keep an eye on this area in 2024.

We also noted that the top issue remains the programme to replace the Force's radio systems. This Home Office led issue has no currently proposed resolution date, a situation which we find deeply uncomfortable.

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

# Business Continuity Management

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

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

We have noted with concern several significant failures of telecommunications infrastructure. While each incident has been handled well, there continues to be a level of unmitigated risk particularly around the (nationally-provided) radio infrastructure.

We are satisfied that the business continuity management processes are operating efficiently and effectively in identifying issues and capturing organisational learning and are no significant issues have arisen to date.

We are alert to the need for technical continuity (eg robust recovery of IT services) to remain an area of management focus and investment—particularly given the sharp rise in ransomware attacks, for which highly resilient systems are a critical survival tool. We will look forward to further developments in this area during 2024.

# Internal Audit

In June we received the annual report from the Chief Internal Auditor. We were pleased to note that the 2022/23 Joint Internal Audit Plan had been completed in full. Of the 27 assurance ratings provided, 1 received substantial assurance (4%), 17 (63%) had received reasonable assurance, and 9 (33%) had received limited assurance. No audit received minimal assurance. It was pleasing to note the results of the additional sources of

assurance that had been provided by independent internal functions or external bodies. Of the 12 sources identified 5 (42%) were deemed to provide substantial assurance and 7 (58%) were deemed to provided reasonable assurance. No sources of external assurance were deemed to provide limited or minimal assurance. We are pleased that the audit programme continues to return a range of assurance levels, this is a reflection of both the independence of the process and its effectiveness in targeting a cross section of matters within the Force and OPCC.

We received and endorsed the Internal Audit Strategy and Annual Plan 2023/24 at our meeting in March. We noted that that the annual plan included all relevant financial systems, as well as other business critical functional areas and activities. We were pleased to note the wide range of audit activity, looking at high-risk functions and operations across both organisations.

Although the resourced audit plan does not include a specific allocation of days for use by the Committee, there is an extant agreement with the CC and PCC that the Committee may, at its discretion, draw on up to 10 audit days for its own specific use. We did not need to use this facility during 2023.

We challenged robustly, with internal auditors and appropriate officers, the reasons for the reported shortcomings in the assurance levels for some reports and the completion of the associated action plans. Based on the reviews completed during the year, the opinion on the organisation’s system of internal control was that key controls in place are adequate and effective, such that an assessment of reasonable assurance could be placed on the operation of the organisation’s functions. Although the opinion demonstrates a good awareness and application of effective internal controls necessary to facilitate the achievement of objectives and outcomes, we did note that at a statistical level, the overall opinion represents a reduction compared to the previous year. We are satisfied that in general, there is an effective system of risk management, control and governance to address the risk that objectives are not fully achieved, but this is an area we will monitor during 2024.

In March and October, we received updates from the Chief Internal Auditor on progress with delivery of the annual internal audit plan, including a summary of key issues arising from recently completed audits. We continue to receive final audit reports which give us early sight of any key issues arising from completed audits that require management action. This is particularly useful for those few audits where limited or minimal assurance is given. We have also received updates on the suggestions raised as part of the team’s external Public Sector Internal Audit Standards assessment, which took place in May 2022. It was pleasing to note that the team have implemented the three suggestions and continue to fully conform to all the standards.

We have received and debated regular update reports each quarter on progress of agreed actions in internal audit reports. It is disappointing to note that the number of outstanding audit actions has increased during the year from 27 in March to 60 in October. There has been a general increasing trend of overdue actions from August 2022. A robust discussion took place at the October meeting and we hope to see significant action during 2024 to reduce the number of overdue actions.

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

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

# External Audit

In March the external auditor, EY, presented the 2021/22 Draft Results Report and planning for 2022/23 (including lessons learnt) for the PCC and Chief Constable for the financial year ending 31st March 2023. This explained the context for the audit, as well as outlining the auditor’s process and strategy. In terms of VFM risks, the main focus would be: financial sustainability; governance; and improving economy, efficiency and effectiveness.

In June, we received a further update on the Draft 2021/22 PCC Group Statement of Accounts and the work to complete the audit. In June, we also received EY’s ‘Annual Planning Report for the Year-ended 31st March 2023’ which detailed how they would carry out their responsibilities as the external auditors. The planned fee for 2022/23 is £60,710, excluding any additional fees required to meet ISA 315.

In October, we received the external auditor’s Audit Results Report for 2021/22. The scale fee for 2021/22 was reported as £85,482. Although the committee has been disappointed with progress in concluding the 2021/22 accounts work, it was pleasing to note that this has been completed before the end of 2023.

In October, we received a verbal update on the progress of the 2022/23 audit. Although progress is being made, the committee will be taking considerable interest in the timeframe for concluding the 2022/23 audit.

# People Services

In June, we received a full overview report on performance by the People Directorate. The report provided an introduction and context, details relating to governance and accountability, the Directorate’s strategic ambitions and priorities, context and summary of performance for 2022/23, key areas of priority for 2023/24 and future risks and mitigation.

The Committee challenged robustly the detail to gain assurances on the Force’s arrangements. We will maintain a close interest in this key area of risk for the Force.

# Health & Safety

In June we received a summary report on the principal activities and outcomes relating to the promotion and management of Health & Safety (H&S) Management in TVP during 2022/23. The report built on the improvements from the previous year, providing and overview of the Force’s governance and accountability for health and safety, strategic ambitions and priorities, performance for 2022/23, revised operating model, priority areas for 2022/23, and future risks and mitigations for 2023/24.

# Wellbeing & Environmental Protection

In June we received an annual report on organisational ‘wellbeing’ during 2022/23. The report was comprehensive and built on the report received the previous year. The report focussed on the five key strands of wellbeing i.e. physical wellbeing, mental wellbeing, financial wellbeing, health safety and environmental wellbeing, and leadership. The report also provided updates on the existing governance framework, reassurance and confidence, performance and management of key issues and risks, identification of key areas of priority

for 2023/24, future risks and mitigation for 2023/24 and the Wellbeing Dashboard and Communications Plan. Wellbeing & Environmental Protection is overseen by the Wellbeing Governance Board, which reports to the Strategic Workforce Board, and by exception, to CCMT.

In respect of environmental issues, we received the Environmental, Goals and Measures update in October. The report provided entails on the Force’s opportunities, risks and drivers, as well as the seven key objectives: staff engagement, reduce waste and increase recycling, buildings, travel and transport, procurement, water and biodiversity. Targets were listed and we were keen to ensure the Force’s senior leadership ownership of the objectives.

The report also provided an update on the Force’s Environmental Sustainability Strategy 2022-2032, as well as progress in delivering the strategy. Adequate progress was noted and there is a reasonable level of attainment on the actions that were set within the 2022 report. Overall emissions that TVP report on have increased by 4.6% compared to last year, but remain 44.6% lower than the baseline. The strategy remains suitable and relevant, though the emissions targets set within the strategy need to be reviewed and updated to bring the methodology and approach in line with government guidelines and increase the level of assurance which can be provided.

# Equality & Diversity

In June we received the 2022/23 annual report on equality, diversity and inclusion which showcased the achievements from the past 12 months, future risks and mitigations and planned activities for 2023/24. The report covered the following areas: strategic governance, attraction recruitment and representation, gender pay gap, disability, leadership and personal development, and providing a service to diverse communities. We were also provided with an update on the work of the Positive Engagement Team.

We recognise the ambition of Force leadership on this important issue, and look forward to them building on the achievements to date and delivery of the key areas of priority.

# Inspection and Review

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

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

The Committee continue to receive copies of HMICFRS reports and PCC responses in a timely manner. The Committee received responses to the following:

* Thames Valley – National child protection inspection (November 2023).
* Terms of reference: Thames Valley Police’s handling of information and intelligence relating to a serving officer arrested for sexual offences (July 2023).
* An inspection of how effective police forces are in the deployment of firearms (July 2023).
* The annual PEEL inspection (December 2023)

The last of these refers to risk management arrangements within TVP, and we will follow this up further.

# Accountability Arrangements

Our operating principles require us to:

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

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

# Other Issues

*Professional & Ethical Standards - Force Oversight arrangements*

We continue to attend, as observers, meetings of the Professional & Ethical Standards Panel (PESP) that assesses whether the Chief Constable’s arrangements for, and the PCC's oversight of, the proper handling of complaints made against the Force, and consideration of other integrity, ethics and professional standards issues, are operating effectively in practice.

We note that the OPCC is currently conducting a review of its scrutiny arrangements with any changes being applied during 2024. We welcome this work, and in particular its included fresh thinking on committee structures, tenure, and the pool of candidates.

# General

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

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

One member attended the CIPFA conference for Police Audit Committee members discussing challenges faced by audit committees and proposed legislative changes that will impact on the work of audit committees.

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

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

# JIAC Operating Principles

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

One committee member, Mike Day, stepped down during the year having completed his full term on the committee. One new member has joined the committee, Dr Luca Raffellini, and another is undergoing clearance; we are in discussion with the OPCC to recruit skilled replacements for further vacancies.

# Conclusions

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

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

The year ahead (2024) will be demanding due to:

* Inflation, with consequent impacts both on TVP finances, and on the cost of living and energy costs for the TVP workforce;
* Challenges recruiting and retaining police staff;
* Onboarding new police officers recruited under the Police Uplift Programme;
* Reduced national public sector finances;
* Ongoing development of the Force’s digital response
* Increased and changing demand profile
* Bedding in of governance changes currently being developed by OPCC
* Continued pressure on ethics, behaviour and culture
* Delivery of the Chief Constable’s strategic intent for the future of TVP, including the necessary shifts in talent and technology—with associated delivery risks and governance challenges

No doubt we will continue to seek answers on costs and business benefits; in 2024 this may include a check on the construction project for the new digital forensics building. We will continue our scrutiny on Force change management, the delivery of Force financial

performance and operational effectiveness. Given the significance of managing the people and culture risks for the success of TVP, we will continue to keep this area in focus in the year to come. While we have seen significant improvements in governance of health and safety, this area is critical and we will seek updates 2024. We will also seek updates on TVP’s environmental commitments and associated governance and controls, an area where good early progress is being made but remains well behind what the ambition and rigour which is now expected of (for example) all public companies.

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

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

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

# Joint Independent Audit Committee

Members:

Gordon Woods (Chair) Michael Day (March and June) Stephen Page

Luca Raffelini (from December 2023) Melissa Strange

15 December 2023

**Appendix 1**

**Joint Independent Audit Committee - Operating Principles**

**Statement of Purpose**

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

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

# Committee Composition and Structure

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

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

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

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

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

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

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

# Methods of Working

The Committee will:

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

# Specific responsibilities

The Committee has the following specific responsibilities:

Financial Management and Reporting

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

Internal Control and Governance Environment

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

Corporate Risk Management

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

Business Continuity Management

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

Internal Audit

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

External Audit

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

Health & Safety

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

Equality and Diversity

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

Inspection and Review

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

Accountability Arrangements

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