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Date: 28 February 2024

Dear Member

JOINT INDEPENDENT AUDIT COMMITTEE

You are requested to attend the Joint Independent Audit Committee meeting on Friday 8 March 2024 at 1300-1600hrs in the CCMT Meeting Room and/or MS Teams for those unable to attend in person.

Microsoft Teams meeting
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Yours sincerely

Gillian Ormston Chief of Staff

To: Members of the Joint Independent Audit Committee

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Meeting Management

 Apologies – Amy Shearn (Gordon Woods)

Minutes of the JIAC Meeting held on 15 December 2023
 (Gordon Woods)

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Date of next meeting: Friday 14 June 2024 at 1300hrs in the CCMT Meeting Room and/or MS Teams





MINUTES OF JOINT INDEPENDENT AUDIT COMMITTEE MEETING HELD ON FRIDAY 15 DECEMBER COMMENCING AT 1300 HRS AND CONCLUDING AT 15:10 HRS

Committee Members Present:

S Page, L Raffellini, M Strange, C Westcott, G A Woods

Present and via MS Teams:

M Barber (Police & Crime Commissioner, OPCC)

B Snuggs (Deputy Chief Constable, TVP)

G Ormston (Chief of Staff, OPCC)

M Thornley (Chief Finance Officer, OPCC)

R Martinig (Corporate Accountant, Deputy CFO, OPCC)

K Barrow-Grint (Acting Chief Constable, TVP)

L Waters (Head of Finance, TVP)

R Fowles (Head of Procurement, TVP)

C Kirby (Director of People, TVP)

S South (Head of Business Services, TVP, HC)

A Nicholls (People Services Manager, TVP)

J Capps (D/C/Insp. PVP Management Team, TVP)

A Brittain (Associate Partner, EY)

A Kennett (Manager, EY)

N Shovell (Chief Internal Auditor, TVP & OPCC)

A Shearn (Principal Auditor, TVP & OPCC)

C Roberts (EA to the PCC and Chief of Staff, OPCC)

Observers:

Apologies:

J Hogg (Chief Constable), M Lattanzio (Head of ICT, TVP), C Widdison (Head of Strategic Governance, TVP), A Kent (D/Supt, PSD, TVP)

Meeting Management

1. Apologies

The Committee welcomed all to the meeting and introductions were given. Gordon Woods (GW) received apologies for those unable to attend. Two new Committee members had joined the team today and (GW) welcomed Chris Westcott (CW) and Luca Raffellini.

2. Minutes of the JIAC Meeting held on 6 October 2023

(GW) went through the Minutes from 6 October 2023 and confirmed the Minutes were a true reflection of what had been discussed.

3. Outstanding Actions from JIAC meeting held on 6 October 2023

(GW) went through the Outstanding Actions from the meeting held on 6 October 2023. The only outstanding action was Agenda item 3 for Charlotte Roberts (CR) to include Talent Strategy Development on to a future JIAC Agenda once a date had been provided by DCC Ben Snuggs (BS).

Action: There was room around succession planning and Ali Nicholls (AN) would provide an update to the Committee once this was available.

Stephen Page (SP) referred to the outstanding action 16 and asked if there had been any progress made regarding annual rehearsals and where the top team were on ransomware and if this was actively being dealt with?

Action: DCC Ben Snuggs (BS) to liaise with Mike Lattnazio (ML) as to what the new proposal was on ransomeware and update the Committee.

10. Strategic Issues SI15 RASO Court Adjournments update

Agenda item 10 had been brought forward on the agenda and ACC Katy Barrow-Grint (KBG) presented RASO Court Adjournments.

On a national scale, the persistent challenge of adjournments in Crown Court Trials, initially triggered by the pandemic and exacerbated by the industrial action of defence advocates has led to a shortage of adequately trained advocates and Judges. This was a risk for Police to solve on their own and needed assistance in resolving issues. Cases had been delayed where trials were not being heard for months or years and then deferred, which causes a lot of trauma for victims. Victims were leaving the process and not continuing with their cases and this caused a lot of wellbeing issues within Thames Valley Police (TVP).

This week the most delayed case would not be heard until 2025 so from a victim perspective, this was a considerable concern.

Current Adjournment and Caseload Data:

There were three Crown Courts in the Thames Valley area, these being Aylesbury, Oxford and Reading.

<u>Disengaged/Disengaging Victims – Rape and Sexual Assault (RASO) and Domestic Abuse (DA)</u> Significant effort had been made into addressing disengagement, particularly with DA and RASO given the currently delays where disengagement numbers remained consistently low.

Ongoing Mitigating Action:

(KBG) provided key focus on the points for the ongoing mitigation actions and started using a negotiator cohort and had brought them into dealing with distressed and traumatised victims/witnesses.

Judiciary/HMCTS Improvements:

Reading had appointed 3 Crown Court Judges and had 8 Court rooms, 6 for RCC Trials 1 for admin

work and 1 for Aylesbury Crown Court back log trials.

Summary

This was a strategic risk for Thames Valley but looking after victims and staff was imperative importance. There were delays across the system of cases going to Crown Court. Thames Valley were working with CPS and Judges as the issues were down to the number of cases. Rape and sexual assault cases were being prioritized but this was a complex issue and inevitably, there would be cases that dropped off. Chris Westott (CW) asked where the reputational risk was and whether it was going up and down or subject to change? (KBG) noted there was work around trust and confidence around victims but the flack came back to policing and this was impacting all other good work around improving trust and confidence longer term.

Luca Raffellini (LR) asked (KBG) around funding that was longer than 12 months. Some Home Office funding was around prisoners in custody and providing support for victims. This role was temporary and would be monitored over the next 12 months.

Melissa Strange (MS) referred to the MASH backlog. There were recommendations received from HMIC and as a result, there were additional resources added in the short-term and a bid put in to the Chief Constable. It was agreed there would be additional supervisors and OP Yurn was in place. The advert closed on Sunday and (KBG) hoped MASH Cells would then be fully resourced. There was a good process and governance in place and a new public protection command was led by Chief Supt Joe Kidman. (KBG) was happy for (MS) to visit the MASH. HMIC suggested changes be made in July and this had caused an issue, hence why this was on the Risk Register.

5. EY Annual Auditor's Report 2021/22, Draft Audit Results Report 2022/23 & Update on 2023/24

<u>Auditor's Annual Report – year ended 31 March 2022 to December 2023</u>

Andrew Brittain (AB) provided an update for year ending 31 March 2022 to December 2023. Based on the work performed, the PCC and Chief Constable had proper arrangements in place in 2021/22 to enable planning and manage resources to ensure delivery of services.

<u>Draft Audit Results Report – year ended 31 March 2023</u>

EY presented their draft Audit Results Report specifically identifying the status of the audit which was substantially complete. Given that the audit was still ongoing, EY would continue to challenge the remaining evidence provided and the final disclosures in the Narrative Report and Accounts which could influence their final audit opinion (a draft had been included in Section 3 of the papers).

The Committee should be taking away the 21/22 public facing document that was reflected in the audit report of 21/22 with additional elements and value for money work where EY looked at the arrangements in place. Details of the arrangements were on page 42-48.

(MS) asked that when looking at the differences in the papers, were there any improvements to note. Corrections would be required and classifications and (AB) confirmed there were improvements to note. The broader view was that back in July, the Minister was looking to reset the public audit and EY were awaiting an update from Deluc. EY had spoken to the PCC and CC to make sure that the priorities were clear.

With regard to the Value for Money (LR) asked was it fair to say the audit covered the 'how' rather than the 'what'. (AB) updated (LR) and provided a response. The criteria area was consistent across both Reports but this was an assurance process and was in place. ACC Dennis Murray (DM) was carrying out a piece of work around this and included flexibility with the Chiltern Transport Consortium (CTC) and would be looking at the roadmap as to claims for damage and maintenance.

Action: Linda Waters (LW) felt that it would be appropriate for the Committee to see the Report when it came out in March 2024 (primarily the fleet) and how to bring down costs which was two pieces of work.

6. Progress on 2023/24 Internal Audit Plan Delivery Summary on Matters Arising from Completed Audits

The report provided details on the progress made in delivering the 2023/24 Joint Internal Audit Plan and on the findings from the audits that had been completed.

There had been no changes to the Joint Internal Audit Team's resource plan for 2023/24 with the plan being delivered by the Chief Internal Auditor, Principal Auditor and TIAA Ltd (ICT audit provider) albeit there was a new member of staff joining the organisation.

There had been a change made to the 2023/24 Joint Internal audit Plan since the October JIAC meeting where Hate Crime had been replaced.

Neil Shovell (NS) presented to the Committee key points to note through the Report and was on track for this to be completed by the end of March 2024.

The Committee APPROVED the recommendation to note the progress and any changes in delivering the 2023/24 Joint Internal Audit Plan and Audit Service for Thames Valley Police and the Office of the PCC.

(GW) referred to the removal of removing 'hate crime' out of the audit team. (DM) had asked for hate crime to be in next year's plan. This was rare and a significant area but the review would be taking place.

(CW) was intrigued on the 28 audit lines and asked if this number would go up or down and whether there were any concerns. (NS) felt that 26 was an appropriate level and felt right and had a sense check in place which was pitched at the right level.

7. Progress on Delivery of Agreed Actions in Internal Audit Reports

The report provided details of the progress made by managers in delivering the agreed actions in internal audit reports. The report provided the progress made to date and to target implementation dates for any current overdue actions.

- There were 16 actions due for completion by the end of December 2023;
- 9 actions due for completion by the end of January 2024;
- 3 actions due to complete by the end of February 2024;
- 11 actions due for completion by the end of March 2024;
- 5 actions due for completion by the end of April 2024; and
- 1 action due for completion by the end of June 2024.

Of the 23 Priority 1 overdue actions, three are more than 12 months overdue which consisted of:

- 1 action from 2021/22 Business Continuity Arrangements Audit;
- 1 action from 2021/22 Protective Monitoring (Vigilance Pro) Audit; and
- 1 action from 2022/23 Operations (TVP Events and Protests) audit.

Of the Priority 2 actions, 5 are more than 12 months overdue and thee consisted of:

- 2 actions from the 2020/21 Counter Terrorism Audit;
- 1 action from the 2020/21 Limited and Minimal Assurance follow-up audit relating to Vetting;
 and
- 2 actions from the 2021/22 Protective Monitoring (Vigilance Pro) audit.

(SP) asked if (BS) had a personal view on this and managing the audits with (NS) and his team. (BS) noted this was critical and did not want any critical 1 actions over 12 months shown.

The Committee noted there was a cluster of outstanding actions for end of December and end of January set out on page 120 for Business Continuity Plans. (GW) asked (BS) for his comments on when the organisation would complete the outstanding actions. (AN) noted the Force were treating this as a priority and these would be completed by the end of January 2024.

(LW) noted the audits carried out were with different people in the Force being audited and part of the reason in bringing this into (BS) group was for visibility.

The Committee APPROVED and NOTED the Report.

8. OPCC Risk Register

The OPCC Risk Register was presented by Gillian Ormston (GO) who summarised to the Committee the 8 subjects on the Risk Register. The Risk Register had been revamped with the collaboration risk being re-scored in reviewing the collaboration with Hampshire on delivery, but the risk was that Hampshire may withdraw. (GO) was liaising with Hampshire but would keep this risk under review. (BS) was speaking regularly with Hampshire and was a PCC review not a Force review on Contact Management Platform. (GW) was concerned about TVP's costs and conversations would need to take place between both PCCs to make sure the impact was known. (GO) would monitor this and speak to Hampshire but felt this was a important risk to increase the score as the impact was significant.

Action: (GW) asked for a timescale and (GO) would update (GW) once an updated had been provided by the PCC to (GO).

Risk 5 had been combined with Risk 7 and the OPCC were recruiting a new programme manager to be in post by March 2024. Martin Thornley (MT) was currently carrying out a Process Review of the office. If future funding was lost, there was not a clear wrap around process on how decisions would be made.

Risk 8 was a new risk for Elections to mitigate the risk to respond effectively. (GO) and (MT) were seeking guidance externally, linking in TVP and OPCC. The plan would be delivered by May 2024.

Action: On page 141 all seemed to be indicating everything was the same but needed to ensure the arrows were correct – (MT) to look at the Summary and amend.

9. TVP Strategic Risk & Business Continuity

Strategic Risk

Ali Nicholls (AN) provided an overview of the Strategic Risks and Issues to the Committee. There was a lot of proactive work being carried out by the team in embedding risk management and

business continuity.

Business Continuity

There had been no specific business continuity incidents raised to the Strategic Governance team during this period.

Stephen South (SS) confirmed ICT could retain a relevant attack and was working with BT and was well advanced.

Action: (SS) to feedback to (ML) to ask if there was an attack, how long would Thames Valley be down for? (SS) or (ML) to provide an update to the Committee at a future meeting.

Action: (AN) to review with (BS) and colleagues as to the risk to the organisation in the event of an attack.

11. Supply Chain Risk Management

The Report had been read by the Committee and the key message from Richard Fowles (RF) about a lot of the risks are unknown and the fact Thames Valley were not a major customer and could only take what the suppliers sold to the organisation. The Home Office managed the contract on tasers and therefore managed the risks and accepted the face value of what the market offered and could respond accordingly.

The Committee would be looking for the governance supplier risk and to monitor the important risks with the top team, to get a line of sight and to look at the risk of what could be done or could not be done. (LW) noted for many years tasers had no issues until such time as an issue arises, but there were a lot more processes i.e. financial processes or strategic position but this did not mean it would identify any issues but needed to interact further with CCMT.

12. HMICFRS PEEL Report

(GW) referred to the letter setting out the HMICFRS PEEL Report. There were items in the letter as to risk that (BS) would enhance on, with the last inspection in 2021. The grading had changed in particular, the Risk Improvement & Learning Board was about giving more rigor and oversight of this. Discussions took place as to whether the Force were able to put in resources, but left the risk unmitigated. Some of the comments were fair but it was about what the Force were actually going to do about some of the specific risks raised during (KBG's) update on resources in the MASH.

4. JIAC Annual Assurance Report 2023

(GW) provided an update on the JIAC Annual Assurance Report 2023 as to how the Committee complied with their responsibilities during the last 12 months to December 2023. (GW) provided a general observation and overall narrative of the diligence carried out by both (TVP) and the Office of the PCC in applying controls and risks. The Committee gave thanks to (NS) and (CR) for the efforts made for producing the paperwork for JIAC meetings and all involved from Thames Valley and the OPCC.

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

The Committee thanked the PCC, (GO), (JH) and (BS) for their assistance throughout the year.

(SP) provided a summary of today's discussions and the observations in the Assurance Report of words to keep in and words to remove.

The Committee considered topics which had been addressed in today's meeting and made two updates to their Annual Assurance report before approving it:

- (a) Added new paragraph: "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."
- (b) Added to paragraph on controls and risks: "We have noted some deterioration in completing higher-priority audit actions and have been reassured that this is receiving senior management attention."

The Committee carefully considered the recent PEEL report from HMICFRS, and the PCC"s response to it. The report had suggested that there were governance issues around the Force's management of risks. The Committee concluded that while there had been opportunities to strengthen the approach to the specific issues raised by HMICFRS, and those risks had been on the risk register for some time, more generally JIAC has seen evidence that TVP uses its risk register well, with systematic management attention to translate risks into mitigating actions. Therefore, the Committee decided its observation that "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." should stand unchanged.

13. Any Other Business

If there were any ongoing concerns from the Committee or the Committee wished to attend visits etc. or to take a deeper look at agenda items, (GO) asked the Committee to raise these with (GO) and (BS). (GW) would then email (BS) as to any requirements the Committee needed.

(MT) discussed an induction day at HQ with (BS), (GO), (LW), (CW) and other relevant departments to meet covering areas in the Force and OPCC for an overview. CIPFA carry out training every 6 months which would be worthwhile (CW) and (LR) to attend with EY.

(GW) only had one meeting left at JIAC and need a wider range of applications and have comms with (MS) to reach different corners of societies. Sarah Stokes (SS) to run this from OPCC comms with the assistance of ISOB member Jacqueline Roberts (JR).

The Committee would be interested on an update as to the Governance Review. (GO) and (DM) and (VW) would be meeting on Monday next week and the Governance Review would be discussed at the 12 January 2024 Liaison meeting to agree. The Committee indicated they would be willing to assist if required.

Meeting concluded at 15:10hrs

Date of next meeting: Friday 8 March 2024 at 1300hrs in the CCMT Meeting Room and/or MS Teams.





JOINT INDEPENDENT AUDIT COMMITTEE

Outstanding Actions Arising from 15 December 2023 Meeting

Matters Arising from Minutes dated 15 December 2023	Lead	Action	Update/Action Complete
Agenda Item 3. Outstanding Actions from 6 October 2023 & 15 December 2023	CC Jason Hogg / DCC Ben Snuggs / ACC Christian Bunt / Christine Kirby / Ali Nicholls	(SP) asked that 'Talent Strategy Development' to be kept on the JIAC Agenda and (CK) to update at a future JIAC meeting after CCMT had had their initial discussions. ACC Christian Bunt (CB) to discuss with Chief Constable (JH) and DCC Ben Snuggs (BS) to formalise exactly what the 'Talent Strategy Plan' looks like and update (CR) when this was ready to be presented at a future JIAC meeting.	CR to include Talent Strategy Development on the JIAC Agenda once (BS/JH/CB) provided a date to update the Committee at a future meeting – awaited There was room around succession planning and Ali Nicholls (AN) would provide an update to the Committee once this was available
Agenda Item 3 Outstanding Actions from 15 December 2023	DCC Ben Snuggs / Mike Lattanzio	Stephen Page (SP) referred to the outstanding action 16 and asked if there had been any progress made regarding annual rehearsals and where the top team were on ransomware and if this was actively being dealt with?	Lattnazio (ML) as to what the new
Agenda Item 5 EY Annual Auditor's Report	Linda Waters	With regard to the Value for Money (LR) asked was it fair to say the audit covered the 'how' rather than the 'what'. The criteria area was consistent across both Reports but this was an assurance process and was in place. ACC Dennis Murray (DM) was carrying out a piece of work around this and included flexibility with the Chiltern Transport Consortium (CTC) and would be looking at the roadmap as	(primarily the fleet) and how to bring down costs which was two pieces of work.

		14	
		to claims for damage and maintenance.	
Agenda Item 8 OPCC Risk Register	Gillian Ormston	(GW) was concerned about TVP's costs and conversations would need to take place between both PCCs to make sure the impact was known. (GO) would monitor this and speak to Hampshire but felt this was a important risk to increase the score as the impact was significant.	(GW) asked for a timescale and (GO) would update (GW) once an updated had been provided by the PCC to (GO). (GW) asked for a timescale and (GO) would update (GW) once an updated had been provided by the PCC to (GO). GO has spoken to Hampshire and had reassurance that the review relating to contact management IT systems will be shared with TV upon receipt. GO is also going to set up a meeting with the Hants and TV PCC's and Chief's of Staff to discuss scrutinising the collaboration performance in more detail to mitigate joint risks.
	Martin Thornley	As to the Summary of the OPCC Risk Register the Committee needed this page to be updated due to incorrect arrow alignment.	On page 141 all seemed to be indicating everything was the same but needed to ensure the arrows were correct – (MT) to look at the Summary and amend.
Agenda Item 9 TVP Strategic Risk & Business Continuity	Stephen South / Mike Lattanzio	The Committee wished an update as to how Thames Valley would deal with a ransomware attack and how long the organization would be down for as well as the risks attached.	Stephen South to discuss with Mike Lattanzio and provide an update to the Committee at a future meeting.
	DCC Ben Snuggs / Ali Nicolls		Action: (AN) to review with (BS) and colleagues as to the risk to the organisation in the event of an attack.



JOINT INDEPENDENT AUDIT COMMITTEE



Treasury Management Strategy

8 March 2024

The Committee is invited to review the attached Draft Treasury Management Strategy Statement and endorse it for adoption by the PCC.

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

The overall strategy is very similar to that adopted by the PCC in the current financial year. The only material change is to the investment limits in Section 5.2, which have been reviewed to ensure they are fit for purpose and improve internal consistency.

Review of Investment Limits

Investment limits for individual banks have been as high as £40m. These have been revised so that all maximum investment limits in an individual bank have been reduced to at most £20m. This ensures that risks are spread more widely.

Local Authority limits have been raised from £10m to £20m, reflecting the statutory protections provided by Section 13 of the Local Government Act 2003. Creditworthiness assessments are therefore not undertaken for Local Authority investments, and we have increased the limit to be in line with bank limits.

AAA rated Money Market Funds remain at £25m reflecting their diversified nature. We have reduced the credit rating required for Money Market Funds (Variable Net Asset Value) to AA- rating to better align with the credit ratings which we apply for bank investments. The limit is unchanged at £10m.

Finally, we have added Ultra- and Short-dated bond funds with a limit of £10m per fund and at least AA- rating. These funds invest in a mix of fixed income securities including corporate and government bonds, with an investment horizon of 1-3 years. This allows us to consider taking advantage of a wider range of opportunities over a longer investment horizon whilst managing the credit risk to be in line with our other investments.

Martin Thornley, CFO



Treasury Management Strategy Statement 2024/25

Incorporating the Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024/25

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1 INTRODUCTION

1.1 Background

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

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

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

The Chartered Institute of Public Finance and Accountancy (CIPFA) published the updated Treasury Management and Prudential Codes on 20th December 2021 and defines defines treasury management as:

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

1.2 Reporting requirements

1.2.1 Capital strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -

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

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

This capital strategy is reported separately from the Treasury Management Strategy Statement as part of the budget papers.

1.2.2 Treasury Management reporting

Treasury management activity is reported quarterly during the year. This will update the PCC with progress on the capital position, amending prudential indicators as necessary, and will indicate whether the treasury operation is meeting the strategy requirements and whether any policies require revision.

The Annual Treasury Report after Year End provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

All reports are presented to the PCC at the Performance and Accountability Meeting and the Annual Report is also provided to the Joint Independent Audit Committee for scrutiny.

1.3 Treasury Management Strategy for 2024/25

The strategy for 2024/25 covers two main areas:

Capital issues

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

Treasury management issues

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

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

1.4 Training

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

Furthermore, pages 47 and 48 of the Code state that they expect "all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

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

As a minimum the PCC should carry out the following to monitor and review knowledge and skills:

- Prepare tailored learning plans for treasury management officers and relevant committee members.
- Require treasury management officers and relevant committee members to undertake self-assessment against the required competencies.
- Have regular communication with officers and relevant committee members, encouraging them to highlight training needs on an ongoing basis.

The training needs of treasury management staff are reviewed periodically.

1.5 Treasury management consultants

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

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

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

2 THE CAPITAL PRUDENTIAL INDICATORS 2024/25 - 2027/28

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

2.1 Capital expenditure and financing

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

Table 1	2023/24 Revised	2024/25	2025/26	2026/27	2027/28
	Estimate	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Capital Expenditure	47,262	64,448	26,946	26,275	14,812
Financed by:					
Surplus Funds carried	37,961	26,999	6,575	-851	5,686
forward					
Predicted underspend	671				
23/24					
Capital receipts	3,478	1,559	4,987	19,512	884
Capital grants incl 3 rd	8,335	100	100	100	100
party contributions					
Revenue contributions	14,046	13,493	13,200	13,200	12,600
Borrowing		9,919			
Western Hub	4,985	7,515			
Earmarked Reserves	4,785	11,438	1,233		
TOTAL	74,261	71,023	26,095	31,961	19,270
Net surplus/shortfall	26,999	6,575	(851)	5,686	4,458

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

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

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

The CFR includes other long-term liabilities such as PFI schemes and finance leases. Whilst these increase the CFR, and therefore the borrowing requirement, these types of scheme include a borrowing facility and so the PCC is not required to borrow separately for these schemes. The PCC currently has £8.761m of such schemes within the CFR.

Table 2	2022/23 Actual £m	2023/24 Revised Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Opening CFR	65,640	62,709	59,624	66,564	64,822	63,081
Net financing need/borrowing for the year as per Table 1			9,919			
Less MRP & VRP debt charged to accounts	(1,242)	(1,242)	(1,242)	(1,242)	(1,242)	(1,242)
Less Finance Lease Liability repayment	(1,724)	(1,844)	(1,737)	(500)	(500)	(500)
Movement in CFR	(2,931)	(3,086)	6,940	(1,742)	(1,742)	(1,742)
Closing CFR	62,709	59,624	66,564	64,822	63,081	61,339

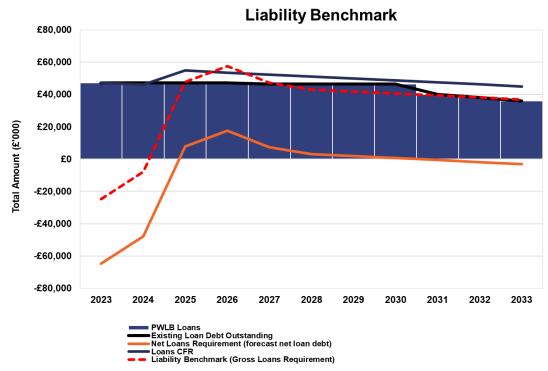
2.3 Liability Benchmark

The third prudential indicator is the Liability Benchmark (LB). The PCC is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

- 1. **Existing loan debt outstanding**: the Authority's existing loans that are still outstanding in future years.
- 2. **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on planned prudential borrowing and MRP.
- 3. **Net loans requirement**: gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on planned prudential borrowing, MRP and any other major cash flows.
- 4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance

Chart 3 below shows the LB components over ten years. This shows that there may be the need for short term borrowing around 2025/6, but long term borrowing is not expected to be required. However, this analysis shows that there is only limited ability to make investments beyond those approved in the budget to support the emerging estates strategy without additional external borrowing.



PCC will pay for capital assets through revenue each year. The PCC is also allowed to make additional voluntary payments (voluntary revenue provision - VRP).

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

The PCC is recommended to approve the following MRP Statement:

- For capital expenditure incurred before 1 April 2008, MRP will be based on the Regulatory Method of 4% reducing. MRP will be written down over a fixed 50 year period
- For capital expenditure incurred from 1 April 2008, the MRP will be based on the 'Asset Life Method', whereby MRP will be based on the estimated life of the assets in accordance with the regulations.
- For finance leases, an 'MRP equivalent' sum will be paid off each year.

Capital expenditure incurred during a financial year will not be subject to an MRP charge until the following year, or the year after the asset becomes operational if later.

2.5 Core funds and expected investment balances

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

Table 4 below provides an estimate of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Table 4	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Year End Resources	Actual £m	Revised Estimate £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
General balances	17.931	15.512	15.772	15.772	15.772	15.772
Earmarked revenue						
reserves	54.506	56.703	28.626	25.243	27.106	30.910
Capital grants and						
reserves	40.981	30.063	0.000	0.000	0.000	0.000
Insurance provision	7.910	7.000	5.710	5.710	5.710	5.710
Total core funds	121.328	109.279	50.108	46.725	48.588	52.391
Working capital*	19.400	19.400	19.400	19.400	19.400	19.400
Expected investments	140.728	128.679	69.508	66.125	67.988	71.791

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

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activities of the PCC. The treasury management function ensures that the PCC's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of

appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The PCC's borrowing portfolio position at 31 March 2023, with forward projections, is summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement or CFR), highlighting any over or under borrowing.

Table 5 PCC Borrowing Portfolio	2022/23	2023/24 Revised	2024/25	2025/26	2026/27
	Actual £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
External Debt					
Debt at 1 April	47,178	47,178	47,178	56,341	56,341
Expected change in Debt	0.00	0.00	9,163	0	0
Other long-term liabilities	8.102	5,622	6,000	6,000	6,000
(OLTL) at 1 st April					
Expected change in OLTL	(2,480)	378	0	0	0
Actual gross debt	52,800	53,178	62,341	62,341	62,341
at 31 March					
The CFR	62,709	59,624	66,564	64,822	63,081
Under / (over) borrowing	9,909	6,446	4,223	2,481	740

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

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

3.2 Treasury Indicators: limits to borrowing activity

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

Table 6 Operational boundary	2023/24	2024/25	2025/26	2026/27	2027/28
	Estimate £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Debt	47.178	47.178	56.341	56.341	56.341
Other long term liabilities	5.622	6.000	6.000	6.000	6.000
Short Term liabilities	20.000	20.000	20.000	20.000	20.000
Total	72.800	73.178	82.341	82.341	82.341

The **authorised limit** for external debt is a key prudential indicator which provides control on the overall level of affordable borrowing. It represents a limit beyond which external debt is prohibited and needs to be set and/or revised by the PCC. It reflects the level of external debt which, whilst not necessarily desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority (or PCC), although this power has not yet been exercised.

The PCC is asked to approve the following authorised limit:

Table 7 Authorised limit	2023/24	2024/25	2025/26	2026/27	2027/28
	Estimate £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Debt	67.178	67.178	76.341	76.341	76.341
Other long term liabilities	5.622	6.000	6.000	6.000	6.000
Short Term liabilities	20.000	20.000	20.000	20.000	20.000
Total	92.800	93.178	102.341	102.341	102.341

3.3 Prospects for interest rates

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

Table 8	Bank Rate	PWLB Borrowing Rates (including certainty rate adjustment)				
		5 year	25 year	50 year		
	%	%	%	%		
Mar 2024	5.25	4.50	5.20	5.00		
Jun 2024	5.25	4.40	5.10	4.90		
Sep 2024	4.75	4.30	4.90	4.70		
Dec 2024	4.25	4.20	4.80	4.60		
Mar 2025	3.75	4.10	4.60	4.40		
Jun 2025	3.25	4.00	4.40	4.20		
Sep 2025	3.00	3.80	4.30	4.10		
Dec 2025	3.00	3.70	4.20	4.00		
Mar 2026	3.00	3.60	4.20	4.00		
Jun 2026	3.00	3.60	4.10	3.90		
Sep 2026	3.00	3.50	4.10	3.90		
Dec 2026	3.00	3.50	4.10	3.90		
Mar 2027	3.00	3.50	4.10	3.90		

Our central forecast for interest rates was previously updated on 7th November and reflected a view that the MPC would be keen to underpin its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are unequivocally supportive of such a move, and that there is a strong likelihood of the overall economy enduring tepid growth (at best) or a mild recession (at worst) over the coming months.

Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing a little better at this stage of the economic cycle than may have been expected. Nonetheless, with approximately 400,000 households per quarter facing a mortgage interest reset at higher levels than their current rate, the economy will face on-going headwinds from that source, in addition to lower income households having to spend disproportionately on essentials such as food, energy and rent payments.

The balance of risks to the UK economy: -

The overall balance of risks to economic growth in the UK is to the downside

Borrowing advice: The 50-year PWLB Certainty Rate target for new long-term borrowing started 2023/24 at 3.50% (the lowest forecast rate within a two-year time horizon), increasing to a peak of 4.00% in November. With rates elevated across the whole of the curve, it is advised to not borrow long-term unless the Authority wants certainty of rate and judges the cost to be affordable.

3.4 Borrowing strategy

The PCC is currently maintaining an under-borrowed position. This means the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the PCC's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent - medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The CFO will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

If it was felt that there was a significant risk of a sharp FALL in borrowing rates, then longer term borrowing will be postponed. If it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

Treasury management limits on activity

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

- Upper limits on variable interest rate exposure. This identifies the maximum limit for variable interest rates for both borrowing and investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the PCC's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

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

Table 9

1 4.0.10		
Indicator	Limit	
Variable interest rate debt	No more than 50% of all debt	
Debt maturing within 10 years	No more than 50% of all debt	

3.5 Policy on borrowing in advance of need

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

3.6 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio would be considered in the event premature redemption rates providing an opportunity.

The reasons for any rescheduling to take place will include:

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

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

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy

The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the

treasury management team). Non-financial investments, if required, are covered in the separate Annual Capital Strategy.

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

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The PCC's investment priorities will be security first, liquidity second, then return.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to a year with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

In accordance with the above guidance from the DLUHC and CIPFA, and in order to minimise the risk to investments, the PCC applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the PCC will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in appendix 5.2 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

As a result of the change in accounting standards for 2023/24 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. More recently, a further extension to the over-ride to 31.3.25 has been agreed by Government.

4.2 Creditworthiness policy

The PCC applies the creditworthiness service provided by Link Treasury Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

credit watches and credit outlooks from credit rating agencies;

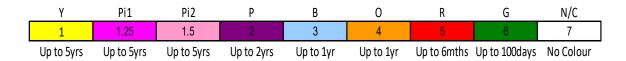
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the PCC to determine the suggested duration for investments. The PCC will therefore use counterparties within the following durational bands.

Yellow 5 yearsPurple 2 years

• Blue 1 year (only applies to nationalised or semi nationalised UK Banks)

Orange 1 year
Red 6 months
Green 100 days
No colour not to be used



The Link Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the PCC uses will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The PCC is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service:

- if a downgrade results in the counterparty / investment scheme no longer meeting the PCC's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the PCC will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the PCC's lending list.

Sole reliance will not be placed on the use of this external service. In addition the PCC will also use market data and market information, information on any external support for banks to help support its decision making process.

Creditworthiness.

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any

alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

4.3 Country limits

The PCC has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.3. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

The UK is excluded from any stipulated minimum sovereign rating requirement.

4.4 Investment strategy

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

Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to have peaked at 5.25%.

Investments of up to 2 years will also be allowed with the Royal Bank of Scotland Group. No material change in Government ownership is expected during that period. This policy will potentially enable the PCC to lock in investment returns whilst continuing to adopt a low risk approach.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	
2023/24 (residual)	5.30%
2024/25	4.55%
2025/26	3.10%
2026/27	3.00%

2027/28	3.25%
Years 6 to 10	3.25%
Years 10+	3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts

Environmental, Social & Governance (ESG) Considerations

The CIPFA Treasury Management Code of Practice 1.13 states that "Environmental, social and governance (ESG) issues are increasingly significant for investors and investment managers. This is better developed in equity and bond markets than for short-term cash deposits, and there is a diversity of market approaches to ESG classification and analysis. This means that a consistent and developed approach to ESG for public service organisations is currently difficult. Organisations are therefore recommended to consider their credit and counterparty policies in light of ESG information and develop their own ESG investment policies and treasury management practices consistent with their organisation's own relevant policies, such as environmental and climate change policies. It is not expected that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level."

The PCC invests in short-term cash deposits. In line with the expectations of the Code it is not proposed to include additional ESG criteria at individual investment level. ESG risks are considered primarily for their potential financial impact. The credit and counterparty policies outlined in this document include a proportionate consideration of the ESG risks, since credit rating agencies incorporate ESG considerations into their evaluations. Further restrictions would risk narrowing available counterparties and reducing Yield obtainable without benefitting Security or Liquidity, and therefore would be inconsistent with the treasury management principles.

Changes in Investment Strategy

There are now several alternative types of investment opportunity which could, potentially, yield greater returns than cash deposits:

- Ultra-short dated bond Funds
- Corporate Bonds direct, passive and active external management (including Short-Dated Bond Funds)
- Multi Asset Funds
- Property Funds
- Equity Funds

However investing in these types of instruments would be a fundamental change of investment strategy. The PCC wishes to maintain the prudent approach of security of funds in the first instance.

Investment treasury indicator and limit - total principal funds invested for greater than one year. These limits are set with regard to the PCC's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end. A limit of £20m is recommended in order to provide officers with flexibility to take advantage of time and cash limited offers, which sometimes exceed a

year when initially offered, or to place deposits for up to 2 years in order to lock in investments returns whilst continuing to adopt a low risk approach.

The PCC is asked to approve the treasury indicator and limit:

Table 10

Indicator	Limit
Principal sums invested over	£20m
one year	

4.5 Investment risk benchmarking

The PCC has approved benchmarks for investment Security, Liquidity and Yield.

These benchmarks are simple guideline targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position, and amend the operational strategy depending on any changes.

The proposed benchmarking targets for 2024/25 are set out below:

- a) **Security** the PCC's maximum security risk benchmark for the current portfolio, when compared to historic default tables, is:
 - 0.25% historic risk of default when compared to the whole portfolio.
- b) **Liquidity** in respect of this area the OPCC seeks to maintain:
 - Bank overdraft limit £0.1m
 - Liquid short-term deposits including the receipt of government grants, council tax precept income and use of short-term borrowing - of at least £5m available within one week.
 - Weighted Average Life' benchmark 9 months (270 days), with a maximum of 2 years.
- c) **Yield** performance target is to achieve:
 - an average return above SONIA compounded rates (i.e. the bespoke TVP benchmark).

Any breach of the indicators or limits will be reported to the PCC, with supporting reasons, in the quarterly performance monitoring reports. Members of the Joint Independent Audit Committee will also be notified.

4.6 End of year investment report

At the end of the financial year the Chief Finance Officer will report on the investment activity as part of his Annual Treasury Report.

5 Appendices

5.1 Economic background (as provided by Link on 17.01.2024)

The UK Manufacturing PMI fell to 46.2 in December, down from 47.2 in the prior month and missing market expectations of 47.5. The latest reading pointed to a reduction in manufacturing output for the tenth consecutive month and at a notably faster pace than in November. Production sustained its decline due to reports of reduced demand both at home and abroad amidst challenging economic conditions, as well as destocking activities and tighter inventory policies at plants.

Conversely, the UK Services PMI rose to 53.7 in December of from 50.9 in the previous month, above expectations of 51, marking the second consecutive expansion in the UK's services sector and outperforming the contractions in Eurozone members. Consequently, the Composite PMI rose to 51.7 in December, up from 50.7 in the previous month and surpassing the market consensus of 50.9. Meanwhile, the UK Construction PMI edged down to 45.5 in November, barely shifting from October's value of 45.6 and falling short of market expectations set at 46.3. This latest reading marks the second-lowest point since May 2020.

The UK economy shrank 0.3% m/m in October, reversing the growth from the previous two months, and worse than market forecasts of a flat reading. The services sector shrank 0.2% and was the largest contributor to the fall. Meanwhile, output in consumer-facing services fell by 0.1%. Also, production declined 0.8% driven by widespread drops in manufacturing output, namely computer, electronic and optical products, and machinery and equipment while construction output went down 0.5% partly due to the poor weather.

Considering the three months to October, UK GDP stalled. Elsewhere, the UK's trade deficit widened to £4.480 billion in October, the largest in five months, as imports jumped 4.6% to a four-month high and exports rebounded 0.6% from an over one-year low.

The UK registered an increase of 50,000 jobs in the three months to September, slightly lower than a downwardly revised 52,000 gain in the previous reading. Meanwhile, average weekly earnings, including bonuses in the UK increased 7.2% y/y in the three months to October, the lowest in five months and below market forecasts of a 7.4% rise. The adjusted "experimental" unemployment rate in the UK remained unchanged at 4.2% in the three months leading up to October. The adjusted "experimental" employment rate stood at 75.7%, and the economic inactivity rate remained unchanged at 20.9%.

Regarding inflation, the annual consumer price measure in the UK declined to 3.9% in November, the lowest since September 2021, from 4.6% in October and well below forecasts of 4.4%. The largest downward contribution came from transport, mainly downward effects from motor fuels and, to a lesser extent, second-hand cars,maintenance and repairs, and air fares. Other downward pressure came from prices for recreation and culture, namely computer games and admission fees to theatres and live music events; and food and non-alcoholic beverages, mostly bread and cereals. Prices also rose less for alcoholic beverages and tobacco, clothing and footwear andhealth and continued to fall for housing and utilities. On the other hand, inflation was steady for communication, education and restaurants and hotels.

Annual core inflation also declined, with its 5.1% reading the lowest since January 2022.

In the retail sector, November witnessed a 1.3% m/m increase in sales, a stark contrast to October's stagnant growth and beating market forecasts of a 0.4% rise. It was the strongest growth in retail activity since January. Additionally, the GfK

Consumer Confidence indicator rose to -22 in December from -24 in November as Britons became less pessimistic about their future financial situation amid easing inflationary pressures. Analysts noted that wages have begun to rise faster than inflation while mortgage rates eased from their summer peak.

Elsewhere, Public sector net debt excluding public sector banks was £2,671.4 billion at the end of November and was provisionally estimated at around 97.5% of the UK's annual gross domestic product (GDP); this is 1.8 percentage points higher than in November 2022 and remains at levels last seen in the early 1960s.

5.2 Credit and Counterparty Risk Management

Specified and Non-Specified Investments and Limits

Specified Investments

'Specified' investments are sterling investments of not more than one-year maturity made with any institution meeting the minimum 'high' quality criteria where applicable.

Non-Specified Investments

These are any investments which do not meet the specified investment criteria which may include more complex instruments which require greater consideration before being authorised for use. A maximum of 50% will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

Investments of up to 2 years will continue to be allowed with the Royal Bank of Scotland (RBS) Group, since no material change in Government ownership is expected during that period. This policy will potentially enable the PCC to lock in investment returns whilst continuing to adopt a low risk approach.

The proposed criteria for (a) Specified and (b) Non-Specified investments are presented below for approval.

a) Specified Investments

These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the PCC has the right to be repaid within 12 months if it wishes.

•		
Minimum credit	Maximum	Maximum
criteria / colour	investment per	maturity
band	institution	period

The PCC's own banker if it fails		Minimal	1
		IVIIIIIIIIIIII	
to meet the basic credit criteria. In			
this instance balances will be			
minimised as far as is possible.			
DMADF – UK Government	N/A	No limit	6 months
Money Market Funds (MMF) –	AAA rating and	£25m or 1% of	Liquid (instant
(Low Volatility Net Asset Value) &	minimum asset	total asset base	access)
(Constant Net Asset Value)	base of £500m	per fund	
		whichever is the	
		lower figure	
Money Market Funds (MMF) –	AA- rating and	£10m or 1% of	Repayment
(Variable Net Asset Value)	minimum asset	total asset base	within 1 year
	base of £500m	per fund	
		whichever is the	
		lower figure	
Ultra- and Short-Dated Bond	AA- rating and	£10m or 1% of	Repayment
Funds (Variable Net Asset Value)	minimum asset	total asset base	within 1 year
	base of £500m	per fund	
		whichever is the	
		lower figure	
Local authorities	N/A	£20m	1 year
Term deposits with banks and	Blue	£20m	Up to 1 year
building societies	Orange	£20m	Up to 1 year
	Red	£20m	Up to 6 months
	Green	£15m	Up to 100 days
CDs or corporate bonds with	Blue	£20m	Up to 1 year
banks and building societies	Orange	£20m	Up to 1 year
	Red	£20m	Up to 6 months
	Green	£15m	Up to 100 days
Housing Associations	A-	£5m	Up to 1 year

b) Non-Specified Investments

Non-specified investments are any other type of investment (i.e. not defined as 'specified' above). The identification and rationale supporting the selection of these other investments, and the maximum limits to be applied, are set out below.

Non-specified investments would include any sterling investments with:

	Minimum credit criteria / colour band	Maximum investment per institution	Maximum maturity period
Local authorities	N/A	£20m	5 years
Term deposits with banks and building societies	Purple Blue (RBS)	£20m £20m	Up to 2 years Up to 2 years
CDs or corporate bonds with banks and building societies	Purple Blue (RBS)	£20m £20m	Up to 2 years Up to 2 years
Housing Association	A-	£5m	Up to 2 years

Investments of up to 370 days will be treated as 1 year investments. This simplifies investment timings, for example where the maturity date is over a long weekend.

5.3 Approved Countries for investments

Link show the lowest rating from Fitch, Moody's and S&P (the 3 main ratings agencies) including banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

AAA

Australia

Denmark

Germany

Netherlands

Norway

Singapore

Sweden

Switzerland

AA+

Canada

Finland

U.S.A.

AA

Abu Dhabi (UAE)

AA-

Belgium

France (downgraded by Fitch on 9th May 2023)

Qatar

U.K.

THIS LIST IS AS AT 31.12.23



JOINT INDEPENDENT AUDIT COMMITTEE



Report for Information
Title: Internal Audit Strategy and Joint Internal Audit Plan 2024/25 Executive Summary: This report details the Internal Audit Strategy and Joint Internal Audit Plan 2024/2 including the methodology for collating the plan and the audit areas included 2024/25. Recommendation:
Executive Summary:
This report details the Internal Audit Strategy and Joint Internal Audit Plan 2024/25 including the methodology for collating the plan and the audit areas included for 2024/25.
Recommendation:
The Committee is requested to note and endorse the Internal Audit Strategy and Joint Internal Audit Plan 2024/25.
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 2024/25, including the methodology for collating the plan and the audit areas included for 2024/25.

2 Issues for consideration

- 2.1 The report attached is the Internal Audit Strategy and Joint Internal Audit Plan 2024/25. 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 for Thames Valley (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.

ls t	he	publ	licat	tion c	of 1	this	form	to	be o	def	erred	?	No
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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 2024/25, including the methodology for collating the Audit Plan and the audit areas included for 2024/25.	Chief Internal Auditor
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 Head of Governance and Compliance
Financial Advice	
The audit plan is fully resourced through the 2024/25 revenue budget.	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: 9 February 2024

Director of Finance (TVP)

Date: 22 February 2024





JOINT INTERNAL AUDIT SERVICE

INTERNAL AUDIT STRATEGY AND JOINT INTERNAL AUDIT PLAN 2024/25

1. Internal Audit Strategy

- 1.1 This document sets out the Joint Internal Audit Service's strategy and work plan for 2024/25.
- 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 (2018) 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 May 2022. The opinion of the external assessor for the Joint Internal Audit Team is "It is our opinion that the Joint Internal Audit Service's self-assessment is accurate and therefore we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note". This 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 2024/25, 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. The review has been completed with no changes needed. The current version has been attached at Appendix D.

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 Management Group (SMG).
 - Additional meetings and correspondence with the Deputy Chief Constable, Assistant Chief Constables, Assistant Chief Officers, Heads of Department and Senior Managers at TVP and the PCC, OPCC Chief of Staff and Chief Finance Officer.
 - For TVP, review of the Strategic Plan, Force Management Statement, Annual Governance Statement, Force Risk Registers, Horizon Scanning documentation and any relevant external assessments.
 - Liaison with the Force Governance and Service Improvement Team.
 - For the OPCC, review of the Police and Criminal Justice Plan, OPCC Strategic Risk Register, Annual Governance Statement, OPCC Strategic Delivery Plan and any relevant external assessments.
 - 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 2024/25 Joint Internal Audit Plan has been collated (attached as Appendix A to this report). The plan lists the identified audit reviews, CCMT / SMG lead, a link to the relevant organisational objective or risk, a high level scope, planned days and audit timing. 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:
 - Deputy Chief Constable's portfolio: Four audits are being completed which will focus on any External Review / HMICFRS Recommendation Closure, Force Performance Management and Delivery Plan Performance, Custody 2030 Programme Delivery and the Environmental Sustainability Strategy.
 - Legitimacy and Public Value: Four audits are being completed which will test the Force Restructure Programme delivery, the Chiltern Transport Consortium Review Outcome Actions, the Trust and Confidence programme and the Use of Powers (Stop & Search / Section 163 Stops).
 - Crime and Criminal Justice: Three reviews are being completed which will focus on the Multi Agency Safeguarding Hub Authorised Professional Practice Compliance / Backlog, the Child Abuse Investigation Unit and the Domestic Abuse Investigation Unit.

- Local Policing: One audit is being completed on the arrangements within the Assessment and Investigation Unit.
- Operations: One audit is being completed in relation to the Contact Management Unit Performance.
- Regional Counter Terrorism and Organised Crime: One audit is being completed on the Counter Terrorism and Regional Organised Crime Unit's Governance, Risk and Financial Management arrangements.
- Finance: Three audits are being completed looking at the application of a sample of Key Financial Controls, the Force's Accounts Receivable arrangements and Contract Management (Benefits Realisation and Supplier Performance).
- Digital and Information: Three audits are being completed focussing on an Application Controls Review (Contact Management Platform), Disaster Recovery arrangements and Third Party Contract Management.
- People: One audit is being completed which will focus on People Directorate Action Follow Up from previous audits.
- 2.4 Within the OPCC, three audits are being completed in the following areas:
 - Thames Valley Together.
 - OPCC Performance Management Framework.
 - OPCC Statutory Responsibilities.
- 2.5 There is one audit that will test the implementation of actions agreed as part of any 2023/24 Limited or Minimal assurance rated audits, as well as 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 to the Force or OPCC.
 - Administer the quarterly management action follow up process.
 - Maintain an overview of any fraud investigations and general fraud liaison with the Professional Standards Department (PSD), as well as administration of the quarterly Fraud Group.
 - Complete the Internal Audit Annual Report and contribute to the Annual Governance Statement process.
 - Review Internal Audit's compliance with the PSIAS.
 - Support the Force and OPCC's contribution to the bi-annual NFI exercise.
 - Finalise any 2023/24 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 In terms of Hampshire and Isle of Wight Constabulary (HIOWC) led collaborations, the Audit Team for HIOWC and the OPCC are due to confirm any Joint Operations Unit audits for 2024/25 before the start of the plan year.

3. Resources

3.1 The Joint Internal Audit Service is resourced as follows:

Officer	Employing Organisation	Available Resources
Chief Internal Auditor	OPCC	261 days
Principal Auditor	OPCC	198 days
ICT Auditors	External Contractor	30 days
	TOTAL DAYS	489 days

- 3.2 Appendix B details an analysis of the overall resources available for 2024/25. The total amount of days available for delivering the service is 489. Following the exclusion of overheads, team administration and corporate work in delivering the service, the total number of days available for assurance activity is 351.
- 3.3 The available days have been allocated as follows:

TVP (CCMT) / OPCC Area	Total Days	Plan %
TVP - Deputy Chief Constable	45 days	12%
TVP - Legitimacy and Public Value	46 days	13%
TVP – Crime and Criminal Justice	34 days	10%
TVP – Local Policing	13 days	4%
TVP – Operations	13 days	4%
TVP - Regional Counter Terrorism and Organised Crime	13 days	4%
TVP – Finance	35 days	10%
TVP – Digital and Information	30 days	9%
TVP - People	10 days	3%
OPCC	30 days	8%
General (Limited / Minimal Assurance Follow Up / Sources of Assurance)	16 days	5%
Other (Supervision, Advice, Follow Up, Fraud Liaison, Annual Report, PSIAS Assessment, NFI and 2023/24 Carry Forward)	66 days	18%

TVP (CCMT) / OPCC Area	Total Days	Plan %
TOTAL PLANNED DAYS	351 days	100%

4. Risks

- 4.1 The key risks to the achievement of the 2024/25 Joint Internal Audit Plan are:
 - Internal team staff retention and / or health and wellbeing.
 - External contractor performance.
 - TVP / OPCC capacity to support the audit process.

5. Performance Monitoring

- 5.1 The Joint Internal Audit Team's 2024/25 Performance Indicators are attached at Appendix C.
- 5.2 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 February 2024

APPENDIX A: JOINT INTERNAL AUDIT PLAN 2024/25

Listed below are the audit reviews currently included within the 2024/25 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. The rational for each review has been identified as follows:

Police and Criminal Justice Plan	Force Management Statement	7. External Inspection
OPCC Strategic Risk Register	Force Strategic Risk Register	Management Suggestion
3. Force Strategic Plan	6. Local Risk Register	9. 2023/24 Carry Forward Audit

Force CCMT / OPCC SMG	Audit Review	High Level Scope				Ra	tion		Planned	Timing			
Lead	Audit Review			2	3	4	5	6	7	8	9	Days	Timing
Thames Va	lley Police												
DCC	External Review / HMICFRS Recommendation Closure	The audit will evaluate progress in the Force completing actions from any HMICFRS inspections or other external reviews.							✓	✓		11 days	Q2
DCC	Force Performance Management and Delivery Plan Performance	The review will test the framework for how the Force tracks delivery of its strategic objectives and key performance measurements, including updating the OPCC on progress.			✓					✓		11 days	Q3
DCC	Custody 2030 Programme Delivery	The audit will test progress in delivering the Custody 2030 programme.					~	✓		✓		12 days	Q3
DCC	Environmental Sustainability Strategy	The review will test delivery and oversight of the Force's Environmental Sustainability Strategy.								✓	✓	11 days	Q1
Legitimacy and Public Value	Force Restructure Programme	The audit will review progress in delivering the aims and objectives of the Force Restructure Programme.				✓				✓		12 days	Q4
Legitimacy and Public Value	CTC Review Outcome Actions	The review will test delivery and implementation of any actions arising from the recent Chiltern Transport Consortium (CTC) review.				✓	✓			✓		11 days	Q4
Legitimacy and Public Value	Trust and Confidence	The audit will test progress in delivering the aims and objectives of the Force's Trust and Confidence programme.			✓					✓		12 days	Q2
Legitimacy and	Use of Powers	The review will evaluate the processes	✓		✓				✓	✓		11 days	Q1

Force CCMT / OPCC SMG	Audit Davieur	High Loyal Coops				Ra		Planned	Timina				
Lead	Audit Review	High Level Scope		2	3	4	5	6	7	8	9	Days	Timing
Public Value	(Stop & Search / S.163 Stops)	and governance in how the Force uses its Stop and Search and Section 163 powers.											
Crime and Criminal Justice	MASH APP Compliance / Backlog	The audit will review the Multi Agency Safeguard Hub's (MASH) processes and governance arrangements to ensure APP compliance and manage overall demand.				✓	✓		✓	✓		12 days	Q4
Crime and Criminal Justice	Child Abuse Investigation Unit	The review will test the CAIU's processes and governance arrangements to manage risk and overall demand.	✓		✓	✓	✓	✓	✓			11 days	Q1
Crime and Criminal Justice	Domestic Abuse Investigation Unit	The audit will test the DAIU's processes and governance arrangements to manage risk and overall demand.	✓		✓	✓			✓	✓		11 days	Q4
Local Policing	Assessment and Investigation Unit	The review will test the AIU's processes, performance and quality assurance arrangements for managing referrals and demand.			✓					✓		13 days	Q1
Operations	Contact Management Unit Performance	The audit will test the Contact Management Unit's key processes and governance arrangements in delivering an effective service to customers.	✓		✓				✓			13 days	Q2
Regional Counter Terrorism and Organised Crime	CT and ROCU Governance, Risk and Financial Management	The review will evaluate the effectiveness of the region's Counter Terrorism and Organised Crime governance, risk and financial management arrangements.				✓				✓		13 days	Q2
Finance	Key Financial Controls	The audit will review a sample of the Force's key financial processes.					✓			✓		13 days	Q3
Finance	Accounts Receivable	The review will test the effectiveness of the accounts receivable processes and governance arrangements.								✓		11 days	Q1
Finance	Contract Management (Benefits Realisation and Supplier	The audit will test the arrangements for managing external contracts, focussing on the benefits realisation arrangements and general supplier performance.								✓		11 days	Q2

Force CCMT / OPCC SMG	Audit Review	High Level Scope				Ra	tion	ale				Planned	Timing
Lead	Addit Neview	riigii Level Ocope		2	3	4	5	6	7	8	9	Days	lillillig
	Performance Management)												
Digital and Information	Application Controls Review (CMP)	The review will test the key application controls and processes within the Force's Contact Management Platform.								✓		10 days	Q3
Digital and Information	Disaster Recovery	The audit will evaluate the approach to ICT system disaster recovery arrangements.								✓		10 days	Q4
Digital and Information	Third Party Contract Management	The review will evaluate the arrangements for effective management of third party ICT contracts.								✓		10 days	Q2
People	People Directorate Action Follow Up	The audit will follow up on recent People Directorate audits to ensure any agreed actions have been completed and are effective.								✓		10 days	Q3
Office of the Po	lice and Crime Cor	mmissioner (Thames Valley)											
VRU	Thames Valley Together	The audit will review the funding arrangements and data sharing processes in place for the Thames Valley Together work.								✓		10 days	Q1
OPCC Wide	OPCC Performance Management Framework	The review will test the effectiveness of the OPCC's performance management framework, linking the outcomes to strategic priorities and objectives, to ensure effective decision making.		✓						~		10 days	Q3
OPCC Wide	OPCC Statutory Responsibilities	The audit will review the framework for how the OPCC ensures it is meeting its statutory responsibilities.								✓		10 days	Q2
General													
N/A	Limited / Minimal Assurance Follow Up	The review will follow up on any actions agreed as part of limited or minimal assurance audits completed during 2023/24.	N/A									11 days	Q3 – 4
N/A	Sources of Assurance	This work captures any external sources of assurance that can be included within the Annual Internal Audit Report.	N/A									5 days	Q1 – 4
										TOT	AL	285	

Force CCMT /					R	atic	na	le				Planned	-	
OPCC SMG Lead	Audit Review	High Level Scope	1 2 3 4		5	5	6 7 8 9		Days	Timing				
													days	
Other														
N/A	Audit Supervision	Days allocated to supervise and review the planned audits.	N/A	١									24 days	N/A
N/A	Advice and Consultancy	A number of days to provide advice and consultancy work for the Force and OPCC.	N/A	١.									7 days	N/A
N/A	Follow Up	Days to administer the quarterly follow up process for the JIAC.	N/A	١									11 days	N/A
N/A	Fraud Liaison	Resources to liaise with Corporate Finance and the Professional Standards Department on any relevant fraud matters, as well as administration of the quarterly Fraud Group.	N/A	١.									3 days	N/A
N/A	Annual Report and AGS	A small number of days to collate the Annual Internal Audit Report and Annual Governance Statement details.	N/A	١.									3 days	N/A
N/A	PSIAS Assessment	Days to complete the annual internal PSIAS assessment and implement / monitor any actions needed.	N/A	١.									3 days	N/A
N/A	National Fraud Initiative	Resources to support the Force and OPCC's contribution to the bi-annual NFI exercise.	N/A	١.									5 days	N/A
N/A	2023/24 Carry Forward	A number of days to complete the 2023/24 planned audits.	N/A	١.									10 days	N/A
											TOT		66 days	
								G	RAI	ND	TOT	TAL	351 days	
N/A	JIAC Resource Allocation	Days allocated for specific use by the JIAC. These days are not resourced within the plan, but will be made available, if required.	N/A	١									10 days	N/A

APPENDIX B: ANALYSIS OF RESOURCES FOR 2024/25

	OPCC	OPCC	External	
	Chief Internal Auditor	Principal Auditor	ICT Auditor	TOTAL
	Days	Days	Days	Days
GROSS RESOURCES	261	198	30	489
OVERHEADS				
Leave (Annual and Public)	43	29		72
Sick Leave	5	3		8
Training	4	5		9
TOTAL	52	37	0	89
NET RESOURCES	209	161	30	400
TEAM ADMINISTRATION				
Administration	3	2		5
Staff PDR	2	1		3
Team Meetings	4	4		8
TEAM ADMINISTRATION TOTAL	9	7	0	16
AVAILABLE TIME	200	154	30	384
CORPORATE WORK				
Audit Service and Plan Monitoring	10			10
Audit Plan Development	5	2		7
External Audit and External Bodies	1	1		2
Collaboration Governance Board	2			2
Joint Independent Audit Committee	7	5		12
CORPORATE WORK TOTAL	25	8		33
OPCC/TVP AUDIT WORK	175	146	30	351

APPENDIX C: PERFORMANCE INDICATORS 2024/25

Ref.	Performance Indicator	Measure	Target	Frequency of Reporting		
1	Testing completed.	By July: By November: By February: By May:	10% 40% 70% 100%	Each JIAC meeting.		
2	Final Report issued.	By July: By November: By February: By May:	0% 25% 45% 100%	Each JIAC meeting.		
3	Joint Internal Audit Plan delivered.	Each audit review completed, excluding any agreed changes (i.e. removed audits).	100%	Annually to the JIAC. Included within the Annual Internal Audit Report.		
4	Annual Internal Audit Quality Questionnaire outcome.	Responses who strongly or tended to agree with the statements.	95%	Annually to the JIAC. Included within the Annual Internal Audit Report.		

APPENDIX D





JOINT INTERNAL AUDIT TEAM AUDIT CHARTER

1. Statutory Requirement

- 1.1 The Police and Crime Commissioner (PCC) for Thames Valley and the Chief Constable (Thames Valley Police) are required to maintain an effective internal audit of their affairs by the Accounts and Audit (England) Regulations 2015, which states that a relevant body must "undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".
- 1.2 The PCC's Chief Finance Officer (CFO) and Thames Valley Police's (TVP) Director of Finance (DoF) have statutory responsibility under Section 151 of the Local Government Act 1972 for ensuring an effective system of internal financial control and proper financial administration of the PCC's and TVP's affairs.
- 1.3 The Financial Management Code of Practice for the Police Forces of England and Wales (2018) recommends a Joint Internal Audit Service to cover both the OPCC and TVP.

2. Roles and Responsibilities (including the Joint Internal Audit Team's position within both organisations)

- 2.1 The PCC and the Chief Constable have adopted a Joint Corporate Governance Framework, which includes the Statement of Corporate Governance, Code of Corporate Governance, Scheme of Corporate Governance and Financial Regulations.
- 2.2 The framework includes the role of the PCC, PCC's Chief of Staff, PCC's CFO, Chief Constable and Force DoF. The framework states that the PCC, Chief Constable, CFO and DoF are responsible for the provision of an adequate and effective Internal Audit service and provides detail on how the Joint Internal Audit Service is delivered within Thames Valley.
- 2.3 The Joint Independent Audit Committee (JIAC) is a key component of the PCC's and Chief Constable's arrangements for corporate governance. The JIAC have a set of Operating Principles, which include their Statement of Purpose, Committee Composition and Structure, Methods of Working and Specific Responsibilities.
- 2.4 The Joint Internal Audit Service Governance Structure (TVP / OPCC) is documented at Annex 1. The Chief Internal Auditor (CIA) is line managed by the CFO and DoF, but has direct access to the PCC, Chief Constable, and JIAC Chair and members, as appropriate.

3. Definitions (The Board and Senior Management)

- 3.1 For the purposes of this charter, the following definitions shall apply:
 - The Board: the governance group charged with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting. For the OPCC and TVP, this is the JIAC.
 - Senior Management: those charged with responsibility for the leadership and direction of the OPCC and TVP. For the OPCC, this is the Senior Management Group (SMG) and for TVP, this is the Chief Constable's Management Team (CCMT), with operational oversight of the audit service being provided by the Internal Audit Oversight Group (which is attended by the DoF, CFO and CIA).

4. Standards

4.1 The Joint Internal Audit Team is governed by the framework and guidance set out in the Public Sector Internal Audit Standards (PSIAS). The mandatory elements of the PSIAS are the Core

Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing. 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".

4.2 The PSIAS requires the Joint Internal Audit Team to implement and maintain an Audit Charter. The purpose of the Audit Charter is to formally define the service's purpose, authority and responsibility.

5. Purpose, Authority and Responsibility

- 5.1 The mission of the Joint Internal Audit Team is to "add value by providing risk-based and objective assurance and advice on the organisation's risk management, control and governance arrangements for the benefit of both organisation's internal and external customers".
- 5.2 The Joint Internal Audit Team's authority, including their right of access to records and authority to obtain information, is detailed in section 9 of this charter.
- 5.3 The responsibility of the Joint Internal Audit Team is to:
 - Provide an internal audit service in accordance with the PSIAS.
 - Develop and deliver a risk based Joint Internal Audit Plan.
 - Provide an independent and objective annual assurance opinion on how the application of risk management, control and governance arrangements have supported the achievement of the organisation's objectives.
- 5.4 The responsibility of management at the OPCC and TVP is to:
 - Ensure that risk management, internal control and governance arrangements are sufficient to manage the risks facing the delivery of the OPCC's and TVP's priorities and objectives.
 - Respond to and act upon the Joint Internal Audit Team's reports and advice.
 - Identify and implement appropriate management actions to mitigate the risks reported or to recognise and accept risks resulting from not taking action.

6. Independence, Objectivity and Due Professional Care

- 6.1 Internal Auditors must be sufficiently independent of the activities they audit to enable them to provide impartial, unbiased and effective professional judgements and advice. Internal Auditors must maintain an unbiased attitude and be free from interference in determining the scope of activity, performing the work and communicating results.
- 6.2 To achieve the level of independence and objectivity needed, the Joint Internal Audit Team:
 - Retains no executive or operational responsibilities.
 - Operates in a framework that allows unrestricted access to Senior Management, the Internal Audit Oversight Group and the JIAC.
 - Reports functionally to the Internal Audit Oversight Group and JIAC.
 - Reports in their own name on individual assignments and to the JIAC.
 - Rotates responsibilities for audit assignments within the Joint Internal Audit Team, where possible.

- Completes annual Audit Professional Declaration Records, confirming compliance with rules on independence, conflicts of interest and acceptance of inducements and compliance with their Code of Ethics.
- Ensures the planning process recognises and addresses any potential conflicts of interest.
- Does not undertake an audit for at least two years in an area where they have had previous operational roles.
- 6.3 If independence or objectivity is affected, the details will be presented to the Internal Audit Oversight Group and the JIAC.
- 6.4 Internal Auditors have a duty to develop and maintain their professional skills, knowledge and judgement based on appropriate training, ability, integrity, objectivity and respect. Internal Auditors will perform their work with due professional care, competence and diligence.
- 6.5 Internal Auditors will treat any information they receive as confidential in accordance with the Government Security Classification (GSC) policy. There will be no unauthorised disclosure of information, unless there is a legal or professional requirement to do so. Information gained in the course of internal audit work will not be used for personal gain.

7. Internal Audit Strategy and Joint Internal Audit Plan

- 7.1 The Joint Internal Audit Team will develop and maintain an Internal Audit Strategy and Joint Internal Audit Plan for delivering the service, which will be designed to complement the PCC's Police and Criminal Justice Plan and TVP's Force Strategic Plan. The CFO and DoF will provide the CIA with the budget and resources necessary to fulfil the OPCC's and TVP's requirements and expectations. The CIA will ensure that the Joint Internal Audit Team has access to an appropriate range of knowledge, skills, qualifications and experience.
- 7.2 The Annual Internal Audit Strategy and Joint Internal Audit Plan will include:
 - Internal Audit Strategy.
 - Audit Planning Methodology.
 - Resources.
 - Performance Monitoring.
 - Joint Internal Audit Plan.
 - Performance Indicators.
- 7.3 The strategy and plan will be kept under review to ensure it remains responsive to the changing priorities and risks of the OPCC and TVP. Significant matters that jeopardise the delivery of the plan or require changes to the plan will be identified, addressed and reported to Senior Management, the Internal Audit Oversight Group and JIAC.

8. Scope of Internal Audit Activities

- 8.1 The Joint Internal Audit Team may review any aspect of the OPCC's or TVP's activities to enable the CIA to produce an Annual Report and Opinion Statement. To support this, the Joint Internal Audit Team undertake a range of risk-based activity to provide assurance on the organisation's governance, risk and control arrangements. The PSIAS includes the following definitions:
 - Assurance: An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation.

- Examples may include financial, performance, compliance, system security and due diligence engagements.
- Consulting Services: Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.
- 8.2 The different types of services provided by the team are listed in Annex 3.
- 8.3 The approach for each piece of work will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.
- The Joint Internal Audit Team maintains an Audit Manual, which guides the daily operations of the service. The Audit Manual details the team's processes and procedures in the following areas:
 - Relationships with Customers.
 - Audit Planning.
 - Risk Management.
 - Fraud and Irregularity.
 - Consultancy.
 - Audit Process (i.e. File Structure, Scoping Meeting, Brief, System Notes, Programme, Exit Meeting and File Review).
 - Follow up of Management Actions.

- Performance Monitoring / Reporting.
- Training.
- File Retention.
- Working with External Audit.
- External Clients.
- Internal Audit Team.
- Data Protection.
- Health and Safety.

9. Right of Access to Records and Authority to Obtain Information

- 9.1 In carrying out their duties, the Joint Internal Audit Team (subject to the appropriate vetting and security requirements for access and on production of identification) shall have unrestricted right of access to all records, assets, personnel and premises, belonging to the OPCC and TVP. Access extends to partner bodies and external contractors working on behalf of both organisations.
- 9.2 The Joint Internal Audit Team has authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities. Such access shall be granted when requested and not always subject to prior notice.

10. Chief Internal Auditor's Annual Report and Opinion Statement

- 10.1 The CIA is responsible for producing an Annual Internal Audit Report, which includes the CIA's Annual Opinion Statement. The annual opinion will conclude on the overall adequacy and effectiveness of the organisations' framework of governance, risk management and control.
- 10.2 The CIA's Annual Report and Opinion Statement will include the following:
 - Responsibilities.
 - Joint Internal Audit Plan Coverage.

- Audit Methodology.
- Audit Team.
- Opinion on the Organisation's Framework of Governance, Risk Management and Control, including the CIA's Annual Opinion Statement.
- Internal Audit Performance.
- Resource Allocation and Utilisation.
- Summary of Audit Outcomes.
- Effectiveness of Internal Audit Questionnaire Results.
- 10.3 This report and opinion is used by Senior Management at the OPCC and TVP to inform their respective Annual Governance Statements.

11. Reporting

11.1 The Joint Internal Audit Service Governance Structure (TVP / OPCC) is at Annex 1 and the Board and Senior Management Reporting Framework is at Annex 2.

12. Quality Assurance

- 12.1 The team perform an annual self-assessment against the requirements of the PSIAS, which aims to identify any areas for improvement or of non-conformance. The outcome of the self-assessment is reported to the Internal Audit Oversight Group and JIAC, with a Quality Assurance Improvement Programme (QAIP) being collated of areas for improvement. Progress in implementing the actions is also presented to the Internal Audit Oversight Group and JIAC.
- 12.2 An external assessment of the Joint Internal Audit Team's compliance with the PSIAS will be completed at least once every five years.

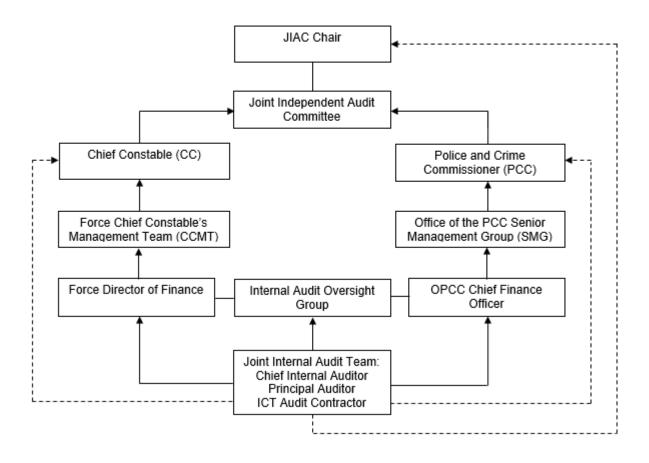
Chief Internal Auditor

Date Produced: February 2024

Date for Review: February 2025

ANNEX 1

Joint Internal Audit Service Governance Structure (TVP / OPCC)



Board and Senior Management Reporting Framework

		"B	"Board" "Senior Management"						
		,	JIAC	Internal Audit Oversight Group		TVP Chief Constable's Management Team		OPCC Senior Management Group	
PSIAS Ref.	PSIAS Requirement	Note and Endorse	Receive Information / Reports	Approve	Receive Information / Reports	Approve	Contribute	Approve	Contribute
1000	Internal Audit Charter (which defines the purpose, authority, responsibility and Mission of Internal Audit as well as the function's position within the organisation and reporting).	>		√					
1000	Mandatory elements of the International Professional Practices Framework.		✓		√				
1100	The Chief Internal Auditor has direct and unrestricted access to members of the JIAC and Internal Audit Oversight Group.	√		√					
1100	The organisational independence of the internal audit activity (annually).	√		~					
1112	Any additional roles / responsibilities, outside of internal auditing, which has the potential or perceived impairment to independence and objectivity and receive assurance relating to any safeguards put in place to limit impairments to independence and objectivity.	√		~					
1130	Any significant additional consulting services not already included in the audit plan, prior to accepting the engagement.	√		~					
1312	The form of any external assessments and the qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.	√		√					
1312 1320	The outcome of any external assessment. The Quality Assurance and Improvement Programme.		√		✓ ✓				
1322	Any non-conformance with the Code of Ethics or the Standards and how this impacts the overall scope or operation of the internal audit activity.	√		√					
2010	Annual Internal Audit Strategy and Joint Internal Audit Plan (which takes into consideration the organisation's strategies, key business objectives, associated risks and risk management processes).	√		√			~		√
2010	Internal audit opinions and management action priority wordings.	✓		✓					
2030	Internal Audit budget and resource plan.	✓		✓					

		"Е	Board"	"Senior Management"					
			JIAC		udit Oversight Froup			OPCC Senior Management Group	
PSIAS Ref.	PSIAS Requirement	Note and Endorse	Receive Information / Reports	Approve	Receive Information / Reports	Approve	Contribute	Approve	Contribute
2030	Resource requirements or impacts, including any significant interim changes.	√		~					
2060	Joint Internal Audit Plan Progress and Performance (including the internal audit activity's purpose, authority, responsibility and performance relative to its plan and on its conformance with the <i>Code of Ethics</i> and the <i>Standards</i> . Reporting must also include significant risk and control issues, including fraud risks, governance issues and other matters).		~		V		V		✓
2330	The release of any engagement records to external parties, as appropriate.			✓		✓		√	
2450	Annual Internal Audit Report, which includes Chief Internal Auditor's Annual Opinion Statement.	√		√					
2500	Follow up of overdue and outstanding audit report actions or where management have accepted the risk of not taking action.		✓		√		√		√
2600	Any unacceptable risk exposure that has been accepted by management, based on the Chief Internal Auditor's opinion.		√		√	✓		√	

Joint Internal Audit Team Services

a) Risk based audit: Risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of management's objectives.

b) Developing systems, process or function audit:

- the plans and designs of systems under development are assessed to identify the potential weaknesses in internal control and risk management.
- programme / project management controls are assessed to ascertain whether the system is likely to be delivered efficiently, effectively and economically.
- c) Consultancy / advisory services: Advice can be provided, either through formal review and reporting or more informally through discussion or briefing, on the framework of internal control, risk management and governance. It is not appropriate for an Internal Auditor to become involved in establishing or implementing controls or to assume any operational responsibilities and any advisory work undertaken must not prejudice the scope, objectivity and quality of future audit work.
- **d)** Compliance audit: A review covering the operation of controls in place to fulfil statutory, good practice or policy compliance obligations.
- e) Quality assurance review: The approach of other reviewers / assurance providers are assessed in order to form an opinion on the reliance that can be placed on the findings and conclusions arising from their work.
- f) Follow up review: The Joint Internal Audit Team facilitate the organisation's monitoring of implementation of agreed management actions, reporting on progress quarterly to the JIAC. If required, individual follow up assignments will be commissioned to review areas that receive a "limited" or "minimal" assurance rating.
- **g)** Fraud and irregularity investigations: The Joint Internal Audit Team may provide specialist skills and knowledge to assist in fraud or irregularity investigations, or to ascertain the effectiveness of fraud prevention controls and detection processes. At TVP, the responsibility for undertaking fraud investigations sits with the Professional Standards Department.
- h) Additional assurance: The availability of objective assurance from other independent internal review functions or external review bodies will be considered to support the Chief Internal Auditor's Annual Report and Opinion Statement.



JOINT INDEPENDENT AUDIT COMMITTEE



Report for Decision: 8 March 2024

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 Framework has been reviewed and updated as appropriate.

The Draft Annual Governance Statement and financial self-assessment are included as appendices.

Recommendation:

That the Committee scrutinises the draft Joint Corporate Governance framework for 2024/25 and recommends it to the PCC and Chief Constable for approval.

Police and Crime Commissioner

I hereby approve the recommendation above.

Signature Date

PART 1 - NON-CONFIDENTIAL

1 Introduction and background

- 1.1 In a public sector 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 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.

The Joint Governance Framework has been made gender neutral in relation to the PCC and Chief Constable.

References to the Code of Ethics now refer to the statutory Code of Practice for Ethical Policing 2023 and to the Code of Ethics 2024— it is not expected that this change will have more than a minimal impact on the governance of the Framework.

References have been added to the new Value for Money Strategy.

Other clarifications and formatting changes have also been added.

2.3 Looking ahead

Following changes to the complaints reforms embedded in legislation as implemented in 2020, the PCC has opted for Model 1 being the minimum statutory requirement for dealing with complaint reviews. However, the PCC during the next financial year of 2024/25 is expected to explore other more radical options such as Model 2 or 3. A decision report has been signed off by the PCC to make these enquiries, but no final decision has, as yet, been made. If either Models 2 or 3 were to be adopted by the PCC, the governance arrangements in relation to complaints would change considerably and as such would need to be reflected in the Joint Governance Framework.

Furthermore, during 2023/24 an invasive Governance Scrutiny Review was conducted which entailed engagement with stakeholders throughout the period of 9 months. An independent facilitator was contracted to conduct this work and final recommendations have been published detailing the new principles for external scrutiny. It has been recognised that there are gaps in scrutiny and a lack of consistency across the Force and the OPCC whereby learning opportunities have

not previously been fully explored. The review recognises that the PESP would benefit from a restructure into two separate groups together with more cohesive terms of reference across panels. As such, it is anticipated that the Joint Governance Framework will be changed significantly in relation to complaints and scrutiny in 2024/25 to reflect implementation of the recommendations.

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

3 Legal Implications

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

4 Equality Implications

4.1 There are none arising specifically from this report.

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	Chief of Staff
The Corporate Governance Framework has been reviewed and updated to ensure it remains consistent with national guidance and local policies, procedures and arrangements	
Legal Advice	Head of
No specific issues arising.	Governance and Compliance
Financial Advice	PCC Chief
No specific issues arising from this report.	Finance Officer
Equalities and Diversity	Chief of Staff
No specific issues arising from this report	

PCC STATUTORY CHIEF OFFICERS' APPROVAL

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

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

Chief of Staff Date 28 February 2024

Chief Finance Officer Date 28 February 2024





JOINT CORPORATE GOVERNANCE FRAMEWORK 2024/25

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Statement of Corporate Governance for the Police and Crime Commissioner for Thames Valley and the Chief Constable of 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 governance framework within which the corporations' sole will operate is:

- Police Reform and Social Responsibility Act 2023
- The Policing Protocol Order 2023
- Standards in Public Life (known as 'the Nolan Principles')
- PCC Oath of Office
- PCC Code of Conduct
- The Good Governance Standard for Public Services¹
- Statutory Code of Practice for Ethical Policing (2023)
- Code of Ethics (2024)
- Home Office Strategic Policing Requirement
- Home Office Financial Management Code of Practice
- CIPFA Financial Management Code

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 Policing Protocol Order 2023 requires the PCC and Chief Constable to abide by the seven principles set out in 'Standards in Public Life' (commonly known as 'the Nolan Principles') which set out the personal conduct expectations of holders of a public office, i.e.

- Selflessness,
- Integrity,
- Objectivity,
- Accountability,
- Openness,
- Honesty, and
- Leadership.

¹ The Independent Commission on Good Governance in Public Services 2005

These Nolan Principles are incorporated into the PCC Code of Conduct which, together with the PCC's 'Oath of Office', are published on the OPCC website.

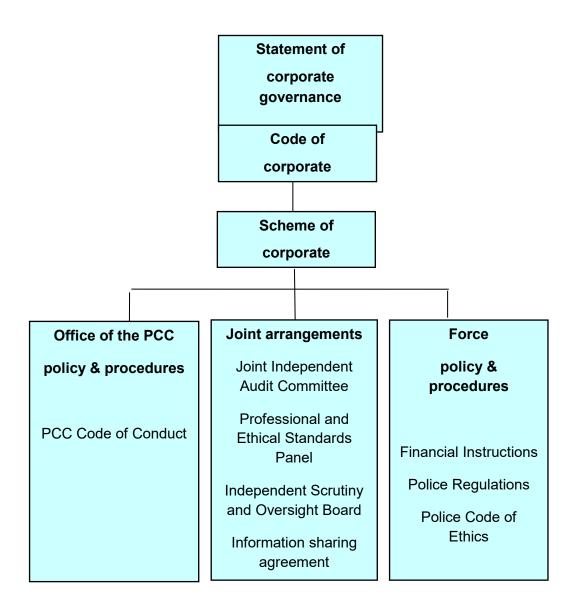
The above Nolan Principles, covering the personal conduct of public office holders, are supplemented by those organisational governance principles and management arrangements highlighted by CIPFA and SOLACE in their publication 'Delivering Good Governance in Local Government':

- 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.

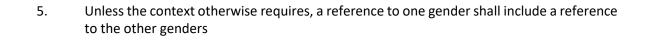


Leadership

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 the PCC's public 'Performance and Accountability' meetings'.

Definitions used within this Joint Corporate Governance Framework

- 1. The Police and Crime Commissioner shall be referred to as the PCC
- 2. 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



CODE OF CORPORATE GOVERNANCE

For the Police and Crime Commissioner for Thames Valley and Chief Constable of Thames Valley Police

1 INTRODUCTION

- 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 and financial regulations, including contracts regulations.
- 1.3 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.

- 1.4 The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force.
- 1.5 The Good Governance Standard for Public Services² sets out seven core principles on which effective corporate 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
- 1.6 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.

² CIPFA: Delivering good governance. Guidance Notes for Policing Bodies in England and Wales: 2016 Edition

- 1.7 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
- 1.8 Underneath each of the seven sets of principles are a series of behaviours and outcomes that demonstrate good governance in practice.
- 1.9 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.
- 1.10 This Code applies to all employees, contractors and/or agents providing a direct service to Thames Valley Police.
- 1.11 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. At year-end the PCC and Chief Constable will produce Annual Governance Statements to show their 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.

- A1 The Policing Protocol Order 2023 (the Protocol) requires all parties to abide by the seven principles set out in 'Standards in Public Life' (known as "the Nolan Principles") i.e. Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership 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 Additionally, the Home Office Financial Management Code of Practice requires the PCC and Chief Constable to ensure that the CIPFA '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 2023 Code of Practice for Ethical Policing, issued under the Police Act 1996, provides Chief Constables with direction on promoting and supporting ethical and professional behaviour within their forces. In addition, the 2024 Code of Ethics, issued by the College of Policing, supports and guides everyone in policing. It contains ethical policing principles, as well as guidance for ethical and professional behaviour in policing.
- 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.
- A5 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 'Professional and Ethical Standards 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 In addition, the PCC and Chief Constable have also put in place the Independent Scrutiny and Oversight Board. Its purpose is to provide oversight and advice to the Force to support delivery of the Race Action Plan.
- A7 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.
- A8 The Chief Constable will ensure compliance with relevant national standards and policies in terms of vetting.

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

Behaving with integrity

- A9 Ensuring that the PCC, chief officers and staff behave with integrity and lead a culture were acting in the public interest is visibly and consistently demonstrated thereby promoting and upholding the reputation of the organisation amongst its stakeholders.
- A10 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*.
- A11 Leading by example and using these values as a framework for decision making and other actions.
- A12 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

- A13 Seeking to understand, monitor and maintain the organisation's ethical performance.
- A14 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.
- A15 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.
- A16 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

- A17 Ensuring the PCC, chief officers and staff demonstrate respect for the rule of law as well as adhering to relevant laws and regulations.
- A18 Creating the conditions to ensure that statutory chief officers, other key post holders and (where appropriate) statutory committees can fulfil their responsibilities in accordance with best practice.
- A19 Striving to use full powers for the benefit of citizens, communities and other stakeholders.
- A20 Dealing with reported breaches of legal and regulatory provisions effectively.
- A21 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

- B1 The Policing Protocol Order 2023 highlights that the PCC is accountable to local people and has a duty to set and shape the strategic direction and 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 statutory police and crime plan for the period 2021-2025, locally titled the 'Police and Criminal Justice Plan' (and referred to as such in this

- document) will clearly set out what the PCC's strategic priorities and objectives 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.
- 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 of the PCC, over and above development of the annual budget and delivery of the objectives set out in the Police and Criminal Justice 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 regarding 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.

- C1 The Police Reform and Social Responsibility Act 2011 (PRSRA 2011) requires the PCC to issue a Police and Crime Plan (Police and Criminal Justice Plan) covering a five year period, including one year beyond his/her term of office. It will outline the policing and crime priorities and objectives (outcomes) and the strategic direction for the policing of the Force area.
- 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 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 to protect local people.
- C5 A financial strategy will be developed jointly by the CFO and Director of Finance for approval and adoption 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 about 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 about 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 must 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.

- D1 The PCC and the Chief Constable will maintain a medium term financial strategy, updated annually, 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 maintain a value for money strategy, and ensure that their agreed approach is reflected in financial arrangements.
- D4 The Force will maintain appropriate workforce development and asset management plans on behalf of the Chief Constable and the PCC.
- 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.
- 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 mind-set, 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

- E1 The Office of the PCC and the Force's people priorities, as set out in the Force Strategic Plan, set 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.
- E8 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

- 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.
- E12 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.
- E13 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 can 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 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

- F1 The PCC will develop and maintain effective arrangements to hold the Chief Constable to account for Force performance, for the exercise of the functions of the Chief Constable and the functions of persons under the direction and control of the Chief Constable, and compliance with other statutory requirements.
- F2 The PCC will develop and maintain effective arrangements to hold to account his two statutory officers, being the Chief of Staff (described in the Police Reform and Social Responsibility Act 2011 as Chief Executive Officer) and Chief Finance Officer, for the exercise of their respective functions and the performance of the Office of the PCC.
- F3 The Office of the PCC 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.
- F4 It requires a combined forward plan of key decisions, which brings together the business planning cycles for the Police and Criminal Justice 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.
- F5 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 corporation's sole, including schemes of delegations and/or consents from the PCC or Chief Constable and financial regulations, including contract regulations.
- F7 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.
- F8 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

- 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 anti-fraud, bribery and 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 in accordance with GDPR and Data Protection legislation.
- 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.

- G1 The PRSRA 2011 and the Policing Protocol Order 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 who is referred to as the Chief of Staff will be the head of paid service and undertake the statutory responsibilities of Monitoring Officer.
- G4 The PRSRA 2011 requires the Chief Constable to appoint a Chief Finance Officer.
- G5 The Home Office Financial Management Code of Practice sets out the responsibilities of Chief Finance Officers for both the PCC and Chief Constable.
- G6 The CIPFA Financial Management Code identifies the risks to financial sustainability and introduces an overarching framework of assurance which builds on existing financial management good practice.
- G7 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.
- G8 The Scheme of Corporate Governance defines the parameters for decision making, including delegations, consents and financial regulations, including contract regulations.
- G9 The PCC, Chief Constable and all employees will operate within relevant:
 - a. Office of the PCC and Force policy and procedures,
 - b. corporate governance framework,
 - c. disciplinary regulations and codes of conduct.
- G10 A Joint Independent Audit Committee will operate in accordance with CIPFA guidance and the Home Office Financial Management Code of Practice.
- G11 The independent 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.
- G12 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

- G13 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 in accordance with accessibility regulations.
- G14 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 in compliance with the Elected Local Policing Bodies (Specified Information) Order 2011 and the Freedom of Information Act 2000.

Implementing good practices in reporting

- G15 Reporting at least annually on performance, value for money and the stewardship of resources to stakeholders in a timely and understandable way.
- G16 Assessing the extent that the organisation is applying the principles contained in the Framework and publishing the results of this assessment annually including an action plan for improvement and evidence to demonstrate good governance in action (the Annual Governance Statement).
- G17 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.
- G18 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

- G19 Ensuring that recommendations for corrective action made by external audit are acted upon.
- G20 Ensuring an effective Internal Audit Service exists with direct access to the PCC, Chief Constable, and the Joint Independent Audit Committee, which provides assurance about the organisation's governance and risk management arrangements, and whose reports are acted upon by management.
- G21 Utilising peer challenge, reviews and inspections from regulatory bodies, and implementing recommendations.
- G22 Gaining assurance on risks associated with delivering services through third party suppliers and subjecting these arrangements to regular review.
- G23 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 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.
- 3.2 The PCC and Chief Constable have put in place the following arrangements to review the effectiveness of the Code of Corporate Governance:
 - a) The PCC and Chief Constable will jointly produce an Annual Governance Statement (AGS) which will be published on the PCC and Force websites within the annual Statement of Accounts.
 - b) The AGS will include an Action Plan, as necessary and appropriate, to rectify any significant areas of weakness in internal control and/or corporate governance.

The Force

- 3.3 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 proactively 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 Force Management Statement.
 - Crime recording.
- 3.4 The Chief Information Officer is responsible for the management of information, including information security and data protection.

The Joint Independent Audit Committee

3.5 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 on 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.

The Committee's operating principles include the following key requirements in respect of corporate governance:

- To consider and endorse the local Code of Corporate Governance.
- To consider and endorse the Annual Governance Statements (AGS).
- To monitor implementation and delivery of the agreed AGS Action Plan(s).
- To consider the arrangements to secure value for money and review assurances and assessments of the effectiveness of these arrangements.
- 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 the Corporate Governance Framework; anti-fraud, bribery and corruption, whistle-blowing, and declarations of interest, gifts and hospitality.
- To 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.

The Governance Advisory Group

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

Internal Audit

- 3.8 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).
- 3.9 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.
- 3.10 Major control weaknesses are reported to the Force Risk Management Group and to the Joint Independent Audit Committee.
- 3.11 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

3.12 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). The external auditor also provides a Value for Money opinion which includes a review and assessment of going concern and financial sustainability. External audit plans and reports, including the Annual Audit Report, are considered by the Joint Independent Audit Committee at appropriate times in the annual cycle of meetings.

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

- 3.13 The role of HMICFRS is to independently assess the effectiveness and efficiency of police forces and fire and rescue services in the public interest. In respect of the national police service, it also provides advice and support to the tripartite partners (Home Secretary, PCCs and police forces).
- 3.14 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 chief constables to their PCCs, and PCCs to the public.
- 3.15 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.
- 3.16 The PCC is required to publish their response to any relevant report issued by HMICFRS under section 55(1) of the Police Act 1996, together with any comments submitted by the Chief Constable and any response that the PCC has to the comments submitted to them by the Chief Constable, within 56 days of publication of the report by HMICFRS. The PCC will publish all such relevant reports and responses on their website. The PCC is also required to send a copy of any such published documents to the Secretary of State and HMICFRS.
- 3.17 Relevant information (reports and responses) shall also be provided to members of the Joint Independent Audit Committee and the Professional and Ethical Standards Panel and the Independent Scrutiny and Oversight Board.

Scheme of Corporate Governance 2024/25

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 [their] 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 their 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 their 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 land³). 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 their own right, subject to compliance with this Scheme.

The PCC for Thames Valley has given 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

³ Land includes the buildings thereon

Key Principles

Officers and staff of the Chief Constable may assist the PCC to exercise their 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 their 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 their employees. The importance of this requirement is reflected in the Information Sharing Agreement.

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 of Staff (who will also be the Monitoring Officer), the PCC's Chief Finance Officer and the Chief Constable's Director of Finance 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. The Policing Protocol Order 2023).
 - 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.
 - CIPFA Financial Management Code.
 - The PCC and Chief Constable's Joint Corporate Governance Framework, including Financial Regulations and Contract Regulations contained within this document.
 - The PCC's and Thames Valley Police policies and procedures.
 - All data protection legislation including the Data Protection Act 2018 together with the UK General Data Protection Regulation (UK GDPR) and the Freedom of Information Act 2000.
 - Health and safety at work legislation and codes.
 - The Police Service 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 sub-delegate 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/or 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 of Staff. 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 primary responsibilities of the PCC include:
 - Providing a link between the police and the community, which involves obtaining and representing the views and priorities of local people, councils and other criminal justice organisations.
 - Setting out the strategic policing, crime and community safety priorities and objectives through the publication of a Police and Crime Plan (locally referred to as the Police and Criminal Justice Plan.
 - Setting out the Force's budget and community safety grants.
 - Setting the council tax precept for policing and crime reduction.
 - Overseeing community safety, the reduction of crime and delivering value for money in policing.
 - Commissioning victims and witness support services.
 - Handling complaints made against the personal conduct of the Chief Constable.
 - Undertaking formal reviews (formerly known as 'appeals') of the handling and outcome of complaints made against the Force.
 - Holding the Chief Constable to account for the performance of the Force, including that of police officers and civilian staff under their direction and control.
 - Appointing the Chief Constable (and dismissing them when necessary)
 - Preparing and publishing an annual report on progress on the delivery of the Police and Criminal Justice 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 statement they approve borrowing limits for both their own office and the Force.
- 4.4 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 Criminal Justice Plan, the Strategic Policing Requirement, and 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 Criminal Justice Plan, the proposed annual precept, and the annual report for the previous financial year.
 - The Police and Criminal Justice 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 strategic policing and crime reduction priorities and objectives to be set out in the PCC's Police and Criminal Justice Plan.
 - Issuing the Police and Criminal Justice 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 for the PCC to do so.
 - Attendance at, and presenting the PCC's 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 their 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, holding the Chief Constable to account for the Force's handling and investigation of complaints against police officers and civilian staff, and complying with the requirements of the Independent Office for Police Conduct.
- 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 their functions, with the exception of those which cannot be delegated as defined by the PRSRA 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, where appointed, is set out in Appendix 1.

6. Role of the PCC's Chief of Staff

Introduction

- 6.1 The PCC will appoint, under paragraph 6, Schedule 1 of the Police Reform and Social Responsibility Act 2011 (PRSRA 2011), a person to be the head of the PCC's staff namely Chief Executive (referred to in this document as the PCC's Chief of Staff) and who will act as the head of the body's paid service. Under Section 5(1C) of the Local Government and Housing Act 1989, as amended by Schedule 16 of the PRSRA 2011, the Chief of Staff is also designated to undertake the role of statutory Monitoring Officer for the PCC.
- Accordingly, the Code of Corporate Governance identifies the role of the Chief of Staff as the Head of the PCC's Paid Service and Monitoring Officer.
- 6.3 The formal delegations from the PCC to the Chief of Staff, 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

- To prepare the Police and Criminal Justice 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 reduction 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 on behalf of and 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 of Staff 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.

Other

- 6.14 To affix the common seal of the PCC to all relevant contracts, agreements or transactions, where sealing is necessary in addition to the CFO and Head of Governance.
- 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 Head of Governance and Compliance, determining whether to record such a complaint on behalf of the PCC and determine whether it meets the threshold to be referred to the Independent Office for Police Conduct (IOPC)
- 6.16 To exercise such powers of the Thames Valley Police and Crime Panel as may be delegated by that Panel and accepted by the Chief of Staff. 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 of Staff. The Thames Valley Police and Crime Panel has currently delegated to the Chief of Staff, and the Chief of Staff has accepted, the initial requirement to record and assess complaints made against the PCC to determine whether it is a 'conduct matter' or 'serious complaint' that must be referred to the Independent Office for Police Conduct (IOPC) or if it is a 'non-serious' complaint that is appropriate 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 of Staff'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 of Staff 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)

- 7.1 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.
- 7.2 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 sections 113 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2015.
- 7.3 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 Appendix 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 King'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 suitably 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 113 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2015 (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 Appendix 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 Appendix 3.
- 10.2 To arrange and/or provide strategic and tactical advice and assistance to the PCC and PCC's Chief of Staff 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 to, 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 Force 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. Role of the Chief Information Officer

- 13.1 The effective delivery of the Joint ICT Department and the Joint Information Management Unit, providing information assurance, access and security services across Thames Valley Police and Hampshire Constabulary.
- 13.2 To provide governance, oversight and decisions as the Senior Information Risk Owner on behalf of the Chief Constable Data Controller.

14. Heads of Department

- 14.1 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
 - Head of Professional Standards

15. Urgency provisions

<u>PCC</u>

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

Police Force

15.4 If any matter which would normally be referred to the Chief Constable (or Deputy Chief Constable) for a decision arises and cannot be delayed, in the absence of the Chief Constable (or Deputy Chief Constable as the case may be), the matter may be decided by an appropriate member of the Chief Constable's Management Team (save always that any function of the Chief Constable which must as a matter of law normally be performed by the Chief Constable personally, may only be performed by another officer in accordance with the provisions of section 41 of the PRSRA 2011).

Delegations from the PCC

To the Deputy PCC (where appointed)

- 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, i.e.
 - a) Issuing the Police and Criminal Justice Plan
 - e) Appointing or suspending the Chief Constable, or calling upon the Chief Constable to retire or resign
 - f) Calculation of the budget requirement.

To the Chief of Staff

- To sign contracts or deeds on behalf of the PCC, irrespective of value, once they have been properly approved, and to affix the common seal of the PCC where necessary. The PCC's CFO (deputy Chief of Staff) can sign contracts or deeds 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 be heard by the PCC, sitting with an independent person).
- 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 Head of Governance and Compliance, making a recording decision, referral to the Independent Office for Police Conduct (the IOPC) 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. Any special severance payment is excluded from the terms of this delegated authority. Such payments must be approved personally by the PCC, in consultation with the PCC's Chief of Staff and, the PCC CFO. For OPCC staff the Head of Governance and Compliance will also be consulted, and for TVP officers and staff the Director of Finance and the Head of Legal Services will be consulted. Such payments do not usually represent value for money, and will only be approved in exceptional circumstances in accordance with the principles contained in statutory guidance published in May 2022. For the purposes of this paragraph, "special severance payment" means any payment, over and above contractual or statutory entitlements, made on or in connection with the exit of an officer or member of staff (except those made in settlement of an existing legal claim where legal advice has been obtained).
- 7. 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 6

- above). Decisions on approval shall be made in accordance with Home Office Circular 10/2017, or any circular or guidance replacing or supplementing that circular.
- 8. To arrange for the institution of, withdrawal of, defence of, or participation in, legal proceedings on behalf of the PCC.
- 9. To make decisions as to the exercise of discretion under the Local Government Pension Scheme, in cases where the PCC is the relevant scheme employer.

To the Chief Finance Officer

1. To sign contracts or deeds on behalf of the PCC, irrespective of value, once they have been properly approved, and to affix the common seal of the PCC where necessary.

To the Head of Governance and Compliance

- 1. Where the PCC is the relevant review body for police complaints matters, to carry out the functions of that review body.
- 2. Where the PCC has the responsibility to appoint Legally Qualified Chairs and Independent Panel Members for misconduct hearings, to make such appointments.
- 3. In the absence of both the Chief of Staff and the CFO, the Head of Governance and Compliance (deputy Monitoring Officer) can sign contracts or deeds as well as affixing the seal.

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 their 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 their behalf (to whom the functions and powers below are delegated as 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 their functions as "appropriate authority" for the purposes of legislation relating to complaints and conduct matters is dealt with in a separate document entitled "Chief Constable's Scheme of Delegation: Professional Standards", held by the Head of Professional Standards, as reviewed and amended from time to time.

To the Director of People

- To make decisions on behalf of the Chief Constable under Police Pensions Regulations (except in relation to Regulation A20 (retention)), Police (Injury Benefits) Regulations and any equivalent or related regulations in respect of police pension schemes, 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), or any equivalent regulation dealing with 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 as to the exercise of discretion under the Local Government Pension Scheme, in cases where the Chief Constable is the relevant scheme employer.

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 by or on behalf of the Chief Constable, subject to the following conditions
 - a. Any damages payment of more than £10,000 must be approved by the PCC's Chief of Staff 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.

10. Any special severance payment is excluded from the terms of this delegated authority. Such payments must be approved personally by the PCC, in consultation with the PCC's Chief of Staff, the PCC CFO, the Director of Finance and the Head of Legal Services. Such payments do not usually represent value for money, and will only be approved in exceptional circumstances in accordance with the principles contained in statutory guidance published in May 2022. For the purposes of this paragraph, "special severance payment" means any payment, over and above contractual or statutory entitlements, made on or in connection with the exit of an officer or member of staff (except those made in settlement of an existing legal claim where legal advice has been obtained).

Appendix 3

FINANCIAL REGULATIONS

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INTRODUCTION

Overview

- 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. The CIFPA Financial Management Code provides guidance for good and sustainable financial management in local authorities, including the police service. By complying with the principles and standards, local authorities will be able to demonstrate effective and sustainable financial stewardship.
- 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 (with the exception of those referred to in section 18 (7) (a) (e) and (f) of the Police Reform and Social Responsibility Act 2011 see Appendix 1, above).
- 6. The PCC is the recipient of all funding, including the government grant, council tax 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 of Staff also fulfils the monitoring officer role
- 15. The OPCC shall refer to the PCC, Deputy PCC and all members of staff employed by and under the direction and control of 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 of Staff, 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 of Staff or PCC CFO, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief of Staff or PCC CFO.

24. The terms Chief Constable, Director of Finance, Chief of Staff 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 of Staff.
- 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 of Staff.
- 29. More detailed Financial Instructions to supplement these Regulations, shall be issued by the Chief Constable after consultation with the PCC CFO and Chief of Staff. In parallel the PCC shall issue Financial Delegations relating to OPCC activity.
- 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 of Staff, 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 management
 Section 2 - Financial planning

Section 3 - Management of risk and resources

Section 4 - Systems and procedures
 Section 5 - External arrangements
 Section 6 - Contract regulations

Section 7 - Summary of delegated limits

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 commissioner's financial affairs. He shall also appoint a Chief of Staff 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 Criminal Justice Plan
 - Financial strategy
 - Capital strategy
 - Value for Money Strategy
 - Annual revenue budget
 - Capital programme
 - Medium term financial forecasts
 - > Treasury management strategy, including the annual investment strategy
 - Reserves strategy and usage of reserves
 - 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 King'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;
 - advise and scrutinise with respect to 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 (s114):
 - 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 (s25 LG Act 2003);
 - 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 of Staff on the safeguarding of assets, including risk management and insurance
- > arranging for the determination and issue of the precept
- liaising with the external auditor; 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; and.
- ensuring compliance with the CIPFA Financial Management Code
- 1.1.25 The PCC CFO, in consultation with the Chief of Staff, 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 of Staff, 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 always safeguarded 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 (s114):
 - 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
 - reporting on value for money in relation to all aspects of the force's expenditure, and implementing the processes to achieve value for money;
 - 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;
 - ensuring compliance with the CIPFA Financial management Code.
- 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 always safeguarded 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 of Staff

1.1.35 The **Chief of Staff** is responsible for the leadership and general administration of the PCC's office.

- 1.1.36 The **Chief of Staff** 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 inclusion in the PCC's annual report

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 Strategies

- 2.1.5 The financial strategy explains how the PCC and Chief Constable manage their finances to support delivery of the aims and objectives of the service, as set out in the PCC's Police and Criminal Justice Plan and the Strategic Plan, whilst ensuring financial sustainability.
- 2.1.6 The capital strategy is intended to give a high level overview of how capital expenditure, capital finance and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

Responsibilities of the PCC CFO and Director of Finance

2.1.7 To review and update, on an annual basis, the financial strategy and the capital strategy.

Responsibility of the PCC

2.1.8 To approve the annual financial strategy and the capital strategy.

Medium Term Financial Planning

2.1.9 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

2.1.10 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 to CIPFA's Prudential Code for Capital Finance in Local authorities. The strategy should be aligned with the Police and Criminal Justice Plan.

Responsibilities of the PCC CFO and Director of Finance

- 2.1.11 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.
- 2.1.12 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 criminal Justice plan
 - Strategic Plan
 - policy requirements approved by the PCC as part of the policy framework
 - the strategic policing requirement
 - > expected future commitments, including legislative requirements
 - initiatives planned/already underway including the local implications of national initiatives
 - funding 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
- 2.1.13 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 and council tax precept income.
- 2.1.14 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

2.1.15 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.

- 2.1.16 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.
- 2.1.17 The impact of the annual budget on the priorities and funding of future years as set out in the Police and Criminal Justice Plan and the medium-term financial strategy should be clearly identified.

Responsibilities of the PCC

- 2.1.18 To agree the planning timetable with the Chief Constable
- 2.1.19 To obtain the views of the people and relevant ratepayers' representatives in the Force area on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates
- 2.1.20 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

- 2.1.21 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
- 2.1.22 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
- 2.1.23 To advise the PCC on the appropriate level of general balances, earmarked reserves and provisions to be held.
- 2.1.24 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.
- 2.1.25 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.
- 2.1.26 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

2.1.27 To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the PCC CFO.

- 2.1.28 To submit draft budget proposals to the Chief Constable's Management Team to obtain approval from the Chief Constable
- 2.1.29 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 of Staff 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 or PCC CFO approval where the proposed transfer exceeds £1m.
- 2.2.12 The Director of Finance can approve any virement of the Force Budget where the additional costs are fully reimbursed by other bodies. The PCC's CFO can approve any virement of the PCC's own budget 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

 $\begin{array}{ll} \textit{Up to £1,000,000} & \textit{Director of Finance} \\ \textit{Over £1,000,000} & \textit{PCC or PCC CFO} \end{array}$

PCC's own budget

 Up to £200,000
 PCC CFO

 Over £200,000
 PCC

2.2.14 The approval of the PCC CFO (and the PCC if the value is greater than £1m) 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.

- The approval of the PCC shall be required if the virement involves: 2.2.15
 - a)
 - a substantial change in policy a significant addition to commitments in future years b)

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 both the approved financial strategy and the capital strategy.
- 2.3.4 A medium term capital plan will be produced, in accordance with the financial strategy and the capital strategy, which shows all planned capital investment over the next 3-5 years and indicative plans for years 5-10. 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, and additional schemes approved to start in year. Schemes agreed in principle from the medium term capital plan will be included in the annual budget after business cases have been approved 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 and the capital 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, and will include an appropriate element for optimism bias. 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 and the level of Direct Revenue Funding required.
- 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 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 manage expenditure on individual capital schemes within the approved scheme budget. Where schemes are expected to exceed budget by more than 10% or £200,000 (whichever is the lower amount) approval should be sought from the PCC CFO. Increases of more than £1m must be approved by the PCC.

- 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 (s25, LG Act 2003).
- 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. 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 of Staff

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 of Staff 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 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 (total membership may exceed 5 on a temporary basis to facilitate smooth transition). These members should be independent of both the PCC and the Force
- 3.3.3 To determine the Committee Terms of Reference (or Operating Principles)
- 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:
 - 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 and the results of the Quality Assurance and Improvement Programme 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
- 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 report

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, bribery and 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 bribery, 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 of Staff 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 approve the purchase of all land and buildings
- 3.5.10 To ensure that the title deeds to TVP property are held securely

Joint responsibilities of the Chief Constable and PCC

3.5.11 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
- 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
- c) 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

3.5.12 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

- 3.5.13 To arrange for the disposal of (without the specific approval of the PCC):
 - a) To ensure the secure and appropriate disposal of assets
 - b) 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.
 - c) Police houses and other surplus land and buildings with an estimated sale value of less than £200,000. Where this is not the highest offer, the Chief Constable shall consult with the PCC CFO.

Responsibilities of the PCC

3.5.14 To approve the disposal of police houses and other surplus land and buildings with an estimated sale value of over £200,000.

Responsibilities of the Director of Finance

3.5.15 To record all asset disposals in the asset register and/or appropriate inventory lists.

Responsibilities of the PCC CFO and Director of Finance

- 3.5.16 To ensure that income received for the disposal of an asset is properly banked and accounted for.
- 3.5.17 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

- 3.5.18 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 £200,000;
 - 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 Finance Officer

- 3.5.19 The Chief Finance Officer shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £200,000 but below £1m.
- 3.5.20 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 £1m.

Valuation

Responsibilities of the Director of Finance

3.5.21 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

- 3.5.22 To make arrangements for the care, custody and control of the stocks and stores of TVP and to maintain detailed stores accounts.
- 3.5.23 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.
- 3.5.24 To write-off any discrepancies between the actual level of stock and the book value of stock up to £50,000 in value. Any items over £50,000 require the approval of the PCC CFO.
- 3.5.25 To write-off obsolete stock up to the value of £50,000. Any write-offs over £50,000 require the approval of the PCC CFO

Intellectual Property

Why is this important?

- 3.5.26 Intellectual property is a generic term that includes inventions and writing e.g. computer software.
- 3.5.27 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.
- 3.5.28 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

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

Responsibilities of the Chief Constable and PCC

3.5.30 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 strategy statement, including the annual investment strategy
- 3.6.5 To receive and approve guarterly 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

Banking Arrangements

Why is this important?

3.6.10 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

- 3.6.11 To have overall responsibility for the banking arrangements for TVP.
- 3.6.12 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 TVP bank account unless they are performing a statutory function (e.g. treasurer of a charitable body) in their own right
- 3.6.13 To undertake bank reconciliations on a timely and accurate basis.
- 3.6.14 To determine signatories on all TVP bank accounts
- 3.6.15 To authorise the opening and closing of the digital apprenticeship levy accounts

Responsibilities of the Director of Finance

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

Imprest Accounts / Petty Cash

Why is this important?

3.6.20 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

- 3.6.21 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.
- 3.6.22 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?

- 3.6.23 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.
- 3.6.24 Suspicious cash deposits in any currency in excess of £15,000 (or equivalent) should be reported to the National Crime Agency (NCA)
- 3.6.25 TVP will monitor its internal control procedures to ensure they are reliable and robust.

Responsibilities of the PCC CFO

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

Responsibilities of Chief Officers

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

Responsibilities of employees

- 3.6.30 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
- 3.6.31 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 of Staff

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 ('Preventing Fraud and Corruption')

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, guidance 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
 - prove 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 £50,000 Director of Finance and/or PCC CFO

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.
- 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. within 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 and deadlines
- 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
- 4.7.3 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 Head of Legal Services or Chief of Staff

Over £10,000 PCC

4.7.4 To maintain details of ex gratia payments in a register

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 regulations.
- 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 UK regulations 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 Commercial 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 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.	Ç

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/or 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 any UK regulations.

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 of Staff (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

Termination of Contracts

5.1.29 In extreme circumstances it may be appropriate to terminate a contract before its expiration date. The authority to enact such a termination is the same as the original award of the contract.

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

- 5.1.30 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.
- 5.1.31 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

5.1.32 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

- 5.1.33 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.
- 5.1.34 The Business Owner shall manage the contract in consultation with the Procurement Department.
- 5.1.35 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.
- 5.1.36 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 Commercial Governance Board. "Expenditure" against the credit/fund will be subject to approval levels as specified in Financial Instructions.
- 5.1.37 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.
- 5.1.38 Escalation processes include reporting any defaults during the Contract Review Meetings, which should include Procurement representation.
- 5.1.39 Consideration shall be given to notice periods and consequences of early termination where applied.

VARIATIONS TO CONTRACT

- 5.1.40 Where a contract has been awarded it is permissible under UK 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
- 5.1.41 If the Contract Change Notice (CCN) causes the total contract value to now mean that the contract should have been authorised at a higher level than the contract had originally been authorised to, the CCN should be authorised at the level appropriate to the new overall total contract value.

CONTRACT EXTENSION

5.1.42 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 Commercial Governance Board and approved by the Director of Finance and the PCC CFO.

5.1.43 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

5.1.44 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

- 5.1.45 This is a contract awarded on the basis of a direct agreement with a contractor, without going through the competitive bidding process.
- 5.1.46 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.
- 5.1.47 A contract may be awarded 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 Procurement Regulations.
- 5.1.48 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) When the goods and/or services are mandated nationally
 - f) Security.
- 5.1.49 Where a contract exceeds £50,000 in value the chief officer shall present a subsequent report to the PCC.

CONTRACTS REGISTER

5.1.50 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, Community Safety Partnerships (CSPs) 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 Criminal Justice 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 have regard to the strategic Plan with regard to the Partnership aims and objectives.
- 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 of Staff 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 of Staff.

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 of Staff 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 best 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; and to authorise grants in accordance with Financial Instructions. The PCC will be required to approve any new grants over £1m.

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 with 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 CFO approval where the proposed transfer exceeds £200,000, and PCC approval where the proposed transfer exceeds £1m.
- 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 £1,000,000 Director of Finance
Over £1,000,000 PCC or PCC CFO

PCC's own budget

 Up to £200,000
 PCC CFO

 Over £200,000
 PCC

Annual Capital Budget

Responsibilities of the Chief Constable

2.3.20 To manage expenditure on individual capital schemes within the approved scheme budget. Where schemes are expected to exceed budget by more than 10% or £200,000 (whichever is the lower amount) approval should be sought from the PCC CFO. Increases of more than £1m must be approved by the PCC.

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 £200,000.

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 £1m

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 £200,000;
 - 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 Finance Officer

- 3.5.19 The Chief Finance Officer shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £200,000 but below £1m.
- 3.5.20 The PCC shall grant or take or terminate leases or tenancies in land, and approve any assignment or subletting thereof, above an annual rental of £1m.

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 £50,000 in value. Any items over £50,000 require the approval of the PCC CFO.
- 3.5.24 To write-off obsolete stock up to the value of £50,000. Any write-offs over £50,000 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, 'Administration of Evidential & Non-Evidential Property').

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 £50,000 Director of Finance and/or PCC CFO

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 Head of Legal Services or Chief of Staff

Over £10,000 PCC

4.7.3 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 Head of Legal Services or Chief of Staff

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 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. Public notice of tender shall be placed in one or more appropriate publications or other suitable media e.g. internet.	Contact must be made with the Procurement Department. Written quotations shall be invited from all contractors holding a place on the framework agreement.
** This is to con	nply with the Transparency Agenda requ	uirements.

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

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

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

CONTRACTS REGISTER

5.1.50 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 with the prior approval of the PCC is required.

Appendix 1

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 of Staff 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 £1m 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 £200,000 -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 of Staff 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. This is high level. Further information is provided in Force Financial Instructions

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 capital strategy
- the asset management plan
- the annual revenue budget and capital programme
- the medium term financial plans
- 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 – Financial Regulation 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 2, with further information provided in Force Financial Instructions

Other (non-property) contracts

The PCC has given consent for the Chief Constable to enter 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 2, with further information provided in Force Financial Instructions.

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.

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 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 of Staff 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.

APPENDIX 2

CONTRACT SIGNING

Contract Type	Contract Value	Tender Approval – Most Economic Advantage	Tender Approval – Not Most Economic Advantage /Single Quote	Contract Signatory
Acquisition & Disposal of Land	<£1 million	As per Financial Instructions	As per Financial Instructions	Chief of Staff or Chief Finance Officer
Acquisition & Disposal of Land	£1m and over	Police and Crime Commissioner	Police and Crime Commissioner	Chief of Staff or Chief Finance Officer
Building Works and Other Services	<£1 million	As per Financial Instructions	As per Financial Instructions	As per Financial Instructions
Building Works and Other Services	£1 million and over	Police and Crime Commissioner	Police and Crime Commissioner	As per Financial Instructions
Non-Property Contracts	<£1 million	As per Financial Instructions	As per Financial Instructions	As per Financial Instructions
Non-Property Contracts	£1 million and over	Police and Crime Commissioner	Police and Crime Commissioner	As per Financial Instructions

Annual Governance Statement 2022/23

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 2024, including plans for the financial year 2024/25.

A glossary of terms is provided at the end of the Statement of Accounts.

SCOPE OF RESPONSIBILITY

Following the introduction of the Police Reform and Social Responsibility Act 2011 (the 2011 Act), the PCC and Chief Constable were established on 22nd November 2012 as separate legal entities ('corporations sole') which means they are both entitled to own assets and employ staff. However, the 2011 Act gives PCCs responsibility for the totality of policing within their force area and requires them to hold their force Chief Constable to account for the operational delivery of policing.

Under the 2011 Act, the PCC is the recipient of all funding, including government grant, 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, who provides professional advice and recommendations to the PCC. However, the PCC is ultimately accountable to the public for the management of the Police Fund.

The PCC is responsible for ensuring his business is conducted in accordance with the law and proper standards of governance and, consequently, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively in the discharge of their statutory duties and powers.

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 their 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, including police officers and staff under his direction and control, remains 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 Policing Protocol Order 2023 requires both the PCC and Chief Constable to abide by the seven principles of personal conduct set out in 'Standards in Public Life: First Report of the Committee on Standards in Public Life' (commonly known as the 'Nolan Principles'), i.e. 'Selflessness', 'Integrity', 'Objectivity', 'Accountability', 'Openness', Honesty' and 'Leadership'. The Nolan Principles are incorporated into the PCC's Code of Conduct.

The College of Policing 'Code of Ethics' 2024 applies to every individual who works in policing, including the Chief Constable and PCC. The Code of Ethics sets out ethical principles of Courage, Respect and Empathy, and Public Service.

In addition, the statutory Code of Practice for Ethical Policing gives direction to the Chief Constable on promoting and supporting ethical and professional behaviour within the force.

(Copies of the PCC's Code of Conduct and the College of Policing's Code of Ethics can be found at: Code of Ethics.

https://www.college.police.uk/What-we-do/Ethics/Ethics-home/Documents/Code of Ethics.pdf)

In addition, from an organisational perspective, 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 statutory entities (in this case, 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 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 College of Policing 'Code of Ethics' 2024 supports and guides every individual who works in policing. The Code of Ethics sets out ethical principles of Courage, Respect and Empathy, and Public Service.

In addition, the statutory Code of Practice for Ethical Policing 2023 gives direction to the Chief Constable on promoting and supporting ethical and professional behaviour within the force.

Measures are in place to ensure that the PCC, Deputy PCC (when appointed) 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, Bribery and Corruption Policy and guidance on the acceptance of gifts, loans and hospitality. Notifications of disclosable interests and a register of gifts and hospitability are published on the PCC and the Force websites.

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. PSD manages the application of police misconduct regulations, and the administration of complaints by members of the public against the quality of service they have received from the Force and/or the conduct of police officers and police staff below the rank of Chief Constable. The PCC has a statutory responsibility to undertake reviews (formerly known as 'appeals') of the handling and outcome of complaints made against the Force, where requested by complainants, to improve transparency and accountability on behalf of the public. Furthermore, 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 Professional and Ethical Standards 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 independently considered to maintain public confidence in policing. It does this by providing an annual assurance report to the PCC and Chief Constable, a copy of which can be found on the website

In addition, in 2023, the Independent Scrutiny and Oversight Board (ISOB) has been conceived and developed based on the national structure for the Police Race Action Plan. Its purpose is to provide independent oversight of the work of Thames Valley Police concerning the Race Action Plan.

Both the PCC and Chief Constable are required to demonstrate respect for the rule of law and comply with relevant laws and regulations. To that end, both employ in-house legal advisors to provide assurance 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. Established mechanisms and guidance are in place to ensure that the PCC and Chief Constable do not breach or misuse their legal and regulatory powers inadvertently. The PCC and his Deputy (when appointed) are subject to the PCC's Code of Conduct and Oath of Office, and the Chief Constable (and all other individuals who work in policing) are subject to the College of Policing's Code of Ethics, both of which are consistent with the Nolan principles. The Chief of Staff of the OPCC is also the designated statutory Monitoring Officer, and the OPCC Head of Governance and Compliance is Deputy Monitoring Officer, with responsibility for advising on the legality and appropriateness of the PCC's actions and decisions.

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 good practice. Guidance originating from the College of Policing and NPCC is disseminated Force-wide by the Learning and Development Team in People Services and/or the Policing Strategy Unit. 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.

The Force employs a Force Vetting Manager and team within the Professional Standards Department to ensure compliance with relevant national vetting standards.

B. Ensuring openness and comprehensive stakeholder engagement

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 they must have regard to their views as well as the priorities of responsible authorities within the Thames Valley and relevant government bodies before issuing a police and crime plan (the Police and Criminal Justice Plan).

The Police and Criminal Justice Plan must be published by the end of the financial year in which the PCC is elected and, may be reviewed and revised, as necessary and appropriate, 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 PCC's 'Police and Criminal Justice Plan 2021-2025' discharges the above duties and sets out his strategic policing and crime reduction priorities and key aims, and how these will be delivered, over the four-year period of his current tenure of office. The delivery of his Plan is supported by the Force's Strategic Plan, the OPCC's internal Strategic Delivery Plan and the corporate Financial Strategy. The Police and Criminal Justice Plan has due regard to the Strategic Policing Requirement as issued by the Home Secretary and is developed in consultation with the Chief Constable, informed by the views of the local community, victims of crime and the priorities of other key stakeholders.

The independent Thames Valley Police and Crime Panel meets regularly to review and scrutinise the decisions and actions of the PCC and his performance in delivering the priorities and key aims contained in his Police and Criminal Justice Plan. It also meets specifically to consider the PCC's proposed annual council tax precept increase; Police and Criminal Justice Plan, Annual Report and any proposed senior appointments to the roles of Deputy PCC, Chief Constable, OPCC Chief of Staff and OPCC Chief Finance Officer.

Arrangements have been agreed upon and implemented for the PCC to hold the Chief Constable to account for Force performance and compliance with other requirements. These arrangements include a schedule of formal public and private meetings, i.e. regular public Performance and Accountability Meetings (formerly known as 'Level 1' meetings), with the reports and agendas published on the PCC's website, supplemented by regular fortnightly informal, 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 under this policy are published on his 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 (as amended) and, as a public authority, under the Freedom of Information Act 2000.

The PCC published his 2022/232 Annual Report last June (2023) which highlighted key achievements against his strategic Police and Criminal Justice Plan. The PCC's 2023/24 Annual Report is due to be published in June 2024.

The Chief Constable has prepared and published the TVP Strategic Plan. A performance update on the strategic plan is provided to the PCC's Performance and Accountability meetings every 8 weeks, in respect of which the agenda and papers are published on the PCC's website.

Key information about the Force, including the Strategic Plan, is 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 site also allows for crimes and road traffic incidents to be reported, feedback to be given or complaints made.

The PCC and Chief Constable regularly attend local authority council meetings across the Thames Valley and provide formal briefings to constituency MPs on topical policing and crime issues at both a local and national level. In addition, the Police and Crime Panel acts as a two-way mechanism to enable local authority Panel representatives to inform the PCC of their local policing and crime matters of importance to their respective authorities and communities, and to brief their authorities on 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 with the PCC's strategic priorities and key aims, as set out in the Police and Criminal Justice Planand are funded by the PCC's Community Safety Fund. Through working in partnership, these activities not only help the PCC to deliver their strategic objectives but also support partners in achieving their local priorities too.

The PCC chairs 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. The PCC has chaired this Board since January 2019. An Assistant Chief Constable (ACC) represents TVP on the Board.

The Force has appropriate mechanisms for engaging with a variety of external organisational stakeholders. The Chief Constable generally attends Local Authority Chief Executive's meetings annually. The Chief Constable has delivered a presentation and answered questions in an open forum to each Council across the Thames Valley.

The South East Regional Integrated Policing (SERIP) Board considers regional change programmes and projects. All collaborative change programmes are supported by appropriate change frameworks to ensure appropriate governance processes are adopted and supported by standard products including risk and issue logs.

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 Police and Crime Panel.

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 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 has active social media outlets including Facebook and Twitter. The Thames Valley Alert system also enables electronic public engagement en masse.

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

The PCC's Police and Criminal Justice Plan sets out his strategic policing and crime reduction priorities and key aims, and how these will be delivered over his tenure of office.

The Chief Constable has published the annual TVP Strategic Plan, outlining a clear vision of the organisation's purpose, priorities and strategic intentions, taking account of the PCC's Police and Criminal Justice Plan and the Home Secretary's national Strategic Policing Requirement. Progress against the Force's strategic objectives (the seven 'Priority Outcomes') is assessed through focussed Strategic Plan success measures 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 regarding systems, processes and resources to sustain service delivery and increase the capacity and resilience 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 established 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 for intended service outcomes to be delivered for collaboration activity. These collaboration boards comprise Chief Officers and the PCC from each Force area participating in the collaboration, supported by appropriate advisors from the respective Force departments / SERIP.

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 (MASHs).

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. Service delivery is reviewed within the Force's Governance & Service Improvement (GSI) department, developing an understanding of present and future demand to inform organisational and operational strategies aimed at sustaining service delivery or improvement. The Force Review has been initiated to achieve effectiveness improvements and efficiencies, to improve service delivery with our finite resources, ensuring the financial sustainability of the force.

Risk and business continuity matters are managed through a governance framework at a local and strategic level, to manage and mitigate threats to service delivery. Strategic Risk and Business Continuity are managed within the Force's GSI department, bringing together horizon scanning, local risk registers and change-programme risk and business continuity issues.

The Force and PCC both have a duty 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 the impact internally and externally on staff, stakeholders and the public.

D. Determining the actions necessary to achieve the intended outcomes

The Force planning cycle incorporates the annual Force Management Statement, financial plans, workforce plans and the PCC's Police and Criminal Justice Plan to inform the Force's annual Strategic Plan. Priority activities, measures and intended outcomes are proposed and approved through the Chief Constable's Management Team (CCMT) and monitored through the service improvement framework and guarterly updates to inform the PCC's Performance and Accountability meetings.

The Chief Constable maintains a rolling MTFP, which forms the basis of the annual budgets and provides a framework for the evaluation of future proposals. These are accompanied by mid-term workforce plans, managed by the People Directorate.

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 embedded 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.

BCollaborative projects and programmes, or those requiring the support of a collaborated unit to deliver, are co-ordinated and prioritised based on priorities, strategic objectives, capacity and financial capability and are governed through a Joint Change Governance board with representation from Thames Valley Police, Hampshire Constabulary and collaborated units.

In-flight programmes are managed by a Programme Board, chaired by a Senior Responsible Officer. Updates inform the Joint Portfolio Meeting, run collaboratively with Hampshire Constabulary, to enable coordination, planning and oversight of resources from enabling departments to achieve the desired outcomes. All programmes and projects have strategic oversight through the Force Transformation Board, DCCs' Collaboration Board, and respective Chief Officer Groups. Collaborated programmes consider and manage shared risks and issues.

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 financial probity framework for decision making. The MTFP and MTCP are closely aligned with the PCC's Police and Criminal Justice Plan and the Force Strategic Plan. The PCC approves the MTFP and the MTCP as well as the Force's annual budgets. The Police and Crime Panel 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 each year. Formal budget monitoring is undertaken on a regular basis throughout the year and reviewed at the regular liaison meetings between the PCC and Chief Constable.

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.

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 Strategic 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 matters and treasury management, is sourced externally, as this is more practical and cost-effective.

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 linked to Strategic Plan outcomes is supported by interim reviews and a requirement for officers and staff to undertake Continuous Professional Development. The framework also allows for the management of unsatisfactory performance or attendance where it is identified. The Force has a stated Health and Wellbeing Strategy, along with a workforce plan focussed on recruitment, retention and resilience. Progress on becoming increasingly representative of the communities the Force serves is also an area of focus. 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 the end of project / programme closure reports undertaken before transitioning to business as usual, results analysis, individual management reviews, serious case reviews and Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) audit / inspection processes.

The PCC has received appropriate induction training. As the PCC has a power to appoint a Deputy to assist him discharge his statutory functions, where appointed the Deputy PCC will also receive appropriate induction training. Ongoing training and development for the PCC (and the Deputy PCC when appointed) includes 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. 'Victims First' is the overarching name for all the PCC's services in providing support for victims of crime.

The Chief of Staff as Head of Paid Service, monitors the workload and performance of the PCC's office via the internal OPCC Strategic Delivery Plan, which allows them to monitor activities and identify workload priorities and staffing capacity needs in accordance with the delivery of the PCC's strategic priorities. This is presented to the PCC at the Performance and Accountability Meeting.

The PCC is a member of the national Association of Police and Crime Commissioners (APCC). The Chief Constable and 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 strategic risk management and business continuity processes; take ownership of strategic risk issues; delegate actions to appropriate risk managers; accept strategic risk reports and recommendations through the Governance and Service Improvement department, authorise actions and allocate resources where necessary.

Due to likely impact of cyber-attacks on front line policing, all police forces are monitored by the National Monitoring Centre (NMC) operated by Police Digital Services. In addition, both TVP and HIOWC have interfaces into the cyber response planning. Both forces approach risk management, strategic governance, and Business Continuity separately and the Joint units (JOUs) work closely with each of these teams to ensure a holistic approach and response. The teams lead on testing business units through desk-top scenarios, which are supported by JICT to assess the readiness of individual team's response during a cyber-event. Lessons learned are captured and actions set where required to close any gaps identified during these exercises. Cyber business Continuity resilience is tested both technically in ICT and also organisationally. Cyber BC exercises have been taking place across the whole force.

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. The PCC holds quarterly public 'Performance and Accountability' 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 Criminal Justice Plan, the Home Secretary's Strategic Policing Requirement and the Force's own Strategic Plan. Similarly, the PCC meets fortnightly with the Chief Constable on a private, informal, 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 on any risks to the performance of the Force that have been highlighted by HMICFRS inspections.

The OPCC provides an update against its internal Strategic Delivery Plan to the PCC via the OPCC Strategic Management Group monthly meetings and quarterly Performance and Accountability meetings. 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 Criminal Justice Plan.

The Chief Constable holds quarterly Performance Group meetings 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 Strategic 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 Strategic Plan is considered quarterly at 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 Demand & Performance meetings, chaired by the DCC, attended by ACC of crime and ACC LP, the FCR and 3 Chief Superintendents. The meeting reviews the Demand and Performance paper. In addition, the Improvement and Innovation meeting has also been set up, chaired by the DCC, in which constructive challenge and debate on recommendations, thematic operational policies and procedures is encouraged. The findings of these meetings are fed into the Chief Constable's Performance Group or CCMT.

The Force Risk Management Group oversees risk management within the Force and is chaired by the Chief Constable. The Group focuses on strategic risks but also monitors risk management processes across the Force, including within change programmes as well as a risk radar that considers potential future risks for the force. The OPCC maintains its own strategic risk register.

A Joint Independent Audit Committee (JIAC) operates in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and the Home Office Financial Management Code of Practice. The JIAC's main role is to provide assurance to the PCC and Chief Constable that the corporate internal control and governance framework, including risk management, is operating adequately and 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.

Effective counter-fraud and anti-corruption arrangements are in place and are monitored, in the main, by the Force's Professional Standards Department. The Anti-Fraud, Bribery and Corruption Policy is updated every two years.

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

The Force manages its information in accordance with the Data Protection Act 2018 and the UK General Data Protection Regulation (UK GDPR), the Freedom of Information Act 2000 and the Code of Practice on the Management of Police Information. This is overseen by the Information Governance Board chaired by the Chief Information Officer (who also holds the position of Senior Information Risk Owner). 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 the lawful sharing of information with partners, completion of Data Protection Impact Assessments and maintaining 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. National Centre for Applied Learning Technologies (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 annual financial strategy and the capital strategy for the forthcoming financial year are approved as part of the annual financial planning in January each year. The PCC and Chief Constable have agreed a Value for Money Strategy during 2023/24 and this approach is reflected in the financial 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 liaison meetings between the PCC and Chief Constable.

The Productivity Strategy is an integral part of the MTFP, challenging the effectiveness of the force and identifying savings and efficiencies to help balance the budget whilst achieving the PCC's and Chief Constable's objectives. The delivery savings within the Productivity Strategy are monitored as part of the regular financial monitoring, and by the Force Transformation Board.

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 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 Financial Management Code.

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 easily access and understand.

The PCC's decisions and actions are scrutinised by the Police and Crime Panel, which includes reviews of significant documentation produced by the OPCC for the benefit of the public.

The PCC complies with the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended) and publishes required information on his website. Decisions of significant public interest 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. Furthermore, the OPCC (and TVP) take all reasonable steps to help make sure our online services are accessible to all users, including disabled people.

The Chief Constable's Corporate Communications department oversees 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 in 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 the 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, efficiency and legitimacy of police forces and fire and 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 Police Effectiveness, Efficiency and Legitimacy (PEEL) inspections, Joint Targeted Area Inspections and Thematic Inspections as required.

The PCC and Chief Constable make the best use of peer challenge, reviews and inspections from regulatory bodies and professional partners (e.g. College of Policing) 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 adequacy and 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 Criminal Justice Plan that sets out the PCC's policing and crime objectives;
- set the annual policing budget and council tax 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;
- undertake reviews (formerly known as appeals), where requested by a complainant, of the handling and outcome of their complaints made against the Force;
- handle complaints made against the Chief Constable;
- 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 Force area;
- commission victims' support 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 2023/24 and demonstrate how the PCC has discharged these powers and duties during that year:

- The PCC published his 2022/23 Annual Report in June 2023 to highlight major achievements during that financial year and to report on operational and financial performance during 2022/23
- The OPCC published its Strategic Delivery Plan for 2023/24. This is an internal OPCC management action plan that supports the PCC in monitoring the delivery of both policing and non-policing activities, aligned with his Police and Criminal Justice Plan. Progress reports were presented to the PCC in public meetings regularly throughout the year, and the Plan is reviewed and updated annually.
- During the autumn of 2023, the PCC worked closely with the Chief Constable to update the MTFP (2024/25 to 2027/28). He submitted his budget and council tax proposals for 2024/25 to the Police and Crime Panel on 19 January 2024. The Panel endorsed his £13 increase in Band D council tax.
- 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 has actively engaged with stakeholders and undertaken a Scrutiny Review of the governance structures which underpin the entire external scrutiny both of joint panels and panels owned solely by TVP. Recommendations from this review were published in March.
- The PCC has been actively engaged in the scrutiny of major Force business change programmes.
- Four PCC public Performance and Accountability meetings (formerly known as 'Level 1' meetings) were held in 2023/24, supplemented by fortnightly private and informal liaison meetings between the PCC and Chief Constable, to enable the PCC to hold the Chief Constable to account.

b) The Force

The CCMT met on 14 occasions as part of the strategic governance framework between April 2023 and March 2024. This also included finance and strategic planning sessions. The Joint Chief Officers Group (TVP and HC) met formally in May 2023 to determine and monitor collaborated strategy, policies and performance. Governance structures incorporated internal arrangements for the safety and wellbeing of officers and staff, as well as external arrangements for the enactment of new legislation and the continuity of policing services to the public.

The Strategic Risk Register and Business Continuity incidents are reviewed quarterly at CCMT and emerging risks were discussed at a monthly Risk, Improvement and Learning meeting. Existing business continuity plans were reviewed and revised to reflect evolving challenges.

Key discussions during the year included 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 2023/24 by the PCC at his Level 1 meeting in January 2024. 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 and ensure the use of resources is focused on priority areas. Delivery of the outcomes from the Effectiveness & Efficiency Programme remains a central aspect of productivity.

CCMT reviews finance and workforce planning, performance and HMICFRS activity regularly . Strategic Risks and Business Continuity are included quarterly. Other significant areas of note discussed in 2023/24 include Strategic Priorities, recruitment and retention and Senior Appointment Boards. The Strategic Plan success measures are reviewed comprehensively at the Operational and Organisational Force Performance Group meetings that are held monthly .

The Force Transformation Board met every other month to review all in-flight change programmes in the Thames Valley only portfolio including programmes under the six pillars of the TVP 2025 strategy alongside the delivery of the savings plan (Productivity Strategy). The Joint DCC Collaboration Board met every other month as part of the governance for all bi-lateral programmes including the Contact Management Programme, RMS and Digital First. The regional SERIP board met twice in 2022 to review the Emergency Services Mobile Communications Programme (ESMCP). These governance boards are in addition to the regular programme boards chaired by each programmes' Senior Responsible Owner.

Both CCMT and Force Transformation Board are aligned to bilateral forums including the Joint Chief Officer Group and DCCs Collaboration Board, and regional forums such as SERIP.

The Governance & Service Improvement department continues to draw together corporate and strategic elements of the organisation. The over-arching function is to provide a central point of coordination, governance, strategy, policy and guidance development, change delivery, and the provision of internal evaluation of delivery including the identification of opportunities for continuous improvement.

The PEEL inspection report 2023-2025 was published on 6th December 2023 and looks at police effectiveness, efficiency and legitimacy. The findings show the force has improved in some areas, although there is more we need to do to across 5 areas in particular; protecting vulnerable people, investigating crime, responding to the public, managing suspects and offenders and leadership and force management. TVP has been actively working on improvements in key areas identified in the inspection and providing monthly assurance updates to HMICFRS with evidence of progress.

All recommendations and areas for improvement from inspection activity are being actioned and are tracked, updated and signed off via the DCC Risk, Improvement and Learning meeting before uploading onto the HMICFRS monitoring portal. The Risk, Improvement and Learning meeting, chaired by the DCC, has been established to provide governance, leadership and drive to continuously improve and innovate in support of the Force's strategic aims; central to this is the timely delivery of improvement activity and the identification, sharing and adoption of organisational learning from all areas, reviews and inspections. This forum will ensure accountability, coordination, and timeliness of action. There have been 12 meetings between April 2023 and March 2024.

c) The Joint Independent Audit Committee

During 2023/24 the JIAC met five times to consider the external audit and internal audit plans for 2023/24, as well as receive 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. JIAC members also attend Force working groups (including the Force Transformation Board, TVP/HC Bilateral Governance Board and Performance Group) and other panel meetings (including the Professional and Ethical Standards 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 2023 was presented to the PCC and Chief Constable at their JIAC meeting on 15 December 2023. 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 (the 'Governance Advisory Group') operates with the following 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.

The Governance Advisory Group also developed this joint Annual Governance Statement for 2023/24.

e) Internal Audit

TO BE UPDATED FOR 2023/24 at Year End

As at March 2022, the 2022/23 Joint Internal Audit Plan had been collated and was endorsed by the JIAC.

The 2022/23 Joint Internal Audit Plan has been completed and on the basis of this work, the opinion of both organisations' governance, risk and control frameworks is reasonable assurance. The governance, risk management and control arrangements are good, although some action is required to improve efficiency or effectiveness. The opinion demonstrates a good awareness and application of effective risk management, control and governance to facilitate the achievement of both organisations' objectives, outcomes and delivery of services. 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, identifying appropriate actions to address the risks raised.

At a statistical level, the overall opinion represents a reduction compared to the previous year (i.e. 67% substantial / reasonable individual assurance ratings compared to 74% for 2021/22). However, as the Joint Internal Audit Plan does not include the same audits year on year, this cannot be taken as a direct comparison.

In terms of the implementation of audit actions and mitigation of risk, progress has been generally good across both organisations with the number of actions completed being in excess of 80%. However, there has been an increase in overdue actions reported during the year, with monitoring of progress continuing to be a specific focus for 2023/24.

As in previous years, to support this year's opinion additional sources of assurance were utilised where they provided commentary on the effectiveness of the organisations' governance framework or general management of risk. The assurances obtained provided a positive view of the organisation's arrangements and supported the overall opinion of reasonable assurance.

f) External audit

Due to delays with the External audit, EY has not yet given the audit opinion for 2021/22. In 2020/21 EY issued an unqualified opinion. We are not aware of any significant new issues relating to 2021/22. Given that the audit process is still ongoing, EY will continue to challenge the remaining evidence and the final disclosures in the accounts which could influence their final audit opinion.

g) Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

During 2023/24 HMICFRS published a number of reports regarding inspection activity, research or super-complaints. These are considered by the Force via the DCC's Risk Improvement and Learning meeting. All reports are publicly available on the HMICFRS website.

Below are the inspection reports that contain recommendations or areas for improvement for policing (specific to TVP or nationally). All inspection reports that contain recommendations for the Force require the PCC to publish a formal response within 56 days of the publication of the report, except for reports resulting from super-complaints:

Date published by HMICFRS	National / Force Report	Report Types	Report Title	Date CC Reported to PCC	PCC Response to HMICFRS: Y/N
05/03/2023	National	Child protection	An inspection of how well the police and National Crime Agency tackle the online sexual abuse and exploitation of children	18/05/2023	Y
09/06/2023	National	Annual report	State of Policing: The Annual Assessment of Policing in England and Wales 2022	N/A	N/A
07/07/2023	National	Spotlight	Police performance: Getting a grip	09/08/2023	Y
11/07/2023	National	Firearms	An inspection of how effective police forces are in the deployment of firearms	09/08/2023	Υ
11/08/2023	National	Homicide, Joint Inspection	Homicide prevention: An inspection of the police contribution to the prevention of homicide	07/11/2023	Y

25/08/2023	National	Race, Thematic inspection	Race and policing: An inspection of race disparity in police criminal justice decision-making	07/11/2023	Y
25/08/2023	National	Race, Thematic inspection	Race and Policing: A review of the police service's leadership and governance arrangements for race- related matters	07/11/2023	Y
25/10/2023	Force	Letter	Inspection into Thames Valley Police commissioned by the police and crime commissioner	N/A	Υ
08/11/2023	Force	Child protection	Thames Valley – National child protection inspection	18/01/2024	Y
06/12/2023	Force	PEEL	PEEL 2023– 2025: An inspection of Thames Valley Police	N/A	Υ
19/12/2023	National	Joint inspection	Meeting the needs of victims in the criminal justice system	18/01/2024	Υ

The PCC (or OPCC) is invited to attend the Strategic Brief at the start of inspection activity and the debrief provided by HMICFRS following each inspection. Alternatively, the Chief Constable may provide the PCC with a briefing following an HMICFRS inspection.

h) Risk management and business continuity

The Force Risk Management Group met four times during 2023/24 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 2024, there were 21 strategic risks on the Strategic Risk Register and 6 identified issues.

Business continuity incidents, categorised by impact, were detailed in quarterly reports to CCMT and then the JIAC, including measures taken to minimise their impact. Issues reported primarily related to ICT loss of service and estates issues. The JIAC also received information on exercises to test business continuity plans, which now include key learning points.

All risks at a local and strategic level have clear ownership, are regularly reviewed and rescored according to the risk matrix, and are allocated the appropriate risk action – tolerate, treat, transfer, terminate. Risks to collaborated programmes or areas under bi-lateral governance feature on both Forces' registers.

i) Health and Safety and Environmental Management

The Health, Safety and Wellbeing and Environmental Protection Policy Statements are accessible to all staff via the Intranet and displayed on the health and safety notice boards in all TVP premises.

The Health & Safety Annual Report and the Wellbeing report were taken back to JIAC in 2023 for scrutiny and sign off. The report covered the key management areas specified within 'Managing for Health & Safety HSG65 2013 (Appendix A) and documented the continuous improvement of Thames Valley Police policies and procedures for the effective management of health and safety.

The Head of the Governance & Service Improvement (G S & I) Department has overall management responsibility for the governance and implementation of Health and Safety at the operational policing, strategic and tactical levels and in respect of policing infrastructure including buildings.

j) Ethics and Integrity

A protocol between the PCC and Chief Constable provides the PCC with overview and scrutiny of complaints handled by the Force. The Professional and Ethical Standards Panel (previously called Complaints, Integrity and Ethics Panel) meets every two months and reports jointly to the PCC and Chief Constable. The Panel conducts an assessment of how the Force deals with complaints and how the PCC deals with reviews and provides a challenge and support role in respect of how the Force responds to ethical issues.

During the last 12 months, some of the issues the Panel challenged were how TVP deal with suspects with mental health issues, concern for public confidence, the backlog of digital forensic jobs and prioritisation of caseloads.

The Panel's Annual Assurance Report for 2023 Report highlighted that the Panel had scrutinised matters including the following themes:

- Violence against Women and Girls (VAWG)
- Police perpetrated domestic abuse (PPDA)

- Sexual misconduct
- Stop and search
- Right care, right person
- The Casey Review
- MARLENE a system that populates complaint data automatically.

The Panel was able to assure the PCC and Chief Constable that the complaints handling and management arrangements in place within TVP are operating efficiently and effectively. However, following the recommendations of the Governance Scrutiny Review, the PESP is due to be split into 2 groups; one looking at complaints and another looking at ethics.

The Force also has an internal Ethics & Integrity Board, chaired by the Head of the Professional Standards Department (PSD), which meets quarterly. The Force has recruited a dedicated Ethics Researcher, supporting the Ethics & Integrity Board. The Ethics Champions network has been rejuvenated, and now meet regularly to discuss ethical considerations or concerns raised from across the Force.

Policies are reviewed by the Strategic Independent Advisory Group to provide feedback on accessibility and raise ethical considerations. These are then taken to the Professional Ethics Standards Panel as necessary and appropriate.

The Chief Constable continues to promote the fundamental importance of TVP officers and staff employing the highest professional standards and principles that are embodied and enforced through the Code of Ethics. All police officers and staff have been required to complete an online 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.

During 2023/24, one member left PESP so the total number of members stands at 6.

During 2023/24 the PSD received and processed xxx complaints and XXX conduct matters and held XXX misconduct meetings and XXX misconduct hearings under the statutory scheme. In addition, the OPCC itself handled XXX complaints made against the Chief Constable and received XXX requests for complaint reviews as per the statutory police complaints scheme.

k) Thames Valley Police and Crime Panel

During 2023/24 the independent Police and Crime Panel (PCP) met on 4 occasions. Key activities undertaken by the Panel during the year included reviewing and scrutinising the PCC's Annual Report for the year 2022/2024 and scrutiny and consideration of the PCC's 2023/24 budget and council tax precept proposals. Over and above these specific activities, the Panel continued to receive and consider regular reports on the delivery of the previous PCC's Police and Criminal Justice Plan strategic priorities and key aims, including the contribution made by other partner agencies, and updates 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. During 2023/24 the Chief of Staff of the OPCC, acting under delegated authority on behalf of the PCP, referred XXX complaints against the PCC/Deputy PCC to the PCP for consideration by them under the statutory scheme.

The Panel itself published its own 2021/22 Annual Report in June 2022.

I) Collaboration and partnership working

The joint TVP and HC Joint Collaboration Governance Board formally met six times during 2023/24. This Board oversees and scrutinises the work of the existing collaborative functions (i.e. Contact Management, Joint Operations Unit, Joint ICT and Joint Information Management) as well as the development of collaborated change programmes. Updates are provided on new collaborative

opportunities being explored. These formal meetings were supplemented by specific briefings for the PCCs and senior officers as appropriate. In addition to the Governance Board, the Joint Chief Officer Group met 3 times during 2022/23.

Governance of collaboration between Forces across the South East region is undertaken at the SE Regional Integrated Policing (SERIP) Board (chaired and attended by Deputy Chief Constables), and by PCCs and Chief Constables at the Regional Governance Board, 2 meetings of the regional governance board were held during 2023/24. The South East Regional Organised Crime Unit, hosted by TVP, brings together the regional organised crime units under one structure. It is operationally aligned with the Counter Terrorism Policing South East unit. A regional Assistant Chief Constable (ACC), who reports directly to the Chief Constable of TVP, exercises overall command of the regional crime and counter-terrorism functions. This 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 2023/24, has informed the latest review of the Framework. 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 significant operational issues facing the organisation are not necessarily a result of weaknesses within the internal control and governance framework.

There were no significant actual or potential governance issues identified in respect of the 2022/23 year AGS which were due to be monitored during 2023/24

There are currently no significant actual or potential governance issues identified in respect of 2023/2422/23 activities. Accordingly, the Governance Advisory Group is satisfied to the best of its knowledge that no material breaches of the governance arrangements occurred in 2023/24 and there are no significant weaknesses in the internal control and governance environment.

In any event, the governance arrangements of the PCC and the Chief Constable will remain under review quarterly over the forthcoming financial years.

Matthew Barber
Police and Crime Commissioner

Jason Hogg Chief Constable

Appendix 2

Financial Management & Resilience Self-Assessment

CIPFA has provided self assessment questions to assist with demonstrating good practice in financial management and assessing financial resilience, in line with the Financial Management Code. This document records our responses. We have reassured ourselves that financial management within Thames Valley Police (both PCC and CC) is in line with good prictice, and that the organisation is appropriately resilient. The process of addressing these questions also assists with identifying actions for continuous improvement.

Linda Waters, Director of Finance

Martin Thornley, Chief Finance Officer

27 February 2024

Sectin 1 - CIPFA Financial Management Code – Self-assessment

	Question	Answer	RAG	Areas for improvement				
Secti	ection 1 - The Responsibilities of the Chief Finance Officer and Leadership Team							
Α	The leadership team is able to demonstrate that the	services provided by the authority provide value for	r money					
1	Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team?	We have adopted a new Value for Money (VfM) Strategy during 2023/24, and an action plan which is being implemented. This was informed by a CIPFA review.	G					
		We have clear references to achieving VFM in the annual financial strategy, the Procurement Strategy and the Force Strategic Plan. The Goverance framework includes responsibility for VfM.						

2	Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services?	VfM is embedded in all procurement documentation and all procurement staff are fully au fait with the need to demonstrate VFM through tenders and contracts. The Force Review is scrutinising VfM in service delivery to deliver significant savings. A corporate framework of management procedures and rules for securing value for money is incorporated in the PCC/Force 'Joint Corporate Governance Framework' and 'Financial Regulations'. At individual service level, the DCC holds LPAs to account for effective operational performance through regular service reviews throughout the year The Chief Constable chairs the monthly Force Performance Group which is also attended by the PCC and a member of the Joint Independent Audit Committee (JIAC).	A	Action plan arising from the VfM Strategy is currently being implemented particularly in the area of business case development, assessment and monitoring External consultants are being recruited to support Force Review changes in enabling services
2		Audit Committee (JIAC).		
3	Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved?	Actions are taken from the DCC service reviews and Force Performance Group meetings and are followed up Procurement savings are reported to Blue Light Commercial on a quarterly basis	G	

		<u> </u>		
		Contract management is undertaken by service		
		stakeholders, with strategic oversight from the		
		Procurement department		
		Carb squings removed from the annual revenue		
		Cash savings removed from the annual revenue		
		budget are monitored for delivery and reported		
		to CCMT and the PCCs Level 1 public meeting on		
		a regular basis		
В	The authority complies with the CIPFA Statement on		nment	
1	Is the authority's CFO a key member of the	Both CFOs (Force and OPCC) are members of	G	
	leadership team, involved in, and able to bring	their respective leadership teams		
	influence to bear on, all material business decisions?			
2	Does the CFO lead and champion the promotion and	Yes, both CFOs champion and lead the promotion	G	
	delivery of good financial management across the	and delivery of good financial management in the		
	authority?	Force and OPCC		
3	Is the CFO suitably qualified and experienced?	Yes, both CFOs are suitably qualified and	G	
		experienced		
4	Is the finance team suitably resourced and fit for	Both finance teams are properly resourced in	G	
	purpose?	terms of capacity and capability, and annual		
		external audit opinions over many years		
		demonstrate that the two respective finance		
		teams are fit for purpose.		
	·	· ·		-
Sect	ion 2 - Governance and Financial Management Style			
	, ,			
С	The leadership team demonstrates in its actions and	behaviours responsibility for governance and intern	al contro	ol
1	Does the leadership team espouse the Nolan	Yes, the code of ethics is a key feature for all	G	
	principles?	police officers and staff and is promoted during		
		induction training and courses. Regular online		

		refresher training is also provided and followed up to ensure compliance. The Code of Ethics has been updated in 2024 with an associated communications plan. All force policies and procedures embed the key principles from the Code of Ethics		
2	Does the authority have in place a clear framework for governance and internal control?	Yes, the PCC and Chief Constable review and update their joint corporate governance framework on an annual basis	G	
3	Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability?	Good behaviour is discussed during all staff and officer PDRs There is a whistleblowing policy which is managed and reports investigated by the Professional Standards Department (PSD) The PCC and Chief Constable have a joint internal audit team that reports to the CFO and Director of Finance. The Head of Internal Audit provides regular reports to each quarterly meeting of the JIAC Internal accountability is through individual PDRs with breaches being investigated through PSD Business interests are approved and recorded by PSD and then reviewed as part of the PDR process	G	

		There is a force policy on gifts and hospitality,		
		which is managed and promoted by PSD		
4	Does the leadership team espouse high standards of	All key decisions are taken collectively by CCMT,	G	
1.		with full backing documentation, rather than a	, ,	
	governance and internal control?			
		single individual		
		All key PCC decisions of significant public interest		
		are published on his website including relevant		
		supporting documentation		
		Code of Conduct & business interests – see C1		
		and C3 above		
		and C5 above		
		The Chief Constable's monthly 'headline call' with		
		all senior staff across TVP makes reference to		
		governance issues where appropriate e.g.		
		learning from PSD investigations, outcome from		
		HMRC reports		
5	Does the leadership team nurture a culture of	The Joint Framework of Corporate Governance	G	
	effective governance and robust internal control	includes Finance Regulations. These are reviewed	J	
		_		
	across the authority?	and updated annually. These are supported by		
		more detailed Chief Constable Financial		
		Instructions which provide guidance at the		
		practitioner level.		
		The operational data quality team reports		
		directly to the DCC.		
		unectly to the DCC.		
		LIN HOPPO I I I I I I I I I I I I I I I I I I		
		HMICFRS undertake regular data quality audits		
		and all recommendations are acted upon by TVP		

		PSD publish a regular newsletter which promotes good governance arising from investigations to share best practice and learning		
D	The authority applies the CIPFA/SOLACE Delivering G	ood Governance in Local Government: Framework ((2016)	
1	Has the authority sought to apply the principles, behaviour and actions set out in the Framework to its own governance arrangements?	Yes, as evidenced through the Annual Governance Statement	G	
2	Does the authority have in place a suitable local code of governance?	Yes, the PCC and Chief Constable publish a Joint Corporate Governance Framework, which includes a local, TVP code of corporate governance. This is reviewed by JIAC before the start of each financial year	G	
3	Does the authority have a robust assurance process to support its AGS?	The AGS is produced by the Governance Advisory Group, which comprises senior police staff from the OPCC and force. A draft version of the AGS is presented to JIAC before publication	G	
E	The Financial Management Style of the authority sup	norts financial sustainability		
1	Does the authority have in place an effective framework of financial accountability?	Yes, through the framework of corporate governance, including Financial Regulations and contract regulations, and supported by the Chief Constable Financial Instructions	G	
2	Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	The Force maintains a Productivity Strategy which includes specific efficiency and effectiveness reviews across the force. The Force Review is particularly driving this activity.	G	
3	Does the authority's finance team have appropriate input into the development of strategic and operational plans?	The DoF is a member of CCMT which has collective decision making responsibility	G	

	management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?	Financial Instructions Skills and training are reviewed as part of the PDR process		
6	Has the authority sought an external view on its financial style, for example through a process of peer review? Do individuals with governance and financial	Yes CIPFA undertook a review of VFM arrangements in 2022. We responded with a new VfM strategy and actions during 2023 Yes, as set out in Financial Regulations and	G	
5		specific finance business partner representation to strengthen the link between business and finance Good progress has been made in transforming the Finance department e.g. the restructure is complete and Finance Business Partners have been appointed.	G	stakeholders to improve business cases preparation and assessment.
4	Do managers across the authority possess sufficient financial literacy to deliver services cost effectively and to be held accountable for doing so?	The CFO is a member of the PCC's Strategic Management Group Senior finance representatives sit on all key decision making and informative boards e.g. Change Board and Programme Boards Each key stakeholder in the organisation has a named finance contact. The Corporate Finance Department has been restructured to include	A	We are working on process improvement and training for finance staff and other

F	The authority has carried out a credible and transpare	ent Financial Resilience Assessment		
1	Has the authority undertaken a Financial Resilience Assessment?	Yes, during the preparation and finalisation of the annual financial plans, and in Section 2 of this document.	G	
• •	Has the Assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios?	Yes. Risks arising from funding, inflation and demand changes are considered during preparation of the annual financial plans.	G	
3	Has the authority taken appropriate action to address any risks identified as part of the assessment	Yes – financial plans take into account the risks identified.	G	
G	The authority understands its prospects for financial	sustainability in the longer term and has reported th	nis clearl	y to Members
1	Does the authority have a sufficiently robust understanding of the risks to its financial sustainability?	Yes, the key risks are highlighted in the annual financial planning documents.	G	
2	Does the authority have a strategic plan and long- term financial strategy that address adequately these risks?	Yes, we publish an annual budget recommendation and financial strategy report.	G	
3	Has the authority sought to understand the impact on its future financial sustainability of thestrategic, operational and financial challenges that it might face (e.g. using a technique such as scenario planning)?	Scenario planning is used internally within CCMT to formulate the medium term financial plan. Published budget reports include assessment of risks which highlights the financial risk to key budget assumptions.	G	
4	Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short- and medium-term decision making?	Regular reports to CCMT during the budget preparation process highlight the various risks and possible scenarios. The key strategic issues are then reported to the PCC at PAM public meetings.	G	

		During the year revenue and capital monitoring reports will highlight changes in significant risks and issues, and suggest appropriate action		
Н	The authority complies with the CIPFA Prudential Co	de for Capital Finance in Local Authorities	<u> </u>	
1	Has the authority prepared a suitable capital strategy?	Yes.	G	
2	Has the authority set prudential indicators in line with the Prudential Code?	Yes, these are included in the Annual Treasury Management Strategy Statement	G	
3	Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set?	Yes, these are monitored by OPCC staff and reported to the PCC's PAM meeting in the quarterly TM update reports	G	
1	The authority has a rolling multi-year Medium Term	। Financial Plan consistent with sustainable service pl	ans	
1	Does the authority have in place an agreed mediumterm financial plan?	Yes	G	
2	Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy?	Yes	G	
3	Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand?	Yes, CCMT consider information on current and future demand pressures (as currently known) including the implications for new technology and equipment	D	
		The Force also considers relevant NPCC guidance and best practice e.g. stop & search, body worn video.		
		Across CCMT, members are engaged in national forums which enables the potential financial implications of new national systems and changes to national guidelines and procedures to be identified early		

4	Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand?	Yes, but in an emergency service employing omnicompetent police officers changes in demand can be accommodated by deployment policies and priorities. Cost drivers are included in the MTFP	G	
5	Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the achievement of the authority's strategic aims?	Yes, the Asset Management Framework is reviewed and updated regularly through SEG. A separate ICT strategy for HC and TVP is prepared and presented to the bilateral governance board	G	
Secti	on 4 - The Annual Budget			
J	The authority complies with its statutory obligations	in respect of the budget setting process		
1	Is the authority aware of its statutory obligations in respect of the budget-setting process?	Yes, formal budget reports and presented to PAM public meetings and then the Police and Crime Panel	G	
2	Has the authority set a balanced budget for the current year?	Yes, as endorsed by the Police and Crime Panel and approved by the PCC	G	
3	Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so?	Yes	G	
К	The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves			
1	Does the authority's most recent budget report include a statement by the CFO on the robustness of	Yes The CFO presented a financial recommendations report with the Financial strategy	G	

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	the estimates and a statement of the adequacy of the proposed financial reserves?					
2	Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case?	Yes the PCC CFO report to recommend approval of the financial plans included an assessment of the key financial risks.	G			
3	Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future?	Yes, the PCC's CFO's report on the MTFP's includes an assessment of the forces reserves.	G			
4	Does the report set out the current level of the authority's reserves, whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is to take to address any shortfall?	Yes, the report provides a forecast for the next 4 years which is fully compatible with the MTFP and MTCP	G			
Secti						
1	and annual budget How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget?	Relevant budget headings in the MTFP are developed with Hampshire Constabulary (e.g. ICT, information management & JOU). The development of the SEROCU budget is agreed with regional partners and agreed through the SE collaboration board The PCC undertakes public consultation on the proposed budget Fleet charges are agreed through the CTC	G			
		The PCC's annual budget and precept proposals are subject to scrutiny by the independent Police				

		101 0 1 1 1 10 01 11 11		I
		and Crime Panel, on behalf of the public, the		
		Councillor members of which represent all local		
		authorities across the Thames Valley		
2	How effective has this engagement been?	TVP and Hampshire budgets are aligned for all	G	
		joint activities		
		The PCC consults the public regarding his		
		proposed increase in council tax precept. The PCC		
		takes account of the priorities of the public when		
		setting his priorities.		
		The Police and Crime Panel has always approved		
		the PCCs proposed increase in council tax precept		
		and the property of the proper		
3	What action does the authority plan to take to	Members of CCMT & PCC continue to look for	G	
	improve its engagement with key stakeholders?	further engagement opportunities		
M	The authority uses an appropriate documented opti	on appraisal methodology to demonstrate the value	for mone	ey of its decisions
1	Does the authority have a documented option	The degree of option appraisal reflects the level	Α	The VfM action plan has
	appraisal methodology that is consistent with the	of investment required and the identified risks		particular focus on the
	guidance set out in IFAC/PAIB publication 'Project	with the proposal/project		processes and skills needed
	and Investment Appraisal for Sustainable Value			to effectively assess options.
	Creation: Principles in Project and Investment	The level of option appraisal used for estate and		, , , ,
	Appraisal'?	ICT schemes are different and reflect the number		
		of realistic options available. A good example is		
		the proposed Forensics new build which followed		
		HM Treasury green Book guidance		
		Time Treasury green book guidance		
		Most significant technology schemes are led		
		nationally either by the service or HO, and we are		
		not involved in the development and		

	implementation of those schemes e.g. Emergency Services Network, National Monitoring Centre		
	Services receiver, readonal monitoring centre		
Does the authority offer guidance to officers as to when an option appraisal should be undertaken?	Relevant staff within Finance, Procurement, ICT and Estates understand the need to produce an appropriate level of option appraisal to support new growth bids	G	
	All new bids include some consideration of options		
	Depending on the level of investment requested officers /Finance Business Partners will advise on the level of detail required		
Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options?	Where appropriate, qualitative and quantitative measures are included	G	
Does the authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty?	Where appropriate depending on the value of the investment required and the associated risk e.g. selection of a new supplier and operational delivery for technology infrastructure.	А	
Does the authority report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)?	Yes, when undertaken e.g. selection of new mobile phones	А	
	when an option appraisal should be undertaken? Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options? Does the authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty? Does the authority report the results of option appraisals in a clear, robust and informative manner	Does the authority offer guidance to officers as to when an option appraisal should be undertaken? Relevant staff within Finance, Procurement, ICT and Estates understand the need to produce an appropriate level of option appraisal to support new growth bids All new bids include some consideration of options Depending on the level of investment requested officers /Finance Business Partners will advise on the level of detail required Where appropriate, qualitative and quantitative and quantitative and quantitative assessment of options? Does the authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty? Where appropriate depending on the value of the investment required and the associated risk e.g. selection of a new supplier and operational delivery for technology infrastructure. Yes, when undertaken e.g. selection of new mobile phones	Does the authority offer guidance to officers as to when an option appraisal should be undertaken? Relevant staff within Finance, Procurement, ICT and Estates understand the need to produce an appropriate level of option appraisal to support new growth bids All new bids include some consideration of options Depending on the level of investment requested officers /Finance Business Partners will advise on the level of detail required Where appropriate, qualitative and quantitative and quantitative and quantitative area included authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty? Where appropriate depending on the value of the investment required and the associated risk e.g. selection of a new supplier and operational delivery for technology infrastructure. Does the authority report the results of option appraisals in a clear, robust and informative manner

The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability

1	Does the authority provide the leadership team with an appropriate suite of reports that allows it to identify and to correct emerging risks to its budget strategy and financial sustainability?	CCMT is provided with a monthly monitoring report which highlights emerging risks and issues. These are acted upon as necessary. Formal reports are presented to the PCC at the Liaison meetings The Joint ICT Board receives a monthly update on all ICT budgets. The DCCs Collaboration Board receives monthly reports on all collaborated units	G		
2	Do the reports cover both forward and backward looking information in respect of financial and operational performance?	Yes	G		
3	Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such a contract monitoring data?	The DoF financial report to CCMT each month includes any emerging issues with contracts or delivery of services from outsourced partners	G		
4	Are the reports provided to the leadership team in a timely manner and in a suitable format?	Yes, produced monthly and acted upon	G		
5	Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?	Yes	G		
0	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability				
1	Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?	Yes, trade debtors and creditors are monitored closely by Finance	G		
		Cashflow, short and long-term borrowing, investments and the use of reserves and balances are monitored by the OPCC. These are reported to the PCC in the regular update on TM activity			

2	Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet?	Yes. Regular reviews are carried out across the 2 finance departments	G		
3	Is the authority taking action to mitigate any risks identified?	Yes, as risks are identified action is taken e.g. supplier information including credit checks is undertaken regularly, particularly in the current economic environment.	G		
4	Does the authority report unplanned use of its reserves to the leadership team in a timely manner?	Revenue and capital monitoring reports are presented to CCMT and the PCCs Strategic Management Group on a monthly basis.	G		
		Formal budget monitoring reports are presented to PCCs Liaison meetings. Any variation to the planned use of reserves is reported, with a formal recommendation to the PCC should additional monies be required to fund unplanned overspends.			
5	Is the monitoring of balance sheet risks integrated into the authority's management accounts reporting processes?	Yes, via CCMT and to the PCC, including through reports to Level 1 meetings	G		
Sect	ion 7 - External Financial Reporting				
P	The Chief Finance Officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom				
1	Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements?	Yes, both CFOs are fully aware of their responsibilities in this area	G		
2	Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms?	They are included in both CFO job descriptions. Although closure of accounts may not be included in personal objectives, the PCC and Chief	G		

		Constable are aware of its importance and		
		regular updates are provided to JIAC		
3	Have the authority's financial statements hitherto	Accounts are prepared on time, but in line with	Α	Plans for 2023/24 audit are
	been prepared on time and in accordance with the	to wider system issues in the external audit		to complete on time.
	requirements of the Code of Practice on Local	market, the audits have not been completed on		
	Authority Accounting in the United Kingdom?	time, but have been better than average.		
Q	The presentation of the final outturn figures and vari	iations from budget allow the leadership team to ma	ake strate	egic financial decisions
1	Is the authority's leadership team provided with a	An outturn report is presented to CCMT and the	G	
	suitable suite of reports on the authority's financial	Level 1 meeting with clear explanations provided		
	outturn and on significant variations from budget?	for each variation against budget		
2	Is the information in these reports presented effectively?	Yes. This information matches that provided in the formal Statement of Accounts	G	
3	Are these reports focused on information that is of	Yes, it provides information on the full revenue	G	
	interest and relevance to the leadership team?	budget and highlights variances which are both		
		one-off and those that have an ongoing financial		
		implication		
4	Does the leadership team feel that the reports	Yes	G	
	support it in making strategic financial decisions?			

Part 2 - CIPFA Financial Resilience – Self-assessment

Financial resilience is the ability of the organisation to withstand financial shocks. TVP are particularly affected by future government funding levels, inflationary and demand pressures. The MTFP is balanced over the next four years, in addition the reserves strategy ensures funding is available should the unforeseen occur. Out productivity improvement plans, and the Force Review in particular, are designed to address these issues both in the short term and the middle to long term, providing additional financial resilience for the force. If our productivity improvement plans were to prove insufficient to address emerging financial pressures, responses are likely to include the use of reserves in the short term, tight spending restrictions in the short-to-medium term, and reduction in service levels in the medium-to-longer term. These would protect the financial position of the force but damage service delivery.

We address in this section the six public sector indicators of financial resilience. Reviewing these risks provides assurance that the force is financially resilient. The overall risk is reasonable. Within that, the highest risks are the large amount of Savings Planned and the decreasing Usable Reserves. Overall, the financial plans balance the need to spend on the current service with the need to protect the future financial position.

1 Savings Planned

The first measure in the CIPFA framework is "Funding Gap". TVP does not have a funding gap over the MTFP, so we have presented savings targets as a more meaningful measure. Savings plans are set out to in each year of the plan –with more detailed plans in the early years and outline savings in later years. The savings targets as a percentage of MRE are as follows:

Savings Planned	2024/25	2025/26	2026/27	2027/28
Planned Savings £m	7.6	12.8	2.0	2.0
MRE £m	526.3	557.9	576.0	594.7
% of MRE	1.4%	2.3%	0.3%	0.3%

There are high levels of planned savings in the early years, but lower savings requirements in future years provide resilience over the medium to long term.

2 Savings Delivered

TVP has a strong track record of delivering savings as shown in the following table:

Savings Delivered	2019/20	2020/21	2021/22	2022/23	2023/24	Total
					Forecast	
Planned (cashable) £m	4.77	3.47	3.53	2.19	4.15	18.11
Achieved £m	5.11	3.37	3.09	2.15	5.16	18.88
% of savings achieved	107%	97%	87%	98%	124%	104%

Additional in-year savings plans have enabled over-delivery in 2023/24.

3. Over/underspend

Generally, TVP has delivered underspends in recent years, which are largely appropriated into reserves. This has been due to the high level of staff vacancies, delays on some projects due to resourcing issues both staff and supplies, alongside fortuitous income such as interest receipts. The over/underspends reported in the financial statements are as follows:

Over/under spend	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
NRE £m	379	391	420	449	476	505
Over/(under) spend £m	-0.8	0.3	-1.2	-0.2	-1.2	-4.2
Over/(under) spend as a % of NRE	-0.20%	0.08%	-0.28%	-0.04%	-0.26%	-0.82%

4. Usable reserves

Reserves allow financial uncertainty to be managed effectively. Healthy levels of useable reserves are an important safety net to support financial sustainability. As well as being available to fund unexpected funding pressures, useable reserves can also fund investments required to implement efficiency savings. The current MTFP forecast revenue reserves is set out below (excluding conditional funding, collaborated functions and PCC funds already allocated to Community Safety Partners and other crime prevention projects):

Usable reserves analysis	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
NRE £m	505.0	526.3	557.9	576.0	594.7	613.3
General Reserves £m	20.1	15.5	15.8	15.8	15.8	15.8
Earmarked Reserves £m	34.8	32.8	6.8	3.2	5.2	9.0
Total Revenue Reserves £m	54.9	48.3	22.6	19.0	21.0	24.8
General reserves as a % of NRE	4.0%	2.9%	2.8%	2.7%	2.7%	2.6%
Total revenue reserves as a % of NRE	10.9%	9.2%	4.1%	3.3%	3.5%	4.0%
Change in total reserve levels £m		-6.6	-25.7	-3.7	2.0	3.8

Despite the significant ongoing financial and operational challenges, and the planned reduction in reserves, TVP continues to hold a healthy level of general and earmarked revenue reserves. The reserves strategy and assessment is included within the annual budget book. The reserves analysis highlights the importance of delivering the savings in the plan to avoid future calls on reserves.

5. Funding Mix

The proportion of revenue funded by Council Tax is forecast to increase to around 50/50:

Precept Table £m	2023/24	2024/25	2025/26	2026/27	2027/28
Total council tax income	248.3	264.3	279.5	295.2	311.4
NRE	526.3	557.9	576.0	594.7	613.1
Council tax as a % of NRE	47.2%	47.4%	48.5%	49.6%	50.8%

TVP is therefore equally exposed to the risks associated with Home Office Grants (such as a revision of the funding formula, and level of annual increases) and the risks associated with Council Tax (such as Precept and Tax base changes).

6. Borrowing Costs

In accordance with our Capital Strategy we will only borrow for assets with a long-term life, such as land and buildings. Overall borrowing cost as a percentage of NRE remains very low, at less than 1%. Debt levels are also reasonable at around 10% of NRE. There is a risk to borrowing costs in the medium and longer term, if the additional schemes above those authorised in the budget are approved as part of the Estates strategy. The borrowing figures are shown below (under the assumption that the increase in CFR is covered by internal borrowing):

Borrowing (£m)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
NRE	505.0	526.3	557.9	576.0	594.7	613.3
MRP on borrowing	1.2	1.2	1.2	1.2	1.2	1.2
Interest on external borrowings	1.5	1.3	1.3	1.3	1.3	1.3
MRP - Finance lease principal	1.7	1.8	1.7	0.5	0.5	0.5
Finance lease interest (incl PFI)	0.4	0.4	0.3	0.3	0.2	0.2
Total cost of borrowing	4.9	4.7	4.6	3.3	3.2	3.2
Borrowing as a % of NRE	0.97%	0.90%	0.82%	0.57%	0.54%	0.52%
Level of debt	52.8	53.2	62.3	62.3	62.3	62.3
Capital financing requirement	62.7	59.6	66.6	64.8	63.1	61.3
Debt as a % of NRE	10.5%	10.1%	11.2%	10.8%	10.5%	10.2%





Professional and Ethical Standards Panel

ANNUAL ASSURANCE REPORT 2023

Introduction and Background

- 1. The Police and Crime Commissioner for Thames Valley (PCC) is responsible for securing the maintenance of an efficient and effective police Force. The Chief Constable of Thames Valley Police (TVP) is responsible for maintaining the King's peace and has direction and control over TVP officers and staff.
- 2. The PCC, on behalf of the public, is responsible for holding the Chief Constable to account for the exercise of his functions, including those of persons under his direction and control, and for the overall performance of the Force. However, in law, the PCC must not fetter the operational independence of the Force or the Chief Constable who leads it.
- 3. Under the Police Reform Act 2002, the Chief Constable is the 'Appropriate Authority' responsible for dealing with complaints and misconduct matters raised against TVP police officers and staff below the rank of Chief Constable and/or complaints about the quality of service members of the public have received from the Force. The Chief Constable, therefore, has a duty to ensure adequate and effective systems and procedures are in place for managing and monitoring complaints against the Force. In practice, the Chief Constable delegates this statutory responsibility to his Professional Standards Department (PSD).
- 4. One of the PCC's 'holding to account' duties is to monitor the adequacy and effectiveness of the Force's handling of all complaints made against police officers, staff and the quality of service provided by the Force. To enable the PCC to discharge his statutory 'holding to account' obligations in relation to complaints made against the Force, the Chief Constable has a duty to ensure the PCC is kept informed of matters relating to the handling of complaints against TVP and any material issues arising from them. In addition to this duty, since the Policing and Crime Act 2017, which duly amended the Police Reform Act 2002, PCCs, have a duty to conduct reviews (formerly known as appeals). The Thames Valley PCC has opted for the minimum level of statutory responsibility, which is 'complaints model 1'. What this means is that the appropriate authority (PSD) retain control of making recording decisions and severity assessments on all complaints but where the relevant review body would have been PSD, it is now the OPCC. This provides for

greater independence and transparency. Consideration is however currently being given to a potential move to 'model 2' or 'model 3', with research being undertaken by the OPCC with regards to the benefits and drawbacks of each approach. It is expected that a decision report to upgrade to Model 2 or 3 is to be signed off shortly but at the time of writing, the decision paper is yet to be finalised. See Appendix B.

- 5. To help discharge their respective responsibilities, the PCC and Chief Constable have jointly established the Professional and Ethical Standards Panel (PESP). As of December 2023, the Panel comprised of 6 independent members of the public who were appointed following an open recruitment and selection process having had one member leave during the year.
- 6. As well as helping the Chief Constable to obtain independent assurance that he is discharging his respective complaints duties and responsibilities effectively, other functions of the Panel include monitoring the proportionality and consistency of decision making by the Force, as well as constructively challenging the way that the Chief Constable and the PCC handle professional and ethical issues. Full details of the remit of the Panel can be found in the Terms of Reference, which are attached at Appendix A.

Purpose of Report

- 7. The purpose of this Annual Assurance Report is to provide the PCC and Chief Constable with independent assurance as to the adequacy and effectiveness of the Force's arrangements for handling and dealing with complaints made against the Force and the appropriateness of the reviews being conducted by the OPCC. This report brings to the attention of the Chief Constable and the PCC whether the Panel has any collective views, concerns or recommendations, based on its independent assessment of the type and volume of complaints made against the Force. The report also details how any complaints concerning issues relating to policing integrity, ethics and professional standards were dealt with by the Force.
- 8. The report covers the period of PESP Meetings from January to December 2023. Meetings are held bi-monthly and in 2023 were held both remotely and in person on the following dates:
 - 1 February 2023
 - 5 April 2023
 - 7 June 2023
 - 9 August 2023
 - 11 October 2023
 - 15 December 2023

Panel Focus - Complaints and Reviews Handling

9. During every other meeting, the Panel review a random selection of closed complaint/misconduct files from PSD, usually based on a mutually agreed theme. The case files are made available before meetings for the Panel to scrutinise in

readiness to feedback comments at the Panel meeting and to address issues arising. Panel members also attend confidential PSD Tasking meetings where live cases are discussed.

- 10. Further to complaint files being scrutinised, the Panel also complete a dip-check of complaints in order to consider the proportionality of severity assessments undertaken by PSD. These files are selected by PSD based on themes requested by PESP. PESP have sight of these files in advance of the main meeting.
- 11. On a bi-annual basis the Panel also review a random selection of completed reviews from the OPCC. These files are selected by the OPCC. As with complaints files, the documentation is made available to Panel members prior to the meeting at which they are being discussed, so that they consider any elements of the review that they wish to challenge.
- 12. During the period January to December 2023, some of the Force-wide themes and cases reviewed at the Panel meetings were as follows:
 - Violence Against Women and Girls (VAWG).
 - Police Perpetrated Domestic Abuse (PPDA).
 - Sexual Misconduct.
 - Abuse of power/position or inappropriate comments amongst colleagues.
 - Occupational Health involvement where officers have drink/drug issues and how TVP deal with these issues.
 - Stop and Search.
 - Right care, right person.
 - MARLENE- a system that populates complaint data automatically.
 - Vetting requirements for all staff.
 - · Gross misconduct sanctions.
 - The Casey Review- police culture and standards of behaviour.
 - Op Vigilant- patrols during the night time economy to proactively prevent VAWG.
 - Op Reassure- to encourage an open and transparent attitude within TVP.
 - Analysing Key PSD Performance Data.
 - Victim Satisfaction.

Facial recognition.

BWV policy.

Panel Focus - PSD Complaints & Misconduct Performance Reporting and **Monitoring System**

13. At each meeting, the Panel receive a copy of the PSD performance monitoring report presenting data covering complaints and misconduct matters. The data is divided into two sections, namely 'Complaint Information' and 'Conduct Information'. Previously the Panel changed the frequency of data presented to make it more pertinent. Members of the panel also continue to offer advice and guidance to the PSD analytical team in their best use of available technology to improve performance reporting and data visualisation.

Matters of concern

- 14. Matters of concern and issues raised or noted by members during the year included:
 - Concern for public confidence if there are a large volume of complaints about a single officer.
 - How TVP deal with suspects who have mental health issues.
 - Impartiality of PSD dealing with PPDA matters.
 - Code of Ethics and culture within TVP.
 - Gender of Federation Representatives in sensitive cases.
 - Victim contact and requirements being fulfilled.
 - How TVP deal with collisions between emergency services, when both are responding to incidents on blue lights.
 - The backlog of digital forensic jobs and whether certain matters can be prioritised, noting the impact this has to both case progression and returning valuable items like mobile phones to victims.
 - Caseloads being given to larger geographical areas when the Force changes from having 11 Local Policing Areas (LPAs) to 5 Local Command Units (LCUs), and the necessity to ensure standards are maintained.
 - Officers not being encouraged to attend all burglaries.
 - Data collection/storage within business intelligence and evidential/intelligence requirements.
 - · Staff wellbeing.
 - Risk identified is the frequent disruption of staff turnover and general retention.
 This leads to backlogs and training demands / lack of specialist experience in PSD creating an ongoing risk to efficiency and effectiveness.

All of these concerns and issues were satisfactorily considered and explained either at the relevant meetings or 'action items' were tabled to address the concerns at future meetings, which are referenced below.

Panel Focus - Special Measures/Actions

- 15. As part of the meetings, all attendees are able to raise actions and the panel may make recommendations. Examples of actions that have been raised in 2023 are as follows.
 - TVP to confirm whose portfolio DBS checks sits under and report back to the Panel.
 - For consideration to be given on the use of MS Teams for meetings outside of the main PESP Meetings.
 - OPCC to discuss with TVP the potential of publishing PESP minutes with appropriate redactions for public interest and transparency.

- For the Panel to discuss what, how and why the notes from meetings should be published, with this being fed back to the OPCC.
- For TVP to establish whether links can be made between recruitment and Op Reassure. For example, whether there were links between young, inexperienced officers from the uplift programme that were leading to less than completely professional responses to delivery of Op Reassure and potentially to a lack of public confidence.
- For TVP to discover whether there is a plan for tracking actions identified at Force Performance and Service Improvement Review (SIR) meetings.
- For the Panel to make a recommendation to TVP that the governance around facial recognition needs to be considered, agreed and embedded at the earliest opportunity.
- For TVP to look at the impact on mental health statistics during Covid and lockdown and check whether online training relating to mental health is mandatory.
- For consideration to be given on good news stories being circulated to members of the public to assist in securing trust and confidence.

<u>Panel Focus – policies and practices concerning professional standards, integrity and ethics issues</u>

- 16. During the year the Panel requested presentations, reports and 'question and answer' sessions in the form of 'deep dive' exercises that provided the opportunity for members to hold to account the force on its performance, and reflect on professional standards, integrity and ethical issues and how well they are reflected in operational policing policies and practices.
- 17. Presentations received covered the following topics:
 - PSD Performance.
 - VAWG.
 - Op Reassure.
 - Digital Forensic Services.
 - Facial Recognition.
 - Impact of Mental Health incidents on Resourcing.
 - Response to Casey Review.
- 18. As part of their scrutiny of the Force, Panel members have also attended the below meetings and written reports to be passed to the rest of the Panel for potential discussion and any necessary follow up actions / recommendations for TVP / PSD, aligned to the terms of reference for the PESP:
 - 9 January VAWG board.
 - 18 January Tasking Meeting.
 - 8 February Operational Force Performance.
 - 8 February Organisational Force Performance.
 - 8 February VAWG Silver.
 - 23 February SIR- Repeat Demand.

- 28 February VAWG Silver.
- 1 March Tasking.
- 7 March VAWG Board.
- 7 March Ethics and Integrity Board.
- 25 April PSD Tasking.
- 27 April Operational Force Performance.
- 27 April Organisational Force Performance.
- 2 May VAWG Conference.
- 24 May SIR.
- 24 May PSD Tasking.
- 13 June Ethics and Integrity Board.
- 19 June VAWG Governance Board.
- 5 July PSD Performance and Tasking Meeting.
- 13 July SIR- Front line supervision.
- 20 July Force Briefing on Misconduct Process and Upcoming Cases of Local/National Significance.
- 26 July Operational Force Performance.
- 26 July Organisational Force Performance.
- 15 August Force Performance Group- Operational.
- 16 August PSD Tasking.
- 22 August SIR- Neighbourhood Crime.
- 5 September VAWG Strategic Board.
- 5 September Ethics and Integrity Board.
- 18 September Force Performance Group.
- 19 October Operational Force Performance.
- 19 October Force Performance Group.
- 8 November Tasking Meeting.
- 8 November Governance Meeting.
- 17 November Force Performance- Operational.
- 30 November SIR- Child Exploitation.
- 5 December VAWG Strategic Board.
- 5 December Ethics and Integrity Board.
- 14 December SIR- Welfare and Wellbeing.
- 18 December Force Performance Group- Operational.
- 20 December Tasking Meeting.

It was highlighted that Panel members are only in attendance at these meetings to observe and not contribute to the meeting. It was to be clarified what Panel members can and cannot receive in terms of police documentation. However, members of PESP may make informal contributions if they deem it of assistance and appropriate.

Positive Feedback

19. Whilst the PESP challenge the Chief Constable and PCC by providing constructive feedback and scrutiny, they also provide positive feedback where

they believe that the Force are doing something in an exemplary fashion. Some positive feedback that the Panel provided during 2023 meetings is as follows.

- The Panel applauded the 40% decrease in time taken to deal with complaints.
- PSD reports now contain more clarity so that Panel members can see the decisions made.
- It was noted that PSD timelines are good, considering the volume and complexity of complaints being received.
- The Panel highlighted that they recognise the sterling work being done by PSD.
- After the digital forensics presentation, the Panel said that TVP should feel confident in how the project was being progressed.

<u>Other Panel Business – General</u>

- 20. The OPCC confirmed that they would be conducting a scrutiny review, which would involve discussion with the Panel and other scrutiny groups, with recommendations being made by an independent facilitator.
- 21. The OPCC also advised that they would be recruiting a Trust and Confidence Support Officer to support all the joint Panels within Thames Valley. This role has been recruited and is due to commence on 1 March 2024.
- 22.TVP confirmed that 3 members of staff have been recruited by PSD at a DS and DC level to provide PSD with the support required in dealing with DA matters. Training will also be provided to staff as appropriate.
- 23. It was confirmed that DCC Ben Snuggs would be joining TVP on 6 April 2023 as Deputy Chief Constable who is the Force representative along with D/Chief/Supt Ailsa Kent from PSD.
- 24.PSD confirmed that DCI John Batty would be transferring to another department within TVP and that his replacement would be DCI Aiden Donohoe.
- 25. Former Panel member John Barlow's last meeting was on 9 August 2023 and both TVP and the OPCC would like to thank him for his many years of service.

Conclusions

i) The Panel's purpose is to monitor and, where necessary, challenge the way complaints against TVP police officers and staff are handled by the Force, and how the adequacy and effectiveness of these arrangements and outcomes are overseen by the Chief Constable and PCC. In addition, the work of the Panel includes the review and challenge of associated ethics and professional standards issues.

- ii) Constructive challenges over the past twelve months on a wide range of topics have given the Panel a greater insight to the types of complaints and conduct issues faced by the Force and how they are addressed and responded to. It remains of the utmost importance that the public can have complete trust and confidence in the integrity, professionalism and service of their local police.
- iii) In receiving this insight, however, the Panel continues to appreciate the various external challenges faced by the Force, and the instrumental role played by the PSD. The role of PSD entails ensuring complaints are handled and investigated in a consistent, transparent and fair manner, and identifying police officers and staff who do not reflect the values, ethics and professional standards expected by Thames Valley Police and the communities it serves. Where appropriate, they are held to account for their shortcomings in accordance with law and disciplinary regulations. The Panel also recognised the importance of 'best practice' and the way PSD seeks this out and implements it across the Force.
- iv) The Panel continues to feel that the positive relationship and degree of trust that has developed with the Chief Constable, the PCC and senior staff has enabled the members to contribute constructively and objectively to Force performance in two main ways. Firstly, the ongoing monitoring of the adequacy and effectiveness of the arrangements for handling complaints, together with the testing of operational policies and practices and from an external, independent, professional standards, integrity and ethics viewpoint.

Positive Impact Statement

The panel has struggled with decreasing numbers, resulting in an additional workload for the remaining members. Despite this, they have attended all requested meetings and have delivered as per their terms of reference. Whilst sometimes critical of TVP, that criticism has been well received and has often resulted in beneficial changes being made. Further to this, the panel have not been shy in praising TVP where praise is due. Panel members have a broad belief that they are doing a good job of representing the public and holding TVP to account.

Assurance Statement

In summary, based on the information and knowledge that the Panel have gathered collectively or know about individually, the Panel can provide an assurance to the PCC and Chief Constable that the complaints handling and management arrangements in place within Thames Valley Police are operating satisfactorily with an improved efficiency, and effectively within the limits of the resources at their disposal.

Panel members:

Mark Harris (Chair)
Michael O'Connell (Vice Chair)
Umar Butt
Joanna Patil
Verity Murricane
Steve Buckeridge

Professional and Ethical Standards Panel

Date 23.02.24

Signed by Mark Harris Chair

Appendix A

PROFESSIONAL & ETHICAL STANDARDS PANEL TERMS OF REFERENCE

Purpose

Policing in this country is by consent of the public. Police integrity is critical if the public are to trust the police to use their powers wisely and fairly.

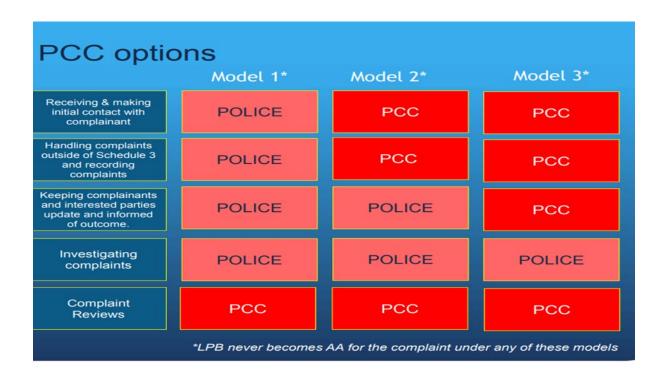
The Professional & Ethical Standards Panel (the Panel) has been jointly commissioned by the Chief Constable and the Police and Crime Commissioner (PCC). The purpose of the panel is to provide a transparent forum that encourages constructive challenge over the way complaints against police officers and staff and professional and ethical standards issues are handled by Thames Valley Police and overseen by the Chief Constable and the PCC.

This will help to ensure that Thames Valley Police has clear ethical standards and achieves the highest levels of integrity and service delivery.

Terms of Reference

- To regularly review a selection of complaints files so that the panel can satisfy itself that the Force's working policies and procedures for handling and resolving complaints made against police officers and staff comply with current legislation, regulation and statutory guidance.
- 2. To use performance data regarding complaints to ensure that the Force has an effective complaints reporting and monitoring system in place and is identifying and learning from any recurring patterns or themes.
- 3. To review the progress of live complaint cases or misconduct investigations, including appeals, which cause or are likely to cause particular community concern.
- 4. In undertaking terms (1) to (3), to continually monitor the proportionality and consistency of decision making, and raise any concern with respect to the occurrence of, or potential for, apparent bias or discrimination against minority groups as appropriate.
- 5. To review areas relating to professional and ethical standards and to make appropriate recommendations.
- 6. To consider specific matters referred to the Panel by either the Chief Constable or the PCC and to make recommendations.
- 7. To report, on an annual basis, the summary findings, conclusions and recommendations of the Panel to the Chief Constable and the PCC.
- 8. To consider within one month any allegation of misconduct or proposal for dismissal made against the Chief Executive and/or the Chief Finance Officer of the Office of the PCC, and recommend to the PCC whether it should be further investigated or progressed.
- 9. At all times, to maintain confidentiality with respect to the matters and information to which the panel have access.

Appendix B



OPCC Strategic Risk Register - Summary



Ref	Title	Description	Impact	Likelihood	Score (I x L)	Trend/Prev	
1	Collaboration	Interforce collaborations become ineffective in delivering PCC outcomes	4	2	8	8	
2	Legally Qualified Chairs	Inability to hold misconduct hearings due to no Legally Qualified Chairs (LQCs) available	Closed				
3	PCC Unavailable	Absence of PCC meaning critical decisions cannot be taken	4	1	4	→ 4	
4	Victims Model	Delays in the project to move to an automatic referral of victims from TVP to the Victims First Hub	3	2	6	→ 6	
5	Grant Management	Delivery failure of externally funded grants			Closed		
6	Violence Reduction Unit	Failure to meet Home Office funded requirements for Violence Reduction Partnerships	2	1	2	4	
7	Commissioning services & monitoring performance	Not effectively spending public funds	2	2	4	→ 4	
8	New Strategic Plan	Unable to respond effectively to deliver a new PCC strategic plan post-election	3	2	6	→ 6	

				Impact	
Ris	Risk Heat Map		2 Moderate	3 Major	4 Critical
	4 Probable				
pood	3 Likely				
Likelihood	2 Possible		(7) >	(4) (8)	(1>)
	1 Unlikely		6		(3 >

Ref	Title	Description	Impact	Likelihood	Score (I x L)	Trend/Prev	
1	Collaboration	Interforce collaborations become ineffective in delivering PCC outcomes	4	2	8	→ 8	POLICE & CRIME CO-enterior LE To-other to ULTY

A number of collaborations with other forces are used to deliver operational services efficiently

Potential Consequences

If collaborations were to become ineffective, then friction could be inserted into decision-making with loss of value from the collaboration and risk to service delivery. Loss of service within collaboration could have a significant and critical impact on a number of Force operational areas thus making it impossible to deliver the PCC strategic plan e.g. Roads policing, IT, Firearms,

 Mitigations in place
 Owner

 Strong regional relationship between PCCs / CCs - quarterly regional meetings provide effective forum
 MB/GO

 Section 22 Agreements provide legal basis
 GO

 Joint governance arrangements including major projects protocol
 GO

 A scrutiny review is underway, which will include considerations for improved scrutiny around collaborations
 GO/ VW

Actions unde	erway			
Date Added	Action Description	Action Update	Target Date	Owner
Feb-23	Review of external governance / assurance is planned over the coming months which will incorporate the joint governance meetings	The scope of the review is currently being developed by Vicki Waskett and will be available during March 23. This will set out the full timescales for the review which will aim to have the final report from the external facilitator in November for a workshop with stakeholders	Apr-24	GO/ VW
Feb-23	Increase risk score	Decision taken to increase risk score as underscored in initial assessment. Rationale linked to delivery of 101 function being collaborated,	Complete	GO
May-23	Review Section 22 agreements	Various Section 22 agreements have been reviewed and will continue to be on an ongoing basis as they arise	Ongoing	vw
Nov-23	Joint collaboration of CM delivery under review in Hampshire	Liaising with CEO from Hampshire to understand outcome of review and understand the impact	Ongoing	GO
Feb-24	Review of scrutiny of JOU arrangements with Hampshire PCC and COS	Meeting planned for TVP and Hants PCCs and COS's to discuss the scrutiny arrangements and their effectiveness. Depending on the outcomes of this and the CM delivery review the risk status may reduce	Feb-24	GO

Ref	Title	Description	Impact	Likelihood	Score (I x L)	Trend/Prev	
2	Legally Qualified Chairs	Inability to hold misconduct hearings due to no Legally Qualified Chairs (LQCs) available				Closed	POLICE & CRIME COMMISSIONER INAMES VOLLEY

Potential Consequences

Whist newly appointed Legally Qualified Chairs are awaiting final vetting clearance and the potential refusal of some LQCs to sit - Police officers may be suspended for long periods of time - financial cost, loss of service from officers found to have no case to answer.

Reputational damage and loss of public confidence.

Mitigations in place	Owner
The PCC provides an indemnity to LQCs	VW
Four emergency LQCs have been appointed to SE region	VW
Seven of the 19 LQCs on the TV list are still willing to sit, so panels are continuing but with reduced capacity.	VW
Dozen LQCs awaiting vetting clearance and training sign-off - potential issues with the availability of training from the national body being the NALQC	vw
Enquiries with Home Office, APCC, APACE and NALQC as to impact of findings of Review with enquiries with NALQC and APCC Engagement with LQCs as to availability together	GO/VW
9 LQCs have cleared vetting and will join the south-east area list by the end of 2023, with a 4 year-tenure (pending Home office outcome of the Dismissal Review). Existing LQCs can now extend beyond the previous 8 year limit.	vw

Actions underway

Action Description	Action Update	Target Date	Owner
Recruit new LQCs in SE Area.	12 new LQC's have been appointed and vetting is awaited. Two training sessions in June have successfully taken place.	Jun-23	vw
Review emerging national decisions and updates on LQCs	No judicial immunity has been granted.	unclear	VW
Initial findings of Dismissal Review change role of LQCs	Engagement with LQCs as whether they wish to continue to sit on misconduct hearings	Oct-23	VW
Enquiries to be made with NALQC as to final training sign off and vetting to be confirmed	Final training sign off and vetting	Oct-23	VW
Recruitment of LQCs completed	Risk Closed	Feb-24	VW
	Recruit new LQCs in SE Area. Review emerging national decisions and updates on LQCs Initial findings of Dismissal Review change role of LQCs Enquiries to be made with NALQC as to final training sign off and vetting to be confirmed	Recruit new LQCs in SE Area. Review emerging national decisions and updates on LQCs Initial findings of Dismissal Review change role of LQCs Enquiries to be made with NALQC as to final training sign off and vetting to be confirmed 12 new LQC's have been appointed and vetting is awaited. Two training sessions in June have successfully taken place. No judicial immunity has been granted. Engagement with LQCs as whether they wish to continue to sit on misconduct hearings Final training sign off and vetting	Recruit new LQCs in SE Area. Review emerging national decisions and updates on LQCs Initial findings of Dismissal Review change role of LQCs Enquiries to be made with NALQC as to final training sign off and vetting to be confirmed 12 new LQC's have been appointed and vetting is awaited. Two training sessions in June have successfully taken place. No judicial immunity has been granted. Engagement with LQCs as whether they wish to continue to sit on misconduct hearings Oct-23 Final training sign off and vetting Oct-23

Ref	Title	Description	Impact	Likelihood	Score (I x L)	Trend/Prev	
3	PCC Unavailable	Absence of PCC meaning critical decisions cannot be taken	4	1	4	→ 4	POLICE & CRIME IMPRIATE INCOME.

There is no Deputy PCC to provide seamless cover in the event of, for example, illness to the PCC.

Potential Consequences

Decisions and approvals not taken resulting in financial loss, and operational difficulties

Significant reputational damage to the OPCC and TVP

Mitigations in place	Owner
Process which would be followed to appoint deputy (if required) has been presented to Police & Crime Panel	MB
Schemes of delegation are in place and were reviewed comprehensively in 22/23, with ongoing review through the year	GO/MT/VW

Actions unde	Actions underway							
Date Added	Action Description	Action Update	Target Date	Owner				
Nov-22	Create Contingency plans		Mar-23	GO				
May-23	Regular GAG review dates throughout the year to be booked into diaries	Additional meetings are in the diaries to take place throughout the year to continue to monitor progress.	Мау-23	vw				
	_							

Ref	Title	Description	Impact	Likelihood	Score (I x L)	Trend/Prev	1
4	Victims Model	Delays in the project to move to an automatic referral of victims from TVP to the Victims First Hub	3	2	6	→ 6	POLICE & CRIME COMMISSIONER TI IMMES SPALLY

The decision has been taken to move the Victims service model to an automatic referral of victims from TVP to the Victims First Hub. This is to ensure that all victims of crime across the Thames Valley can be offered support, thus improving the service to victims and to align with national standards. This move will see a significant increase in referrals into the Victims First Hub. To support this, a new IT system will be implemented, and there will be a review of workforce requirements. There are co-dependencies with 101 service changes.

Potential Consequences

Reduction in quality and availability of victim support services as a result of system change.

Unexpected costs to mitigate inability to meet demand

Mitigations in place	Owner
Victim service contract has been extended from Mar-23 to Mar-24 to allow for robust recommissioning	HW
Project plan, risk logs, procurement documentation to support management	HW

Actions unde	erway			
Date Added	Action Description	Action Update	Target Date	Owner
Nov-22	Set up project board to oversee project	Project Board up and running with 4 meetings held so far.	Mar-23	GO/HW
Nov-22	Recruit temporary project support post	A victims delivery officer now in post and providing PM support for the project	Feb-23	HW
Feb-23	Data modelling and engagement with victims and partners and providers underway to help shape and co-produce the new model.	A range of engagement sessions were held with victims, providers and partners in March and April this year to support the design of the new service model. The Tender for the new contracts went live in August and due to close at the end of September with new contract awarding in early December ready for contract mobilisation from Jan with new service delivery from the 1st of April 24.	Apr-23	нw
May-23	External HR advice has been sort to support the transformation of the Victims First Hub	A Transformation Manager for the Victims First Hub is in post and is working closely with HR in regards to the staffing restructure within the Hub. Three new Victims First Officers have recently been recruited to meet the increased demand in referral numbers into the Hub following the move to automatic referral of victims by TVP that will be taking place later in 2024.	Apr-24	HW
Jun-23	Procure a new Case Management System for the Victims First Hub that has the ability to meet the expected increase in demand	A new Case Management system was procured in June with functionality that will automate functions that are currently being undertaken manually. Thus increasing capacity within the Victims First Hub. The system is currently in implementation and testing stage and will be operational in advance of new services starting on the 1st April 2024.	Mar-24	HW
Nov-23	New Victims Services have been procured that have been designed to provide meet the increased in demand and offer high quality evidence based interventions to help victims recover and build resilience.	Mobilisation of new Victim Service is underway with all services on track to start service delivery from the 1st April 2024	Apr-24	HW

Ref	Title	Description	Impact	Likelihood	Score (I x L)	Trend/Prev	
5	Grant Management	Delivery failure of externally funded grants	2	2	4	Closed	POLICE & CRIME COMMISSIONER THA MES VALLEY

The OPCC has been very successful in winning new grants from funders. This puts more pressure on staff and processes for ensuring timely spend of grants, effective use of funds and compliant reporting. While pressure has grown in the last 6 months, the risk has been reviewed in the interim and remains within band 2. This narrower action will now be closed and subsumed into the wider Risk 7 Commissioning.

Potential Consequences

Reputational damage with key funders Loss of future funding

Unplanned cost to mitigate failures

Mitigations in place	Owner
SMG review of grant opportunities for alignment with PCC strategic priorities and capacity to deliver effectively	MB/GO
New software (SUMS) in place to monitor Victims Grants	HW
Quarterly budget monitoring in place for 2023/24	MT
Community Safety Fund internal audit complete and actions being managed through internal audit process	GO/MT/RB

Actions underway								
Date Added	Action Description	Action Update	Target Date	Owner				
May-23	Review grant bidding and management processes	See Risk 7 for actions	Oct-23	MT				
May-23	Ensure DRIVE project (significant new award from Home Office) is procured and initiated effectively	Working group handed over set up phase to BAU within TVP and OPCC as planned	Completed Sep-23	MT/RB				
Nov-23	Action closed and incorporated into Risk number 7	Action closed due to duplication with action 7 - please see updates there	Completed Nov-23	MT				

Ref	Title	Description	Impact	Likelihood	Score (I x L)	Trend/Prev	>
6	Violence Reduction Unit	Failure to meet Home Office funded requirements for Violence Reduction Partnerships	2	1	2	4	POLICE & CRIME COMMISSIONER THAMES VALLEY

The VRU will be hosted by the Office of the Police and Crime Commissioner in the future following the current directors retirement. During the transition there is a need to ensure Home Office requirements continue to be achieved whilst mapping out the future for the VRU. Home Office funding will reduce between 2023 -2025 leading to a need to develop a violence reduction partnership approach to embed initiatives as business as usual

Potential Consequences

Reputational damage with key funders and stakeholders

Loss of future funding during 2023-2025

Fail to deliver interventions that support the outcomes required in violence reduction

Mitigations in place	Owner
Transition meeting being held to baseline current activities, financial arrangements and core function - COMPLETE	JB
Meetings being held with stakeholders to consult on transition plans along with introductions to Home Office funders - COMPLETE	JB
Recruitment of new Head of Violence Reduction Unit in progress - COMPLETE	JB

Actions unde	Actions underway								
Date Added	Action Description	Action Update	Target Date	Owner					
Jan-23	Initial actions for transition plan developed	to be in post by 24th July 23 A meeting has been held with the network leads to explore next steps in the transition	Complete	GO/ CR					
May-23	Workshop being held to explore TVT data issues	ACC Bunt is leading on this piece of work and a meeting is being planned between GO and ACC Bunt to discuss concerns	Complete	GO					

Sep-23	Meetings with all key stakeholders, including early discussions on rebrand to VR partnership	Meetings held with key stakeholders Aug-Sept 23 to discuss future operating plans.	Complete	JB
Oct-23	Warming stakeholders up to commissioning or co-commissioning in future years	Conversations started and ongoing with BOB ICB, MK DCS, TVP, etc. New product at Jan 24 Strategy Board distributed to update on evaluation progress so far	Until March 2025	JB
Nov-23	Rebrand with emphasis on partnership & prevention	Rebrand survey went out for consultation. Rebrand work now in progress	Apr-24	JB
Nov-23	Renewed focus on core principles, streamlining work and redefining the operating model	New operating model and reporting structure went live Nov 23. Operating model will be refreshed again as part of VRU rebrand, will be completed April 2024	Nov-23	JB
Nov-23	Reduce staffing costs	One consultant let go. Two consultants reduced to 3 days a week (Dec & April). Police officers moving on are not replaced. 2 further members of staff to leave end March 2024.	Until March 2025	JB
Sep-23	Fortnightly check-ins between Head of VRU and Home Office SPOC	Ongoing and minutes taken each meeting.	Until March 2025	JB

Ref	Title	Description	Impact	Likelihood	Score (I x L)	Trend/Prev	
7	Commissioning services & monitoring performance	Not effectively spending public funds	2	2	4	→ 4	POLICE & CRIME COMMISSIONER THAMES VALLEY

The OPCC has been very successful in winning new grants from funders, and increasing use of the Crime Prevention Fund. This puts more pressure on staff and processes for ensuring timely spend of grants, effective use of funds and compliant reporting. A recent internal audit into the community safety fund provided limited and reasonable assurances in relation to commissioning and monitoring.

Potential Consequences

Reputational damage with key funders and stakeholders

Loss of future funding during 2023-2025

Commissioned services fail to deliver due to lack of robust monitoring

Benefits from commissioned services not delivered

Mitigations in place	Owner
SMG review of grant opportunities for alignment with PCC strategic priorities and capacity to deliver effectively	MB/GO
Quarterly budget monitoring in place for 2023/24	MT
Community Safety Fund internal audit complete and actions being managed through internal audit process	GO/MT/RB
New software (SUMS) in place to monitor Victims Grants	HW

Actions underway							
Date Added	Action Description	Action Update	Target Date	Owner			
Jun-23	Recruit new Programme Manager	In post from March	Mar-24	MT			
Jun-23	Review Grant Monitoring Processes	Embedding improvements to grant monitoring process with improved approach to be fully in place for 24/25	Apr-24	MT			
Jun-23	Review Commissioning processes	Draft commissioning strategy has been developed, and Programme Manager to finalise once in post from March 2024	Aug-24	МТ			

Ref	Title Description		Impact	Likelihood	Score (I x L)	Trend/Prev
0	New Strategic	Unable to respond effectively to deliver a new	2	2	C	
٥	Plan	PCC strategic plan post-election	3	Z	D	7 0



With a PCC election immanent the OPCC need to be able to respond swiftly to changes being made to the PCC's strategic plan.

Potential Consequences

Significant reputational damage to the OPCC and TVP

Failure to deliver what the PCC has been elected to deliver

Loss of the PCC's confidence in the OPCC's abilities to deliver due to lack of forward thinking and resourcing plans

Mitigations in place	Owner
Draft restructure plan ready to deliver to the PCC in week 1	GO
Preparatory work in advance of election to understand PCC candidates manifestos	GO
Meeting with PCC electoral candidates in advance of the election to brief them on the OPCC vision and mission	GO
Process review: each dept has ongoing plan for continuous improvement of processes, with regular review at SMG	MT

Actions underway							
Date Added	Action Description	Action Update	Target Date	Owner			
Nov-23	Development of a draft OPCC structure	Informal workshops in place to consult OPCC staff on potential changes to the OPCC structure to ensure fit for purpose	Jan-24	GO			
Nov-23	Review of values and behaviours across the OPCC	Work with OPCC staff to identify the values and behaviours that underpin the ability to deliver the PCC's strategic plan	Mar-24	GO			





Introduction

This report produced by the Strategic Governance Unit (SGU) aims to inform CCMT, and then JIAC, of matters of importance with regard to Risk Management, Health & Safety, and Business Continuity. The central Health & Safety function moved from People Directorate to the SGU in August 2022. Since then, both the team, the functional approach, and the governance framework for Health & Safety have been developing. In particular, a Health & Safety Governance Board has been established and operative, chaired by the Head of Governance & Service Improvement.

It has been agreed to include a Health & Safety section in this report for the first time to provide key points for collective Chief Officer oversight.

This report further provides the information necessary for the Joint Independent Audit Committee (JIAC) to fulfil its function effectively. JIAC members are also welcome to review both the Force and local risk registers, or specific risk entries, by arrangement with the SGU team, who will arrange access to the live documents at Force headquarters.

Risk Management, Health & Safety, and Business Continuity Introduction

Effective risk management and business continuity management are parts of the foundations of good governance. A sound understanding of risks and their management is essential if Thames Valley Police (TVP) is to achieve its objectives, use resources effectively, and identify and exploit new business opportunities. Such risks include risks to the interruption of business continuity. Consequently, in common with all significant public and private sector bodies, the Force has established frameworks for ensuring that areas of risk and business continuity are identified and managed appropriately across its activities.

TVP's Risk Management approach derives from the principles and guidelines set out in ISO31000:2018 (Risk Management) and the National Decision Model. The key TVP governance documents are: Risk Management Strategy & Framework (July 2023); and Risk Management Policy (July 2023).

TVP's Business Continuity Management approach derives from the principles and guidelines set out in ISO22301:2019 (Security and Resilience – Business Continuity Management) and the National Decision Model. The key TVP governance documents are: Business Continuity Management Strategy & Framework (July 2023); and Business Continuity Management Policy (July 2023).

The effective identification and management of health and safety related risks is vital to everyone working for TVP. In addition, there are relevant legal and regulatory obligations that the Force must comply with. The central Health & Safety function serves to help identify and assess risks, advise and





support the business in implementing risk mitigations and dealing with issues that may arise from time to time, and performing assurance activities to check for compliance. Oversight of Health & Safety performance, risk management, and the Health & Safety function is exercised through the Health & Safety Governance Board.

The Risk Management, Health & Safety, and Business Continuity central functions within SGU form part of the Deputy Chief Constable's portfolio.

Ongoing scanning by SGU, including reviews of departmental and operational risk registers, enables the identification of strategic risks that are then assessed and scored with relevant business leads. The product of this process, including recommended actions, is presented to the CCMT Force Risk Management Group (FRMG). The FRMG considers and makes corporate decisions in relation to those risks and recommendations. Strategic risks can be either longer-term, fundamental risks of strategic importance or shorter-term, operational risks that have a very substantial impact or likelihood. In some instances, strategic risks may have crystallised and become issues.

Risk Assessment Strategic Context

The general strategic context is much the same as reported previously in several respects, but there are increasing global tensions that are slowing down the ability of major economies (including the UK) to recover from their recent difficulties (inflation, cost of living, interest rates, supply chains):

- There are still no signs that the prolonged Russia-Ukraine conflict will end
- In our previous report, we noted the political and military issues that were building up in Gaza as a consequence of an unprecedented attack by Hamas on Israel on 7 October 2023. The situation has worsened and attempts to mediate have so far proven fruitless. Other parties have initiated actions, most notably the Houthi (based in Yemen) who have disrupted shipping through the Red Sea en route to the Suez Canal. As a consequence, some ships are now travelling around the Cape of good Hope to reach European destinations, which is adding delays and additional costs to the transportation of goods.
- The National Grid has so far had sufficient fuel supplies to meet the UK's electricity generation needs without rationing. The winter period is not yet over, but risk assessment and response planning work undertaken last year is expected to remain valid and we remain alert to further national work as was completed last year for Programme Yarrow
- Adverse global weather patterns in Scotland and the North of England have been of particular concern over the past few months. The Thames Valley area has been largely unaffected.





- The Prime Minister is expected to call for a General Election in the Autumn. At this time, we consider that a polling date in October or November 2024 is most likely. Not unsurprisingly, politicians and the media are devoting increasing air time to assessing the strengths, weaknesses and policies of the major political parties. For noting, the next election for US President is also being held in the Autumn (November).
- On the UK political front, there is continuation of points referred to our previous report exacerbating problems associated with migrants crossing the Channel and seeking refuge in England, and international tensions, particularly in respect of Russia and China.
- The UK environment generally continues to be dominated by the cost of living crisis, higher than desired inflation, pressures on wage increase, and Bank of England attempts to control inflation through interest rates. Consumer price inflation decreased to 4.2% in November and December 2023 (we last reported the rate as 6.7% in August and September) still much higher than the 2% target. The UK Bank Base Rate increased to 5.25% in August and has remained unchanged since then. At this time, commentators generally do not anticipate the rate to reduce until at least the summer this year and suggest that the UK may need to keep the rate at 4% or higher for several years to come. Industrial action from members of various public sector and other bodies has continued and further action is in prospect for the coming months (for example with rail trade union bodies) in the main, such action within the Thames Valley has not posed unmanageable demands on the Force.
- The UK policing environment continues to be challenging in the light of numerous reported systemic failings and conduct issues at the Metropolitan Police and elsewhere, leading to a weakening of public trust and confidence. The Government/Home Office continue to work on changes to policies and standards aimed at raising standards and increased powers to act on non-compliance.
- In our previous report, we noted media attention that had been drawn to the presence and safety concerns of Reinforced Autoclaved Aerated Concrete (RAAC). TVP appointed external structural engineers 'Structural & Building Design Consultants Ltd' (SBDC) to identify and report on the presence of RAAC within the estate. The estate was screened to prioritise/survey all properties constructed between 1945 and 2000 and this resulted in a total of 118 buildings being surveyed. In addition, TVP have one property managed under a PFI contract, and assurance has been received from the PFI provider that RAAC is not present at this site. SBDC were formally commissioned in September 2023 and initial surveys were undertaken over the period September 15th to November 9th. As at 26 January 2024, three small properties remained to be inspected and these were to be completed by the end of January 2024; however, none of these was considered likely to contain RAAC. The survey process has identified only one building where RAAC is present part of Reading police station. This single issue is covered later in the Business Continuity and Health & Safety sections of this report. As a consequence, we do not propose a new Strategic Issue or Strategic Risk as the matter is now limited in impact an can be managed effectively at departmental level.





Risk Heat Map

Ihis	is map identifies the current strategic risks, and maps them in terms of priority based on current risk scores.						
Key	: No d	change to risk score	Risk score has increased	Risk score has d	lecreased new ri	sk	
				Imp	act		
			1 Minimum	2 Moderate	3 Major	4 Critical	
		4 Probable			←113→ ←74→ ←8	95	
pood	Likelihood	3 Likely		← 116 →	← 110→ ←98→ ←69→	←109→ ←111→ ←103→ ←97a→	
	Like	2 Possible		120 +97b + 107 107 122 + 114 + 107	← 121→ 110	(108 → (118 →	
		1 Unlikely	< - 115→				





Overview of Strategic Risks and Issues

Following comments made at previous CCMT/JIAC meetings, an attempt has been made to distinguish issues from risks within this report. A **risk** is something <u>may</u> happen (e.g. inability to meet a particular outcome, a regulatory requirement, or a performance standard) whereas an **issue** is something that <u>has already happened</u>. Risks have both an Impact score and a Likelihood score, whereas Issues just have an Impact score; the same Impact scoring basis has been applied, for consistency.

The tables below shows the direction of travel of each risk/issue score and the current risk/issue management status as considered by risk/issue owners and to be reviewed and agreed by the FRMG.

Issue	Impact Score	Trend	Issue Owner	Date raised
SI 1 – ESMCP (Emergency Services Mobile Communications Programme)	4		ACC France / ACO Waters	Feb 2023 (original Strategic Risk Aug 2019)
SI 2 – Disclosure	3	\Leftrightarrow	ACC Barrow-Grint	April 2023 (original Strategic Risk July 2021)
SI 5 – Court adjournments	3		ACC Barrow-Grint	November 2023
SI 6 – Contact Management resources	3	new	ACC France	February 2024
SI 3 – Transport	2.5		ACC Murray	September 2023
SI 4 - 224 vacancies over ability to fill	2		ACC Murray	September 2023





Risk	Previous Risk Score (I x L)	Current Risk Score (I x L)	Trend	Risk Owner	Date raised	Current Risk Action
SR 95 - MASH backlog	16 (4x4)	16 (4x4)		ACC Barrow-Grint	Aug 2020	TREAT
SR 86 – Attrition	14 (3.5x4)	14 (3.5x4)		ACO Kirby	Oct 2017	TREAT
SR 113 – Adequacy of Police Support Carrier Fleet	12 (3x4)	12 (3x4)		ACC France	May 2023	TREAT
SR 97a – Missing	12 (3x4)	12 (3x4)		ACC Barrow-Grint	Nov 2020	TREAT
SR 74 - Recruitment	12 (3x4)	12 (3x4)		ACO Kirby	Oct 2017	TREAT
SR 111 - Custody premises projects	12 (4x3)	12 (4x3)		DCC Snuggs	Sep 2022	TREAT
SR 109 – Neighbourhood Policing Resilience	12 (4x3)	12 (4x3)		ACC Bunt	May 2022	TREAT
SR 108 – Medium-to-Longer Term Uplift Targets	10 (4x2.5)	10 (4x2.5)		ACO Kirby	May 2022	TREAT
SR 69 - Funding	9 (3x3)	9 (3x3)		ACO Waters	Jan 2015	TREAT
SR 98 - Custody	9 (3x3)	9 (3x3)		D/Supt. Kirby	Feb 2021	TREAT
SR 118 – Forensic Accreditation	8 (4x2)	8 (4x2)		ACC Barrow-Grint	Sept 2023	TREAT
SR110 - Overwhelming Demand	12 (4x3)	6 (3x2)	1	DCC Snuggs	May 2022	TREAT
SR 121 – Switching Off of the PSTN	6 (2x3)	6 (3x2)		ACO Lattanzio	Nov 2023	TREAT
SR 116 - IPCO	6 (2x3)	6 (2x3)		ACO Lattanzio	Sept 2023	TREAT
SR 107 – Contractor tax compliance	8	4	Ţ	ACO Waters/	Feb 2022	TREAT





Risk	Previous Risk Score (I x L)	Current Risk Score (I x L)	Trend	Risk Owner	Date raised	Current Risk Action
	(4x2)	(2x2)		ACO Kirby		
SR 120 – Operation Safeguard	6 (2x3)	4 (2x2)	1	ACC Barrow-Grint	Nov 2023	TREAT
SR 119 – Business Objects	4 (2x2)	4 (2x2)		DCC Snuggs	Sept 2023	TREAT
SR 97b – Exploitation	4 (2x2)	4 (2x2)		ACC Barrow-Grint	Nov 2020	TREAT
SR 114 – Data Loss	4 (2x2)	4 (2x2)		ACO Lattanzio	May 2023	TREAT
SR 122 – Organisational Policies		4 (2x2)		DCC Snuggs	Feb 2024	TREAT
SR 115 – Data Integrity	1 (1x1)	1 (1x1)		ACO Lattanzio	May 2023	TOLERATE

Strategic Risk Summary

This report contains updates for the period 1 October – 31 December 2023, the nearest month-end to the quarterly February CCMT meeting for which most of the underlying data is available. The report reflects the statistical and narrative information available at the December month-end (or later in January for some of the Strategic Risks and Issues). Additional, more recent, matters requiring CCMT input have been included. All supporting documents can be made available. Scoring of a strategic risk or issue is based on the 4x4 matrix (see Appendix), and the direction of travel and the risk scores from the last reporting period are included to provide an indication of the magnitude and direction of any change. Risks/issues have been scored with input from the nominated risk/issue owners, or risk/issue leads where this responsibility has been delegated, with input from the SGU risk lead.

At its meeting on 8 February 2024, CCMT considered proposals from the business to add one new Strategic Risk and one new Strategic Issue to the Strategic Risk Register (SR 122 – Out of Date Policies, and SI 6 – Contact Management Staffing). It was decided to add these to the Strategic Risk Register.





Areas to note for risks and issues

The table below provides summary updates provided on strategic risks and issues covered in this report. Detailed descriptions for all risks and issues are provided in a separate document.

Risk/Issue	Previous risk/issue score	Current risk/issue score	Risk Owner / Lead	Latest Status Update
SR 69 - Funding	9 (3x3)	9 (3x3)	ACO Waters	The budget for 2024/25 was agreed by the PCC with the maximum permissible council tax uplift of £13. This has placed the force in a good position with an additional 158 additional PUP officers assumed and a number of priority initiatives receiving investment funding. The budget settlement has positioned the force for future delivery and performance but to do this has utilised a significant amount of our reserves, removing flexibility in the future.
				The most significant financial risk facing the force for the financial year 2024/25 is the pay award. 2.5% has been budgeted for in line with the government funding settlement. Any increase above this 2.5% not funded by additional grant by the HO, will cost the force an additional £3.8m in a full year for every 1% increase.
				Other inflationary and supply risks still remain due to the world economic position.
				Future Investment Requirements
				Our infrastructure requires significant investment. The delivery of our Strategic Estates Strategy requires a substantial financial investment and will require significant additional borrowing and hence increased interest payments. Work to establish the affordability and vfm of the Strategic Estates strategy is required. Alongside this we are experiencing significant





Risk/Issue	Previous risk/issue score	Current risk/issue score	Risk Owner / Lead	Latest Status Update
				increases in the cost of vehicles and in particular the transition to an EV fleet. Although the transition from ICE (Internal Combustion Engine) to EVs will take a number of years, we need to start investing in the charging infrastructure now.
				In addition to the already identified a requirement for £20m of savings over the period $2023/24 - 2025/26$ to balance our MTFP, considering the annual identification of new demands and the utilisation of our reserves, we have now added an initial additional requirement of £2m p.a. purely to meet new and changing demands. This is about reallocation of our existing resources accepting that our priorities will change and whereas we may have to increase resources in a specific are to respond to a specific issue this intensification of resources doesn't always need to be permanent. There is a direct relationship between the delivery of savings and the ability to invest in our infrastructure and our service delivery.
				Serious deficits in the national finances, potential changes in government raises doubts about the level of grant we can expect to receive to meet our future requirements.
SI 5 – Court adjournments	3	3	ACC Barrow-Grint	The Gold CJ Court Issues group has oversight of this area. TVP has continued to have regular meetings at senior level with the CPS and courts to consider listings, priorities and the impact of delays. While improvements in the Thames Valley are being made, the picture as far as when backlogs will stop increasing and reduce remains unclear.





Risk/Issue	Previous risk/issue score	Current risk/issue score	Risk Owner / Lead	Latest Status Update
SR74 - Recruitment	12 (3x4)	12 (3x4)	ACO Kirby	The Force continues to experience recruitment challenges in a tough market, particularly for staff officers. For noting, a separate proposed Strategic Issue has been prepared in respect of Contact Management.
				Vetting capacity has increased to mitigate a continuing constraint to getting recruits cleared and commencing work.
				The People Directorate continues to review and suggest enhancements to the force's approach to police staff recruitment, reward and conditions with a view to identifying changes that will improve attraction to the force.
				A particular challenge is that recruits often have less experience than the individuals they are replacing, so allowance must be made for their effectiveness learning curve in consideration of productive capacity.
				Targeted variable payments and retention have been agreed for Contact Management staff and officers. The pilot retention team is in place and APP bid was submitted to assess if it will become permanent. Retention Strategy is due to go out for consultation and governance structure is in place.
SR97a - Missing	12	12	ACC Barrow-Grint	In November, DCI McKay presented her results from the end-to-end review
	(3x4)	(3x4)		of missing, which included a proposed suite of new processes. These include; a new risk assessment and risk grading process within contact management, utilisation of Grade 3M for low risk missing people, clear process of transition of risk ownership from contact management to ICR, Introduction of PRONTO, the Missing Management Framework (MMF) with associated templates, New Missing SiPo toolkit and related performance framework, new Missing Response Plans (MRP) process for Repeat missing people, implementation of the Philomena Protocol force wide





Risk/Issue	Previous risk/issue score	Current risk/issue score	Risk Owner / Lead	Latest Status Update
				through the introduction of the Partners Service within Single Online Home (SOH) and the Community Partnership Intelligence form for intelligence sharing. Significant consultation and communication has already been completed across TVP and Hampshire, in particular across the Integrated Systems Support team and Contact Management. All proposed process changes were approved in principle by CCMT with agreed ongoing stakeholder engagement. In November, DCI McKay presented to the Local Policing Board and again all proposed changes were agreed. A Digital Change project manager has been allocated and the complex process change work is underway, overseen by the Head of ISS. Awaiting overall Project Management support, but work progressing across entire project. Partnership engagement has commenced. Oxfordshire MASA was briefed in November with planned briefings to all MASA (or equivalent) meetings at next available dates.
SR 109 – Neighbourhood Policing Resilience	12 (4x3)	12 (4x3)	ACC Bunt	A recent decision to uplift NHP further by 150 officers will drive a further recruitment process, the deadline being end of March 2025.
SR110 – Overwhelming Demand	12 (4x3)	6 (3x2)	DCC Snuggs	There has been a huge amount of activity completed and some positive impacts are being seen. HMICFRS have recognised we have reduced frontline demand due to impact of AIU and other work but still some pockets of demand issues in specialist team. Most recently, HMIC did not raise undue findings about how the Force is managing its demand. The position now is that whilst pockets to demand issues and queues remain, the issue across the Force is significantly reduced.





Risk/Issue	Previous risk/issue score	Current risk/issue score	Risk Owner / Lead	Latest Status Update
SR 118 – Forensic Accreditation	8 (4x2)	8 (4x2)	ACC Barrow-Grint	TVP transitioned to the statutory Code ahead of 2 nd October deadline. Recommendation for accreditation has also been gained in a second CSI Hub on 5 th October. However, we still await to understand the weight the CPS are going to put on compliance levels to the statutory Code, which will aid a review of the risk profile at that stage. Engagement with FIU, CJ Team and the wider force actively continues.
SR 107 – Contractor tax compliance	8 (4x2)	4 (2x2)	ACO Waters/ ACO Kirby	The risk score has been reduced due to two elements: firstly, the procedures and controls in respect of new appointments are considered to be operating adequately and no material issues have been noted; and secondly, a reasonable amount of investigative work has been completed, on a risk basis, to identify whether any historic appointments have been non-compliant. This work has not identified any concerns.
SR 120 – Operation Safeguard	6 (2x3)	4 (2x2)	ACC Barrow-Grint	The risk score has been reduced due to two elements: firstly, the procedures and controls in respect of new appointments are considered to be operating adequately and no material issues have been noted; and secondly, a reasonable amount of investigative work has been completed, on a risk basis, to identify whether any historic appointments have been non-compliant. This work has not identified any concerns.
SI 6 – Contact Management resources		3	ACC France	Despite efforts to boost establishment numbers and increase retention, Contact Management will not have stable and sufficient staffing capacity and capability into summer 2024 and beyond to meet emergency calls to service.





Risk/Issue	Previous risk/issue score	Current risk/issue score	Risk Owner / Lead	Latest Status Update
		4	DCC Snuggs	There is a risk that organisational policy documents (available on
SR 122 – Organisational policies		(2x2)		Knowzone) are reflecting out-of-date requirements, due to not having been reviewed and revised to incorporate changes to regulations, standards, and other requirements.

Risk Radar

The Corporate Governance team has continued to develop a new Future Risk register and is keen to align its thinking on longer-term risks with Horizon Scanning, as supported by the Strategic Analysis and Strategic Research areas. The new Future Risk register was introduced to senior leaders at the Deputy Chief Constable's Risk and Learning Board in December.

Risk Function

The Strategic Governance Unit (SGU) has continued to work towards the risk audit actions, making adequate progress. However, it remains that progress is dependent on departments' capacity and availability to engage with risk management. In December 2023, the Corporate Governance team delivered a third business skills session on risk management and business continuity. Interest has exceeded anticipated space, and more sessions will be run quarterly next year, tailored to different levels of knowledge around risk.

SGU is working on a formal TVP Risk Appetite statement and has commenced work to identify key areas. The aim is to strengthen our risk assessment and management approach and enhance understanding Force-wide. The team has also made progress with the Future Risk Register, detailed above.

The Corporate Governance team continues to participate in the South East & Eastern Region Police Risk Group as well as in the National Risk Management Forum, where Risk Management professionals share experiences and discuss general areas of common interest.





Health & Safety

Overview of Key Health & Safety Risks and Issues

In line with the Risk management approach, we distinguish issues from risks. A **risk** is something <u>may</u> happen (e.g. inability to meet a particular outcome, a regulatory requirement, or a performance standard) whereas an **issue** is something that <u>has already happened</u>. Risks have both an Impact score and a Likelihood score, whereas Issues just have an Impact score; the same Impact scoring basis has been applied, for consistency.

The tables below shows the direction of travel of each risk/issue score and the current risk/issue management status as considered by risk/issue owners and to be reviewed and agreed by the Health & safety Governance Board.

Issue	Impact	Trend	Issue Owner	Date raised
High Number of Assault Injuries	Medium/ High		ACC Christian Bunt	May 2023
High Number of Training Injuries	Medium/ High		ACO Christine Kirby	May 2023
DSE	Medium		DCC Ben Snuggs	May 2023
RAAC in Reading Police Station	Low	1	DCC Ben Snuggs	Dec 2023

Risk	Previous Risk Assessment	Previous Risk Assessment	Trend	Risk Owner	Date raised	Current Risk Action
Lithium Batteries (e-Vehicles)	Medium/ High	Medium/ High		DCC Ben Snuggs	Nov 2023	TREAT
Health & Safety Performance	Medium	Medium		DCC Ben Snuggs	Dec 2023	TREAT
Fire Safety	Medium	Medium		DCC Ben Snuggs	July 2023	TREAT





Key Health & Safety Issues:

The three key issues are High Number of Assault Injuries, High Number of Training Injuries, and RAAC at Reading.

The high number of Assault injuries and Training injuries are being monitored on a monthly basis. These were raised May 2023 within a Health & Safety report to JIAC. A new Health & Safety process is being trialled for regular Assaults review which includes checking compliance with the 7 Point Plan. This has been a result of continuous improvement efforts to address internal audit findings. This data will then be reviewed at the Health & Safety Governance Board Meetings. Future continuous improvement includes linking the Health & Safety with the Officer and Staff Safety Group to improve collaboration and increase transparency and communication. Health & Safety are regularly liaising with Learning & Development to analyse Training incidents and injuries to establish trends as well as potential preventative and control measures.

There is also a currently a known issue with **DSE Arrangements**. Compliance with DSE arrangements is currently poor. The whole process was triggered by the New Starters which led to a gap in arrangements due to New Starters often failing to request the DSE Assessment and complete it. Also, if the DSE Training and Assessment email is ignored and not actioned, the system will send three reminders, after which it will stop. This has also led to gaps in compliance. Wellbeing and learning & Development are working together to address this issue by 1) HR sending a list of New Starters every week so the DSE Training and Assessment can be triggered and 2) Wellbeing going through the list of people who have not completed the DSE Training and Assessment and sending them a request to complete the DSE Training and Assessment.

Reinforced Autoclaved Aerated Concrete (RAAC) material was discovered in a part of Reading police station. The affected area has been shut off and we are satisfied that the unaffected area can continue to be used safely. The swift action and implementation of control measures over recent months has reduced to risk to people using the premises. Continuous monitoring is in place. The issue assessment has consequently been reduced.

Key Health & Safety Risks:

Problems caused by Lithium Batteries used in e-Vehicles not being adequately mitigated: As electric vehicles (including electric cars and electric bikes) become more widespread, the increase in the amount of Lithium Batteries used, stored, and charged within TVP premises also increases. This poses new and unique fire and explosion threats, illustrated by the recent sharp increases of electric vehicle fires. This growing concern has led Fire Services to issue warnings and advice/guidance. TVP's response to this increase in risk included the implementation of a Working Group (led by Jennifer Jack), the creation of specific H&S Risk Assessments Risk Assessments, Policy/SOP on the use of e-vehicles and charging (Work in





Progress), and a "TVP Charging Points" User Manual (Work in Progress). In addition, tThe Health & Safety team will be producing a draft paper to present to the Health & Safety Governance Board on EV/Lithium Batteries Risk Mitigation.

Health & Safety Performance: 2023 was a year of significant changes for the Health & Safety function. There have been changes to the Health & Safety Team structure (Head of Health & Safety no longer in post and restructure of Team into two HSE Assurance and Incident Officers – who are also the appointed Competent Persons – and three HSE Specialists) which has led to consequent changes in Health & Safety Team Roles and Responsibilities. Simultaneously, a new Health & Safety Strategy has been produced and implemented and current Health & Safety Arrangements are being reviewed as part of the establishment of a full Health & Safety Management System. These changes will take time to full embed as the central Health & Safety unit becomes an enabling function and some pre-existing responsibilities are redistributed. This may lead to an increase in the shorter-term in demands upon and overload of the Health & Safety Team which may subsequently affect the Team's capacity to perform effectively. The situation is being monitored regularly. The Health & Safety Team meet monthly to discuss issues and concerns and hold regular one-to-ones to address potential workload concerns.

Fire Safety: Fire is one of the highest risks we currently have, mainly due to an increase in risk associated with the introduction of Electric Vehicles in the Force and due to a need to revisit current Fire Safety Arrangements after the introduction of Hybrid Working across the Force as a result of COVID-19. The Fire Wardens Process, for example, needs to be reviewed as Fire Warden covers across TVP buildings has been reduced due to Hybrid Working arrangements. As per above, efforts are being made to mitigate the increase of Electric Vehicles (and associated Lithium Batteries) in TVP. Health & Safety and Property Services are working together to review and update current Fire Safety Arrangements (including the Fire Policy and Fire Safety Procedures and Guidance). A proposal is being drafted to address the Fire Wardens process to take to the Health & Safety Governance Board. Efforts are being made to gather feedback and best practices from other Forces at the moment to assess what works and/or doesn't work in order to seek improvements to TVP Fire Safety arrangements.

Potential RAAC in other Force Buildings: For noting, until completion of the surveys commissioned by Property Services, there was uncertainty as to the presence of RACC in premises in addition to Reading police station. As summarised in the earlier Risk Management section, the surveys have now completed to the point where there is sufficient evidence to conclude that no other Force premises contain RAAC. The Health & Safety risk assessment has reduced to Low and is not included as one of the key risks in this report.





Business Continuity Introduction

Business continuity is about ensuring that, as an organisation, we are able to continue providing important public services in the event of some major disruption to our organisation. Clearly if the Force is unable to maintain its own services, it will not be in a position to best serve the public. The Civil Contingencies Act 2004 provides the statutory framework which places a responsibility on the police service, as "Category 1 Responders", to have in place effective Business Continuity Management (BCM) processes. Thames Valley Police (TVP) follows the principles within "ISO22301 Societal Security – Preparedness and Continuity Management Systems" which was published in May 2012. Guidance on organisational resilience was published in November 2014 (BS65000:2014) which defines organisational resilience as the ability to anticipate, prepare for, respond and adapt to events – both sudden shocks and gradual change.

Oversight of the management of Business Continuity (BC) is provided by the Strategic Business Continuity Co-ordinating Group. This Group includes senior members from Property Services, ICT, Corporate Communications, HQ Operations, Health and Safety, and the Corporate Governance Officers.

Business Continuity Plans are maintained, tested and refreshed in respect of front line services and support functions. These are refreshed in order to reflect changes in personnel, dispositions, and core business processes. This proactive approach is supplemented by organisational learning from exercises and actual incidents.

Force Business Continuity Incidents and Exercises

The presence of Reinforced Autoclaved Aerated Concrete (RAAC) within public buildings has been of national interest in recent months. Whilst already on our radar, TVP commissioned structural engineers to conduct tests across 120 of its potentially at-risk sites and in December, Reading police station was subsequently confirmed as high risk for the presence of unsafe RAAC. Intrusive checks determined a number of planks to the first floor of the building were showing signs of deterioration, with two deemed high-critical risk of failure. As a result of these outcomes, part of the building was closed off and Reading LPA invoked their business continuity plan. This ultimately appeared to be a well-managed incident with low operational impact upon business continuity. A small number of future recommendations were identified.

At the end of November 2023, the AIU reported a near miss incident relating to an outage of multiple ICT systems impacting their ability to maintain activities.





Operation Safeguard, which is approaching its one year commencement anniversary continues to pose additional challenges to custody suites, but has not caused the department to invoke its business continuity plan. An update to this from a risk perspective has been provided in the relevant section of this report.

During the reporting period, the Business Continuity team has continued to run exercises, namely:

- Contact Management were successfully tested jointly by TVP and HIOWC on their business continuity response to a ransomware attack on our ICT infrastructure.
- Three separate units within SEROCU were tested on their business continuity plans. The cyber-crime unit were also tested on their role within the Cyber Response plan.
- A cross-departmental exercise, led by People Directorate but comprising representatives from departments who also rely on the functionality of the PeopleSoft system. This was a useful and thought provoking exercise which triggered a number of actions for the department.
- AIU and Estate Services were separately tested on their response to a ransomware attack on TVP systems. Both teams gave in-depth consideration of the impact of the scenario on their activities and evidenced confidence in their ability to maintain or workaround a number of their departmental functions.

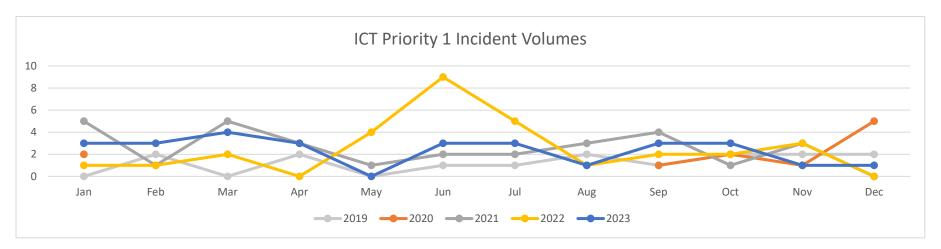
ICT Priority Incidents

For the purposes of ICT incident reporting, a Priority 1 (P1) incident is defined as "an ICT event which impacts the whole force, with a fix time required of less than 4 hours." Whilst not all ICT events impact the whole Force, they are captured in this report because they involve a system which has been identified as critical by the Force.

ICT P1 Incident Volume Trend: This reports data collected from the period 1st October 2023 to 31st December 2023. During this period, ICT recorded 5 P1 incidents. January's data is not yet available and will be included in the next report.







The following Priority 1 incidents were reported during the last period:

Date & Time	P1 Incident Summary	Affected Force	Business Impact & Action Taken	Root Cause & Learning	Time to Restore	Resolved
Force-wide						
30/10/2023	Joint Secure Access	Both	using remote Absolute Secure Access (ASA) via Wi- Fi.	9	2 hours 16 minutes	Yes





20/11/2023	Network		A network issue affected local and remote access to multiple PSN hosted web applications namely: AVLS (HIOWC only) CJSE CMP (transfer incident to Highways) PNC SRG link in HIOWC National Police College – Learn Disclosures PND	The primary CheckPoint firewall member in the PSN cluster located in the data centre at Netley (HIOWC) suffered a critical hardware failure resulting in the PSN cluster failing over to the secondary cluster member. This failover was successful, however due to a number of issues with the routing entries on the secondary cluster, services were inaccessible to end users as the routes across the network to them were not being published correctly.		Yes
Contact Mar	nagement					
01/10/2023	999 and 101 calls		Intermittent <i>dropping</i> of 999 and 101 calls in TVP Kidlington Contact Management Unit and Abingdon Control Room. As per national process, emergency calls were diverted to buddy force with minimal impact to service.		6 hours 30 minutes	Yes
11/10/2023	СМР	TVP	CMP USD and Web Based CMP were unavailable within Kidlington Control room on all terminals. Site reverted to fall back measures.	0	3 hours 5 minutes	Yes



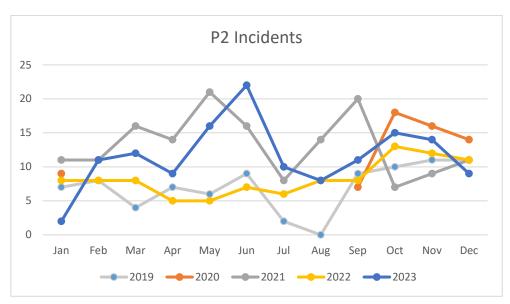


05/12/2023	101 calls	TVP	101 calls were intermittently disconnected before they	One of the three inbound line	1 hour 15	Yes
			reached TVP.	group devices was re-started to	minutes	
				restore capacity and		
				performance		

Three of the five Priority 1 incidents recorded relate to third party-provided services. JICT have agreed continuous improvement plans in place with our key suppliers, and continue monitor performance closely.

ICT P2 Incident Volume Trend: During the period 1 October 2023 – 31 December 2023, ICT recorded 38 P2 incidents.

P2 incidents are reported in order to allow assessment of any underlying trend or issue that might, if not addressed, lead to a business continuity incident. For the purposes of ICT incident reporting, a P2 incident is defined as "an ICT event which impacts on a single department or site, with a fix time required of less than 8 hours."







During the reporting period, the monthly run rate increased slightly due to higher volumes in Oct/Nov. These were peak months for significant telephony and firewall upgrades, and a higher than average number of National PNC incidents. All were resolved in the service level of eight hours, and on average, under 4 hours.

Business Continuity activities

The Corporate Governance team in SGU continue to work with departments to update business continuity plans, and in the reporting period delivered exercises as detailed above. Despite losing capacity within the team, a focus remains on supporting SPOCs to update their plans. Exercises including two with different units within SEROCU as well as Corporate Communications have been scheduled for the next quarter.

Operation Paladin was completed successfully in November.

The Corporate Governance team have now delivered a further business skills session, taking the total to three during 2023. These sessions, focused on promoting awareness and understanding of both risk management and business continuity within TVP, and were received positively by participants. The team plan to offer these sessions again later in the year.

OFFICERS' APPROVAL

We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. We are satisfied that this is an appropriate request to be submitted to the Joint Independent Audit Committee.					
Chief Constable Date					
Director of Finance Date					

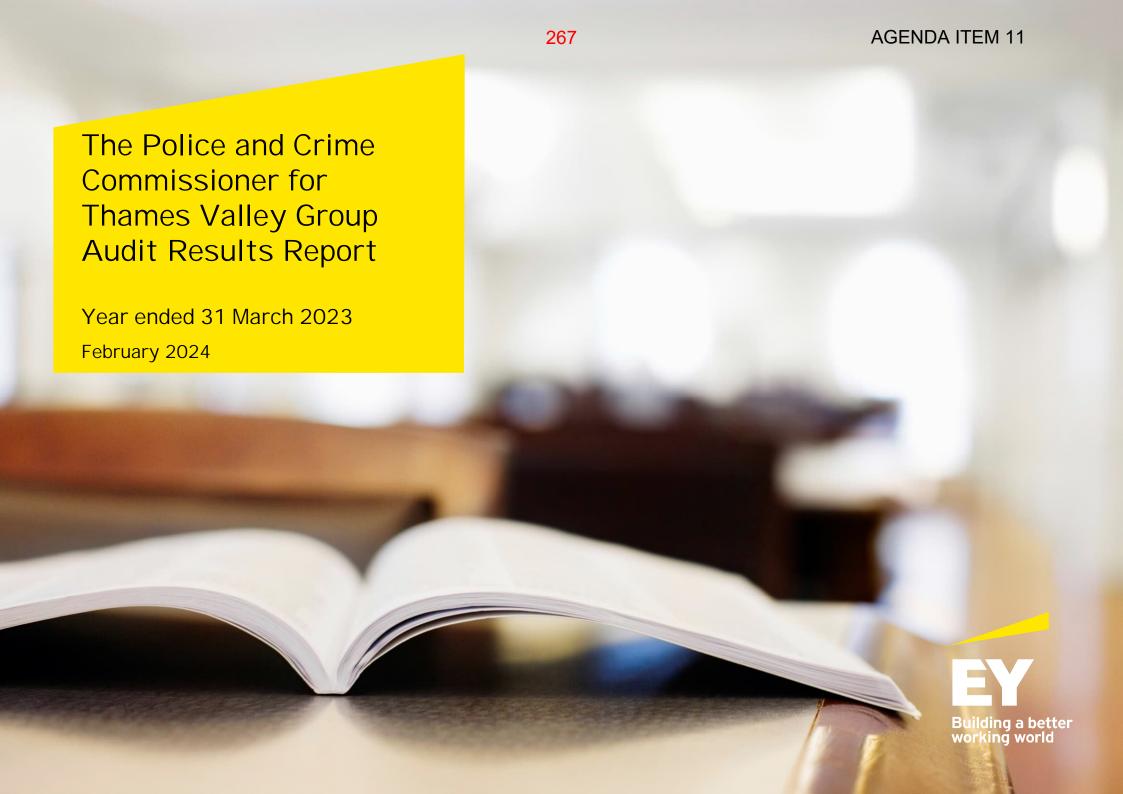




Appendix - Risk and Issue Scoring Matrix

likelihood score	simple description	guidance
4	Probable	80% to 100% chance this will happen or the matter has already become an issue
3	Likely	50% to 80% chance this will happen
2	Possible	10% to 50% chance this will happen
1	Unlikely	less than 10% chance this will happen

impact score	public impact	reputation	economic	legal	organisational resilience	disruption (based on the Force's ability to manage the risk with current resources)
4	of 999 service.	Failure to meet a number of local and national performance indicators - possibility of intervention or special measures. Picked up in the national media.	Financial impact over £10m	Potential corporate manslaughter charge. HSE brings charges or serves a Prohibition Notice. Home Office intervention. Loss/disclosure of information marked TOP SECRET and/or resulting in sustained reputational damage to the Force. Impact on national security or a serious breach of personal or human rights.	Significant impact on staffing levels which impacts on Force ability to deliver critical public facing services. Loss of technology which impacts on critical public facing services (long-term P1 system failure).	No existing processes in place to manage the risk. Significant levels of immediate investment in resources are required to mitigate the risk.
3	Significant/long-term (more than 3 days)	Failure to meet a series of critical targets which impacts on a number of performance indicators. Adverse external audit report prompting immediate action. Highlighted in the local media.	Financial impact from £5m to £10m	Temporary HSE intervention or an Improvement Notice issued due to a major incident. Force or PCC prosecution with significant financial cost. Intervention by the PCC. Loss or disclosure of information marked SECRET and/or resulting in serious reputational damage to the Force, threat to life, or threat to operational activity.	functions and services. Prevention of access to intelligence placing prosecutions, placing front line officers and staff at risk. ICT issue which impacts across the whole Force.	Existing processes have a limited impact on mitigating the issue, and significant new processes are required to manage similar risks in the future. Long-term planned investment in resources required to manage future risks.
2		Failure to meet a series of operational targets or a critical target. Adverse internal audit report prompting timed improvement/action plan.	Financial impact from £1m to £5m	HSE involved in investigating a significant incident. Civil litigation receiving adverse publicity and financial cost to the Force or PCC. Loss or disclosure of information marked OFFICIAL-SENSITIVE.	Loss of non-critical internal ICT services across the Force.	Existing processes can mitigate the immediate elements of the issue, but some work is required to change processes for the future. Risk can be managed within existing Force resources and additional spending can be approved within existing budgets.
1	services.	Failure to meet individual operational targets. Minor contravention of internal policies.	Financial impact up to £1m	Local incident - local review. No legal or regulatory breaches. Small scale loss or disclosure of information marked OFFICIAL.	Short-term loss of non-critical ICT locally. Short-term impact on local and departmental staffing levels.	Risk can be managed using existing processes. Risk can be managed within existing departmental resources.







Private and Confidential 26 February 2024

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

Dear Matthew and Jason

2023 Audit Results Report

We are pleased to attach our draft Audit Results Report, summarising the status of our audit of the Police and Crime Commissioner for Thames Valley and Group, and the Chief Constable (the PCC and CC) for the forthcoming meeting of the Joint Independent Audit Committee (JIAC). The audit is substantially complete and we will update JIAC at its meeting scheduled for 8 March 2024 on further progress to date and explain the remaining steps to the issue of our final opinion. We will issue a final ARR once all remaining areas are complete in advance of the issue of the opinions.

Note that updates to this report since the version presented to the JIAC at the meeting in December are highlighted in blue text for ease of review

The audit is designed to express an opinion on the 2022/23 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on the PCC and CC's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process. We have also included an update on our work on value for money arrangements.

This report is intended solely for the information and use of the JIAC, other members of the PCC and CC, and senior management. It is not intended to be and should not be used by anyone other than these specified parties. We welcome the opportunity to discuss the contents of this report with the JIAC at the meeting on 8 March 2024.

Yours sincerely

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

Contents



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

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

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





Scope update

In our Outline Audit Plan presented at the 16 June 2023 JIAC meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

Materiality:

In our Outline Audit Plan, we communicated that our audit procedures would be performed using a materiality of £13.6 million for the PCC Group; £8.6 million for the PCC Single Entity and £13.3 million for the CC Single Entity, based on the draft consolidated accounts. Performance materiality was set at 75 % of overall materiality and thresholds for reporting misstatements at 5% of performance materiality.

We have continued to use materiality of £13.6 million for the PCC Group; £8.6 million for the PCC Single Entity; and £13.3 million for the CC Single Entity. Performance materiality, at 75% of overall materiality and thresholds for reporting misstatements at 5% of performance materiality have remained unchanged. We have also reconsidered our risk assessment near to the completion of the audit, and concluded that these levels remain appropriate.

Status of the audit

Our audit work in respect of the PCC and CC opinion is substantially complete.

The following are the main items relating to the completion of our other audit procedures that were outstanding at the date of this report:

- We still need to complete our testing of the following, where there are outstanding audit queries to address:
 - Adjustment between accounting and funding basis account
 - Capital adjustment account
 - Capital financing requirement
- Narrative report we will need final versions to audit
- Going concern disclosure we will need a going concern disclosure note and we need to perform procedures to assess the cash flow forecast for 12 months from date of signing the financial statements
- Subsequent events review we will need to complete this up to the date we sign the audit report.
- The above outstanding items are then subject to final review and Quality Assurance processes
- Management representation letter we will finalise this at the completion of the audit.
- Receiving and checking the final set of financial statements.
- Whole of Government Accounts we will send the assurance statement to the NAO after the audit has been completed and the accounts signed.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Narrative Report and Accounts which could influence our final audit opinion, a current draft of which is included in Section 3.

We envisage issuing an unqualified opinion on the Authority's financial statements in the form which appears at Section 3.



Auditor responsibilities under the Code of Audit Practice 2020

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

The specified reporting criteria are:

- Financial sustainability

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

Status of the audit - Value for Money (VFM)

In the Outline Audit Planning Report to the JIAC, we reported that we had begun our value for money (VFM) risk assessment and had not identified any risk of significant weakness against the three reporting criteria we are required to consider under the NAO's 2020 Code. We have revisited our assessment on substantial completion of the audit of the financial statements and remain satisfied that we have not identified a risk of significant weakness. As a result, we have completed our planned VFM procedures and have no matters to report by exception in the auditor's report (see Section 03). We will issue the VFM commentary as part of issuing the Auditor's Annual Report.



Audit differences

We highlight the following misstatements greater than £663k for the CC and £431k for the PCC. Until the audit is complete we cannot confirm if further adjustments are necessary.

Corrected adjustments include:

- PCC & Group misclassification: £3,833k PCC deferred income classified as trade payables in error.
- PCC & Group misclassification: £891k Depreciation written out on revaluation was misclassified between cost and depreciation.
- PCC & Group: £6,080k Incorrect figure extracted as disposals. £7,141k was used instead of £1,061k, leading to an understatement of the revaluation reserve and an overstatement of the capital adjustment account of £6,080k
- PCC & Group: £1,107k misstatement in council tax balances on the CIES. This resulted in a £7,556k debit to receivables and a £6,449 credit to payables.
- CC & Group: £2,000k Misclassification regarding the legal accrual. TVP identified that per their policy this should be trade payables and not other payables. This only affects the disclosure note.
- CC & Group: £2,000k Legal accrual above had been included as an expense and creditor in error, since this was included in the adjusted 2021/22 financial statements.
- PCC & CC: £1,275k Incorrect PPE addition classification between PCC & CC. PCC was overstated by £1,275k and CC was understated by £1,275k.
- CC & PCC: £1,015k Misclassification lease depreciation was recorded as 'other land and buildings' instead of 'vehicles, plant and equipment'.
- CC & PCC: £8,431k CC capital charges were recorded as PCC capital charges in error.

Uncorrected adjustments include:

- CC & Group: £4,146k this mis-statement is in relation to a difference in the value of Pension Fund assets as assessed by the actuary of the Buckinghamshire Pension Fund of which the CC is an admitted body. We compared the Fund value as estimated by the actuary in December 2022 to the actual Fund value as at 31st March 2023 as reported in the draft financial statements and noted a difference of £4,146k. This is below the CC tolerable error of £9,945k and it is an accounting estimate and the differences are therefore a result of timing differences.
- CC & Group: £900k provision not accounted for in the 2022/23 financial statements.

There were various misstatements in the disclosure notes which have now been corrected, the main ones were:

- Group: Note 6 Adjustments between accounting basis and funding basis under regulations "Reversal of entries in relation to capital expenditure (charged to the capital adjustment account)" should be £21,621k instead of £16,376k, to be consistent with the PCC and CC figures in the financial statements. This is being corrected.
- PCC note 35 and CC note 5 Expenditure and Funding Analysis In the PCC accounts, the "Other income & expenditure from the expenditure & funding analysis" figure of £3,319k includes adjustments from CC of -£5,154k. The correct figure should be £8,461k. Similarly the CC accounts have not included the £5,154k in "Other income & expenditure from the expenditure & funding analysis". This is being corrected.
- Some minor adjustments have been identified and actioned including note 31 Nature and extent of risk arising from financial instruments.



Other reporting issues

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

We have performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts (WGA) submission, but have not issued our assurance statement to the NAO. Although the PCC & CC are below the threshold set by the NAO, we cannot currently conclude on WGA work until the NAO confirms if they would like any additional procedures performed. This will delay our issuing of the audit certificate.

Executive Summary

Areas of audit focus

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

Audit findings and conclusions: Significant risk - Misstatements due to fraud or error – Management override
We have not identified any material misstatements arising from fraud in revenue and expenditure recognition and management override to date.

Audit findings and conclusions: Significant risk - Misstatements due to fraud or error - Inappropriate capitalisation of revenue expenditure We have not identified any material misstatements arising from fraud from the inappropriate capitalisation of revenue.

Audit findings and conclusions: Significant risk - Inappropriate revenue recognition of other income - recharges and collaboration

We have not identified any material misstatements arising from fraud in inappropriate revenue recognition of other income - recharges and collaboration.

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

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

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

Control observations

We have adopted a fully substantive approach, and so have not tested the operation of controls. We have, however, updated our understanding of the key processes and the controls which are in place to detect or prevent error. Through this work, we have identified three observations where controls could be improved. See section 7 of this report for more details. We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements.

Independence

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





Areas of Audit Focus Significant risk

Risk of misstatements due to fraud or error - Management override

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

We identify and respond to this fraud risk on every audit engagement.

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

We:

- ► Identified fraud risks during the planning stages.
- ▶ Enquired of management about risks of fraud and the controls put in place to address those risks.
- ▶ Understood the oversight given by those charged with governance of management's processes over fraud.
- ▶ Considered the effectiveness of management's controls designed to address the risk of fraud.
- ▶ Determined an appropriate strategy to address those identified risks of fraud.
- ▶ Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- ▶ Assessed the accounting estimates for evidence of management bias.
- ▶ Reviewed accounting estimates for evidence of management bias, in particular, those not covered elsewhere in this report, included provisions and financial instruments.

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

What are our conclusions?

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



Areas of Audit Focus

Significant risk

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

What is the risk?

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

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

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

What judgements are we focused on?

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

What did we do?

We have:

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

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

What are our conclusions?

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

However, the split between PCC and CC additions had been incorrectly recorded in the financial statements and an adjustment of £1,275k was required.



Areas of Audit Focus

Significant risk

Risk of misstatements due to fraud or error – Inappropriate revenue recognition of other income - recharges and collaboration

What is the risk?

ISA (UK and Ireland) 240 states, in paragraph 26, that material misstatements due to fraudulent financial reporting often result from a misstatement of revenues. Therefore, the auditor ordinarily presumes that there are risks of fraud in revenue recognition and considers which types of revenue, revenue transactions or assertions may give rise to such risks. Those assessed risks of material misstatement due to fraud related to revenue recognition are significant risks.

In our judgement, the risk of manipulation of these revenue streams lies in other income as this is reliant on the information produced by the TVP which other police authorities accept and send payments to TVP to cover for joint projects.

What judgements are we focused on?

We focus on whether revenue is being appropriately recognised and re-charges set at the correct rates.

If this were to happen it would have the impact of overstating revenue.

What did we do?

We have:

▶ Tested other income of recharges and collaboration using a lower level of materiality.

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

What are our conclusions?

Our testing did not identify any manipulation of recharges.

Audit risks

Other areas of audit focus

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

What is the area of focus?

Valuation of land and buildings (including investment properties)

Per the draft statement of accounts, as at 31 March 2023, the value of the PCC's land and buildings was £207 million and represents the largest balance in the accounts. It is subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. The PCC continues to engage an external valuation expert to support the valuation of these assets.

As this is one of the largest accounting estimates on the balance sheet, and one dependent on a high degree of subjectivity, we deem the valuation of property, plant and equipment to represent an inherent risk of material misstatement.

What did we do?

We have:

- Considered the work performed by the PCC's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work:
- Challenged the accuracy of the other inputs and the assumptions used by the PCC's valuer by reference to external evidence;
- Sample tested key asset information used by the valuer in performing their valuation (e.g. floor plans to support valuations based on price per square metre). We tested a sample of 27 items with a total net book value of £54 million. This represents 18% of the total balance;
- Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- Reviewed assets not subject to valuation in 2022/23 to confirm that the remaining asset base is not materially misstated;
- Considered changes to useful economic lives as a result of the most recent valuation; and
- Confirmed accounting entries have been correctly processed in the financial statements.

What are our conclusions?

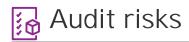
Our work carried out showed:

- We gained assurance of the PCC's valuer, including the scope of the work they performed, their professional capabilities and the results of their work.
- Our testing of key asset information used by the valuer challenged the accuracy of the inputs and the assumptions used by the PCC's valuer and we did not identify any issues.
- We concluded that the annual cycle of valuations ensured that assets we valued at least every 5 years.
- Following our consideration of the rolling programme of valuations we were satisfied that the assets not valued in year were not materially misstated.
- The economic lives used was in line with our expectations.
- The accounting entries were correctly processed in the financial statements.

However, we did identify some classification errors regarding Property, Plant and Equipment (PPE):

- PCC: £891k Depreciation written out on revaluation was misclassified between cost and depreciation.
- PCC: £6,080k Incorrect figure extracted as disposals. £7,141k was used instead of £1,061k, leading to an understatement of the revaluation reserve and an overstatement of the capital adjustment account of £6,080k
- PCC & CC: £1,275k Incorrect PPE addition classification between PCC & CC. PCC was overstated by £1,275k and CC was understated by £1,275k.
- CC & PCC: £1,015k Misclassification lease depreciation was recorded as 'other land and buildings' instead of 'vehicles, plant and equipment'.

Overall we are satisfied that the value of land and buildings is materially fairly stated.



Other areas of audit focus (continued)

What is the area of focus?

We have:

What did we do?

What are our conclusions?

Pension liability valuation & actuarial assumptions

The Local Authority Accounting Code of Practice and IAS19 requires the CC to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Buckinghamshire Council. The PCC must also do similar in respect of the Police Pension Fund.

The PCC and CC's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the PCC and CC's balance sheet.

At 31 March 2023, this totalled £3,361 million. The information disclosed is based on the IAS 19 report issued to the PCC and CC by the actuary to Buckinghamshire 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) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

 Liaised with the auditors of Buckinghamshire Pension Fund, and asked for assurances over the information supplied to the actuary in relation to Thames Valley Police.

- Assessed the work of the LGPS Pension Fund actuary (Barnett Waddingham) and the Police Pension actuary (GAD) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office (NAO) for all Local Government sector auditors. and considering any relevant reviews by the EY actuarial team;
- Evaluated the Pension Fund actuary's liability calculations by engaging EY pensions specialists to assess the reasonableness of the calculations:
- Reviewed and tested the accounting entries and disclosures made within the PCC and CC's financial statements in relation to IAS19; and
- Reviewed the triennial report, including assurance over the membership information used for the report.

We have completed the following work:

- We obtained satisfactory assurances from Grant Thornton over the information supplied to the actuary in relation to Thames Valley Police.
- We have assessed the work of the LGPS Pension Fund actuary (Barnett Waddingham) and the Police Pension actuary (GAD) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office (NAO) for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team and found these to be reasonable. The actuarial reports had been updated to reflect the 2022 triennial valuation report.
- We have used our EY Pensions consultancy team to review the roll forward estimate conclude that the Pension Fund actuary's liability calculations were reasonable.
- We confirmed that the accounting entries and disclosures had mainly been carried out correctly. Some of the disclosure notes regarding pensions needed amending to reflect the figures shown in the actuarial reports.

We identified that there was mis-statement in relation to the value of Pension Fund assets as assessed by the actuary of the Buckinghamshire Pension Fund of which the PCC and CC is an admitted body. We compared the Fund value as estimated by the actuary in December 2022 to the actual Fund value as at 31st March 2023 as reported in the draft financial statements and noted a difference for the Fund of £27 million. Based on the CC's share of the Fund, we have estimated this equated to a difference of £4,910k for the CC. This has not been adjusted for in the accounts. This is below the CC tolerable error of £9,945k and it is an accounting estimate and the difference is due to timing differences.

There were no material misstatements of the net pension liability.





Draft audit report for PCC

Our opinion on the financial statements

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

Opinion

We have audited the financial statements of the Police and Crime Commissioner for Thames Valley for the year ended 31 March 2023 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- Police and Crime Commissioner for Thames Valley and Group Movement in Reserves Statement:
- Police and Crime Commissioner for Thames Valley and Group Comprehensive Income and Expenditure Statement;
- Police and Crime Commissioner for Thames Valley and Group Balance Sheet;
- Police and Crime Commissioner for Thames Valley and Group Cash Flow Statement:
- Police and Crime Commissioner for Thames Valley Pension Fund Account Statements; and
- related notes 1 to 48 and the Expenditure and Funding Analysis on pages 22 and 77.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner for Thames Valley and the Group as at 31 March 2023 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and

• have been prepared properly in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Police and Crime Commissioner for Thames Valley and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGNO1, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner and the Group's ability to continue as a going concern for a period of twelve months to 31 March 2025.

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



Draft audit report for PCC (continued)

Our opinion on the financial statements

Other information

The other information comprises the information included in the Statement of Accounts 2022/23, other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the statement of accounts.

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

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

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- \bullet we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);

- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended); or
- we are not satisfied that the Police and Crime Commissioner and the Group have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in these respects

Responsibility of the Chief Finance Officer

As explained more fully in the Statement of Responsibilities for the Accounts set out on page 20, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, and for being satisfied that they give a true and fair view and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Draft audit report for PCC (continued)

Our opinion on the financial statements

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Police and Crime Commissioner and the Group and determined that the most significant are:
- Local Government Act 1972,
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
- The Local Audit and Accountability Act 2014 (as amended),
- The Accounts and Audit Regulations 2015,
- The Police Reform and Social Responsibility Act 2011,
- Anti-social behaviour, Police and Crime Act 2014,
- Police Pensions scheme regulations 1987,
- Police Pensions regulations 2006; and
- Police Pensions regulations 2015.

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



Draft audit report for PCC (continued)

Our opinion on the financial statements

- We understood how Police and Crime Commissioner and the Group are complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit, those charged with governance, and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Police and Crime Commissioner's and the Group's committee minutes, through enquiry of employees to confirm Police and Crime Commissioner and the Group policies, and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.
- We assessed the susceptibility of the Police and Crime Commissioner's and the Group's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance through inappropriate capitalisation of revenue expenditure, inappropriate revenue recognition of other income recharges and collaboration and management override of controls to be our fraud risks.
- To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Police and Crime Commissioner's and the Group's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.
- To address our fraud risk of management override of controls, we reviewed accounting estimates for evidence of management bias, including provisions and financial instruments. We looked for and investigated any unusual transactions and we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in December 2021, as to whether the Police and Crime Commissioner and the Group had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Police and Crime Commissioner and the Group put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

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

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

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



Draft audit report for PCC (continued)

Our opinion on the financial statements

Delay in certification of completion of the audit

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

In addition, we cannot formally conclude the audit and issue an audit certificate until we have issued our Auditor's Annual Report for the year ended 31 March 2023. We have completed our work on the value for money arrangements and will report the outcome of our work in our commentary on those arrangements within the Auditor's Annual Report.

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

Use of our report

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

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



Draft audit report for CC

Our opinion on the financial statements

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

Opinion

We have audited the financial statements of the Chief Constable of Thames Valley for the year ended 31 March 2023 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- Chief Constable of Thames Valley Movement in Reserves Statement;
- Chief Constable of Thames Valley Comprehensive Income and Expenditure Statement;
- Chief Constable of Thames Valley Balance Sheet;
- Chief Constable of Thames Valley Cash Flow Statement and the related notes
 1 to 24 and the Expenditure and Funding Analysis on page 20; and
- Chief Constable of Thames Valley Pension Fund Account.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Thames Valley as at 31 March 2023 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Chief Constable for Thames Valley in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGNO1, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period of twelve months to 31 March 2025.

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



Draft audit report for CC (continued)

Our opinion on the financial statements

Other information

The other information comprises the information included in the Statement of Accounts 2022/23, other than the financial statements and our auditor's report thereon. The Director of Finance is responsible for the other information contained within the statement of accounts.

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

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

We have nothing to report in this regard.

Matters on which we report by exception

We report if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);

- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended);
- we are not satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in these respects.

Responsibilities of the Director of Finance

As explained more fully in the Statement of Responsibilities for the Accounts set out on page 18, the Director of Finance is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, and for being satisfied that they give a true and fair view and for such internal control as the Director of Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Draft audit report for CC (continued)

Our opinion on the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the [council/authority] and determined that the most significant are:
- Local Government Act 1972,
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
- The Local Audit and Accountability Act 2014 (as amended),
- The Accounts and Audit Regulations 2015,
- The Police Reform and Social Responsibility Act 2011,
- Anti-social behaviour, Police and Crime Act 2014,
- Police Pensions scheme regulations 1987,
- Police Pensions regulations 2006; and
- Police Pensions regulations 2015.

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



Draft audit report for CC (continued)

Our opinion on the financial statements

- We understood how the Chief Constable is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit, those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Chief Constable's committee minutes, through enquiry of employees to confirm Chief Constable policies, and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.
- We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance through, inappropriate capitalisation of revenue expenditure, inappropriate revenue recognition of other income recharges and collaboration, and management override of controls to be our fraud risks.
- To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Chief Constable's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.
- To address our fraud risk of inappropriate revenue recognition of other income recharges and collaboration, we tested other income of recharges and collaboration using a lower level of materiality.
- To address our fraud risk of management override of controls, we reviewed accounting estimates for evidence of management bias, including provisions and financial instruments. We looked for and investigated any unusual transactions and we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in December 2021, as to whether the Chief Constable had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

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

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

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



Draft audit report for CC (continued)

Our opinion on the financial statements

Delay in certification of completion of the audit

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

In addition, we cannot formally conclude the audit and issue an audit certificate until we have issued our Auditor's Annual Report for the year ended 31 March 2023. We have completed our work on the value for money arrangements and will report the outcome of our work in our commentary on those arrangements within the Auditor's Annual Report.

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

Use of our report

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

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





Audit Differences

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

Summary of differences

We highlight the following misstatements greater than £663k for the CC and £431k for the PCC which have been corrected by management that were identified during the course of our audit. Until the audit is complete we cannot confirm if further adjustments are necessary.

Corrected adjustments include:

- PCC & Group misclassification: £3,833k PCC deferred income classified as trade payables in error.
- PCC & Group misclassification: £891k Depreciation written out of revaluation was misclassified between cost and depreciation.
- PCC & Group: £6,080k Incorrect figure extracted as disposals. £7,141k was used instead of £1,061k, leading to an understatement of the revaluation reserve and an overstatement of the capital adjustment account of £6,080k.
- PCC & Group: £1,107k misstatement in council tax balances. If a local authority does not provide their council tax position on time, the Authority estimates the position using an average. All the submissions have now been received and when we compared the actual submissions against the estimates, there were material differences that have now been corrected. This resulted in increasing debtors by £7,556k, increasing creditors by £6,449k in the balance sheet, and council tax income in the comprehensive income and expenditure account by £1,107k.
- CC & Group: £2,000k misclassification regarding the legal accrual, TVP identified that per their policy this should be trade payables and not other payables. This only affects the disclosure note.
- CC & Group: £2,000k legal accrual above had been included as an expense and creditor in error, since this was included in the adjusted 2021/22 financial statements.
- PCC & CC: £1,275k Incorrect PPE addition classification between PCC & CC. PCC was overstated by £1,275k and CC was understated by £1,275k.
- CC & PCC: £1,015k Misclassification lease depreciation was recorded as 'other land and buildings' instead of 'vehicles, plant and equipment'.
- CC & PCC: £8,431k CC capital charges were recorded as PCC capital charges in error.

Audit Differences

Summary of unadjusted differences

In addition we highlight the following misstatements to the financial statements and/or disclosures which were not corrected by management. We request that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the Joint Independent Audit Committee and provided within the Letter of Representation:

Uncorrected misstatements 31 March 2023 (£'000)	٥	Effect on the current period:	Æ		(Decr	Net assets rease)/Increase
	Other Comprehensive Income Debit/(Credit)	Comprehensive Income and Expenditure Statement Debit/(Credit)	Assets current Debit/ (Credit)	Assets non current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non- current Debit/ (Credit)
Errors						
Known differences:						
CC Omitted provision in the financial statements		900			(900)	
Judgemental differences:						
• CC Mis-statement re asset valuation in Pension Fund - this is in relation to a difference in the value of Pension Fund assets as assessed by the actuary of the Buckinghamshire Pension Fund of which the CC is an admitted body. We compared the Fund value as estimated by the actuary in December 2022 to the actual Fund value as at 31st March 2023 as reported in the draft financial statements and noted a difference of £4,146k. This is below the CC tolerable error of £9,945k and it is an accounting estimate where the errors are due to timing differences. (Please note this pension adjustment would get reversed out of the General Fund through the movement to pension reserves).		4,146				(4,146)
Cumulative effect of uncorrected misstatements before turnaround effect	Nil	5,046	Nil	Nil	(900)	(4,146)
Turnaround effect. See Note 1 below.		2,094				
Cumulative effect of uncorrected misstatements, after turnaround effect	Nil	7,140	Nil	Nil	(900)	(4,146)

There are no amounts that we identified that are individually or in aggregate material to the presentation and disclosures of the consolidated financial statements for the year ended 31 March 2023.

Note 1: turnaround effect is the impact of uncorrected misstatements related to the prior period, on results of the current period. I.e. the PCC pension error not corrected £0.6m, asset disposal error £0.8m, provision error £0.7m.



Audit Differences (continued)

Summary of differences (continued)

There were various misstatements in the disclosure notes which have now been corrected, the main ones were:

- Group: Note 6 Adjustments between accounting basis and funding basis under regulations "Reversal of entries in relation to capital expenditure (charged to the capital adjustment account)" should be £21,621k instead of £16,376k, to be consistent with the PCC and CC figures in the financial statements. This is being corrected.
- PCC note 35 and CC note 5 Expenditure and Funding Analysis In the PCC accounts, the "Other income & expenditure from the expenditure & funding analysis" figure of £3,319k includes adjustments from CC of -£5,154k. The correct figure should be £8,461k. Similarly the CC accounts have not included the £5,154k in "Other income & expenditure from the expenditure & funding analysis". This is being corrected.

•	Some minor adjustments have	been identified and actioned includi	na note 31 Natur	e and extent of risk arisin	a from financial instruments
			9		9

Until the audit is complete, we cannot confirm if further adjustments are necessary.





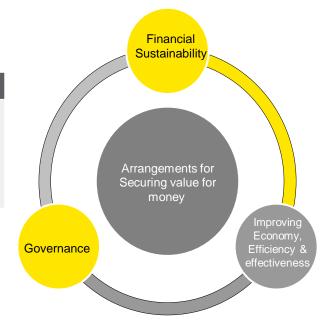
The PCC and CC's responsibilities for value for money (VFM)

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

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

Risk assessment

In December 2023, we have reported to the JIAC the outcome of our assessment of the risk of significant weaknesses in the PCC and CC's VFM arrangements and noted that we had not identified any risks. We have revisited our risk assessment and have not identified any additional risks.



Status of our VFM work

We have completed our planned VFM procedures and have no matters to report by exception in the auditor's report (see Section 03). We plan to issue the VFM commentary as part of issuing the Auditor's Annual Report.





Other reporting issues

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

We must give an opinion on the consistency of the financial and non-financial information in the PCC and CC Statement of Accounts 2022/23 with the audited financial statements.

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

Financial information in the Statement of Accounts 2022/23 and published with the financial statements is consistent with the audited financial statements.

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

Whole of Government Accounts

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

We have performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts (WGA) submission. Although the PCC & CC are below the threshold set by the NAO, we cannot currently conclude on WGA work until the NAO confirms if they would like any additional procedures performed. This will delay our issuing of the audit certificate.

Cher reporting issues

Other reporting issues

Other powers and duties

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

Other matters

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

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

We have nothing to comment in respect of these.





Assessment of Control Environment

Financial controls

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

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

Observation:

TVP's valuer (LSH) and TVP do not reconcile their area calculations between plans that TVP have provided to LSH and LSH's own inspections.

Recommendation:

Plans should be reconcile to ensure the correct area is being valued.

Observation:

Police Pension Fund lump sum payments: XPS, the service organisation who provide the figures for the lump sum amounts, used 1987 scheme commutation factors in the 2015 police pension scheme calculations, without being able to justify the reason why.

Recommendation:

Controls should be put in place to ensure TVP are able to support the reasoning for why each commutation factor is used for each case and to be satisfied that the correct amount is paid each time.

Observation:

Police Pension Fund lump sum calculations. It was identified that there were no controls in place to check the accuracy of the lump sum calculations provided by the service organization.

Recommendation:

Controls should be put in place to ensure lump sum calculations are calculated correctly.

Observation:

There are some large misclassifications occurring on the production of the financial statements, particularly in the area of PPE.

Recommendation:

The Statement of Accounts should be reviewed critically to identify any large misstatements before they are published.

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



Data Analytics - Journal Entry Testing

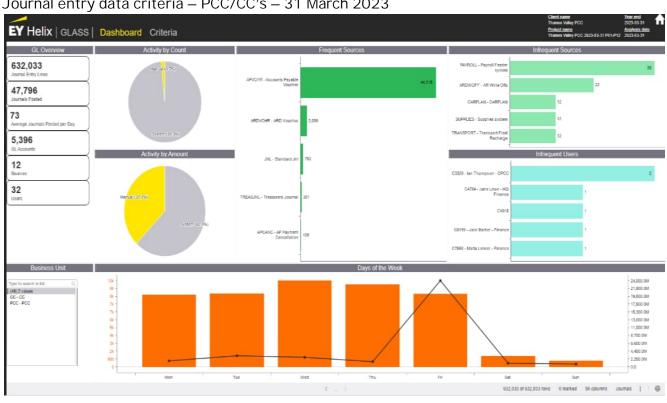
What is the risk?

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

What judgements are we focused on?

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

Journal entry data criteria – PCC/CC's – 31 March 2023



What did we do?

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

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

What are our conclusions?

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





Relationships, services and related threats and safeguards

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

There are no relationships from 1 April 2022 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

Description	Proposed final Fee 2022/23 £	Planned Fee 2022/23 £	Final Proposed Fee 2021/22 £
Audit Scale Fee - Code work	60,710	60,710	45,662
Recurring adjustment to scale fee (note 1)	17,842	17,842	32,900
Additional Fees:			
- Additional work on PPE	TBC	TBC	12,660
- VFM additional procedures (note 2)	TBC	6,000-10,000	6,854
- Going concern assessment & disclosure	TBC	4,000-5,000	4,378
- EY internal consultation on audit report	TBC	2,000-3,000	1,900
- Revised auditing standard for estimates (note 2)	TBC	5,000-7,000	6,520
- Data analytics issues	-	-	11,373
Non-audit work	-	-	-
Total	TBC	TBC	122,237

Note 1: From 2019/20 officers agreed our proposed increase to the scale fee for the PCC and CC collectively of £32,900, on a recurring basis, to take into account a number of risk factors which includes procedures performed to address the risk profile of the PCC and CC and additional work to address the increase in Regulatory standards. In 2022/23, PSAA have revised the scale fee to reflect an element of that, hence the reduction in the recurring adjustment amount noted above.

Note 2: The new VFM arrangements and revised ISA 540 (estimates) result in a scale fee variation (applicable from 2020/21 onwards). PSAA have published guidance on these matters and advice for minimum additional fees, for a PCC and CC.

We will discuss with the Chief Financial Officer and Director of Finance any additional audit fee in relation to the above matters on completion of the audit. Any increase from the scale fee also requires approval from PSAA.

We confirm that we have not undertaken non-audit work outside the NAO Code.



Other communications

EY Transparency Report 2023

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

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2023:

EY UK 2023 Transparency Report | EY UK





Audit approach update

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

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



Summary of communications

Date	Nature Nature	Summary
June 2023	Report/Meeting	The Outline Audit Planning Report, including confirmation of independence, was issued to the JIAC for meeting on 16 June 2023
August 2023	Planning enquiries	Planning enquiries made of management
September 2023	Management and TCWG letters issued	The PCC, CC and senior officers were sent formal letters of enquiry in respect of key matters such as fraud, laws and regulations, going concern and litigation and claims
September 2023	Letters	Formal responses received from the PCC, CC and senior officers in respect of year end letters issued as at 31 March 2023
October 2023	Meeting	Andrew Brittain, the partner in charge of the engagement, accompanied by the manager of the audit team, Alison Kennett, updated JIAC on the progress of the audit.
December 2023	Report	The Draft Audit Results Report, including confirmation of independence, was issued to the JIAC.
March 2024	Report	Audit Results Report issued to JIAC for the meeting on 8 March 2024
June 2024	Report	Auditors Annual Report issued to JIAC for the meeting on 14 June 2024

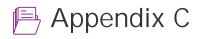
In addition to the above specific meetings and letters the audit team met with the management team multiple times throughout the audit to discuss audit findings.



Required communications with the Joint Internal Audit Committee

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

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the PCC and CC of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Outline audit planning report presented at the JIAC meeting on 16 June 2023.
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.	Outline audit planning report presented at the JIAC meeting on 16 June 2023.
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 	Draft Audit Results Report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.



		Our Reporting to you
Required communications	What is reported?	When and where
Public Interest Entities	For the audits of financial statements of public interest entities our written communications to the audit committee include: A declaration of independence The identity of each key audit partner The use of non-member firms or external specialists and confirmation of their independence The nature and frequency of communications A description of the scope and timing of the audit Which categories of the balance sheet have been tested substantively or controls based and explanations for significant changes to the prior year, including first year audits Materiality Any going concern issues identified Any significant deficiencies in internal control identified and whether they have been resolved by management Subject to compliance with regulations, any actual or suspected non-compliance with laws and regulations identified relevant to the audit committee Subject to compliance with regulations, any suspicions that irregularities, including fraud with regard to the financial statements, may occur or have occurred, and the implications thereof The valuation methods used and any changes to these including first year audits The scope of consolidation and exclusion criteria if any and whether in accordance with the reporting framework The identification of any non-EY component teams used in the group audit The completeness of documentation and explanations received Any significant difficulties encountered in the course of the audit Any other matters discussed with management Any other matters considered significant	Outline audit planning report presented at the JIAC meeting on 16 June 2023. Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.

Appendix C

		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 related to going concern Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements The appropriateness of related disclosures in the financial statements 	Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.
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 Material misstatements corrected by management 	Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.
Subsequent events	Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements.	Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.
Fraud	 Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity Any fraud that we have identified or information we have obtained that indicates that a fraud may exist Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected Any other matters related to fraud, relevant to PCC, CC & Management responsibility. 	Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.

Appendix C

		Our Reporting to you
Required communications	What is reported?	When and where
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	Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.
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 Communications whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.	Outline audit planning report presented at the JIAC meeting on 16 June 2023. Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.

Appendix C

		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. 	Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.
Consideration of laws and regulations	 Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur Enquiry of the audit committee into possible instances of non-compliance with laws and 	Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.
Significant deficiencies in internal controls identified during the audit	Significant deficiencies in internal controls identified during the audit.	Outline audit planning report presented at the JIAC meeting on 16 June 2023. Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.



		Our Reporting to you
Required communications	What is reported?	When and where
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. 	Outline audit planning report presented at the JIAC meeting on 16 June 2023. Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.
Written representations we are requesting from management and/or those charged with governance	Written representations we are requesting from management and/or those charged with governance	Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.
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 	Draft audit results report presented at the JIAC meeting on 15 December 2023 and Audit Results Report presented at the JIAC meeting on 8 March 2024.

Appendix D

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Whole of Government Accounts	We will send the assurance statement to the NAOs after the audit has been completed and the accounts signed.	EY and management
Pensions and IAS 19 Review	Response required from Grant Thornton as external auditor of Buckinghamshire Pension Fund. EY Pensions consultancy team t complete their report on the Pension Fund actuary's liability calculations.	EY, management and Grant Thornton
Land and buildings (PPE)	EY to complete existence testing	EY
Recharges and collaboration	EY to complete existence testing	EY
Capital adjustment account	Query with PCC/CC	EY and management
Capital financing requirement	EY to follow up after receiving clarification on the account	EY
Adjustment between accounting and funding basis account	EY to complete	EY
Narrative report	Need final versions to audit	EY and management
Going concern assessment	EY to complete review of Management's going concern assessment	EY and management
Various	Clearance of review notes	EY
Management representation letter	Receipt of signed management representation letter	Management and JIAC
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management
Final Manager, Engagement Partner Review and Engagement Quality Review	EY to complete final review of audit file upon full completion of all procedures above and receipt of final versions of the financial statements	EY and management

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Annual Report. At this point no issues have emerged that would cause us to modify our opinion. A draft of the current opinion is included in Section 3.



Draft management representation letter - For PCC and Group

Management Rep Letter

[To be prepared on the entity's letterhead]
[Date]

Ernst & Young R+ Building 2 Blagrave St Reading RG1 1AZ

Dear Andrew

This letter of representations is provided in connection with your audit of the consolidated and single entity financial statements of Police and Crime Commissioner for Thames Valley ("the PCC and Group") for the year ended 31 March 2023. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and PCCPCC financial statements give a true and fair view of the PCC and Group financial position of the PCC and Group as of 31 March 2023 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the PCC and Group CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

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

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

A. Financial Statements and Financial Records

- 1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the PCC and Group the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).
- 2. We acknowledge, as members of management of the PCC and Group, our responsibility for the fair presentation of the consolidated and PCC financial statements. We believe the consolidated and PCC financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the PCC and Group in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022) and are free of material misstatements, including omissions. We have approved the consolidated and PCC financial statements.
- 3. The significant accounting policies adopted in the preparation of the PCC and Group financial statements are appropriately described in the PCC and Group financial statements.
- 4. As members of management of the PCC and Group, we believe that the PCC and Group have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022) for the PCC and Group that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic and the effects of the conflicts and related sanctions in Ukraine, Russia and/or Belarus on our system of internal controls.



Draft management representation letter - For PCC and Group

Management Rep Letter (continued)

- 5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated and PCC financial statements taken as a whole. We have not corrected these differences identified and brought to our attention by the auditor because [specify reasons for not correcting misstatement].
- 6. We confirm the PCC and Group does not have securities (debt or equity) listed on a recognized exchange.
- B. Non-compliance with law and regulations, including fraud
- 1. We acknowledge that we are responsible for determining that the PCC and Group's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.
- 2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
- 3. We have disclosed to you the results of our assessment of the risk that the consolidated and PCC financial statements may be materially misstated as a result of fraud.
- 4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the PCC or Group (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
- involving financial statements;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or PCC's financial statements;
- related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Group or PCC's activities, its ability to continue to operate, or to avoid material penalties;

- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.
- C. Information Provided and Completeness of Information and Transactions
- 1. We have provided you with:
- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- 2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the consolidated and PCC financial statements, including those related to the COVID-19 pandemic and including those related to the conflict can related sanction in Ukraine, Russia and/or Belarus.
- 3. We have made available to you all minutes of the meetings of the PCC and Group, and the following committees Joint Independent Audit Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: [list date].



Draft management representation letter – For PCC and Group

Management Rep Letter (continued)

- 4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the PCC and Group's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and PCC financial statements.
- 5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).
- 6. We have disclosed to you, and the PCC and Group has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and PCC financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
- 7. From 6th October 2023 through the date of this letter we have disclosed to you any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact on the PCC and Group financial statements, in each case or in the aggregate, and ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

- 1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and PCC financial statements.
- 2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
- 3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in the consolidated and PCC financial statements all guarantees that we have given to third parties.
- 4. We actioned the court decision made on the Allard case, which involved extracting data from very sensitive source documentation to a spreadsheet. We can confirm that the information from the source documentation is accurately reflected in the spreadsheet that was submitted for audit.

E. Going Concern

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

F. Subsequent Events

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



Draft management representation letter - For PCC and Group

Management Rep Letter (continued)

G. Group audits

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

H. Other information

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

I. Climate-related matters

- 1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered, including the impact resulting from the commitments made by the PCC and Group, and reflected in the consolidated and PCC financial statements.
- 2. The key assumptions used in preparing the consolidated and PCC financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), aligned with the statements we have made in the other information or other public communications made by us (see section H).

J. Reserves

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

K. Contingent Liabilities

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

L. Use of the Work of a Specialist

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



Draft management representation letter - For PCC and Group

Management Rep Letter (continued)

- M. Pension Liability and PPE & Investment Property (IP) Estimates
- 1. We confirm that the significant judgments made in making the pension liability and property, plant and equipment and investment property estimates have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.
- 2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the pension liability and property, plant and equipment and investment property estimates.
- 3. We confirm that the significant assumptions used in making the pension liability and property, plant and equipment and investment property estimates appropriately reflect our intent and ability to carry out the valuations on behalf of the entity.
- 4. We confirm that the disclosures made in the consolidated and PCC entity financial statements with respect to the accounting estimates, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).
- 5. We confirm that appropriate specialized skills or expertise has been applied in making the pension liability and property, plant and equipment and investment property estimates.
- 6. We confirm that no adjustments are required to the accounting estimates and disclosures in the consolidated and parent entity financial statements, including due to the COVID-19 pandemic.

N. Retirement benefits

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

Yours faithfully,

Chief Financial Officer/Finance Director

Police and Crime Commissioner for Thames Valley



Draft management representation letter – For CC

Management Rep Letter

[To be prepared on the entity's letterhead]
[Date]

Ernst & Young R+ Building 2 Blagrave St Reading RG1 1AZ

Dear Andrew

This letter of representations is provided in connection with your audit of the financial statements of Chief Constable of Thames Valley ("the CC") for the year ended 31 March 2023. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the CC's financial position of the Chief Constable of Thames Valley as of 31 March 2023 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

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

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

A. Financial Statements and Financial Records

- 1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).
- 2. We acknowledge, as members of management of the CC, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the CC in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and are free of material misstatements, including omissions. We have approved the financial statements.
- 3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
- 4. As members of management of the CC, we believe that the CC has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls and the effects of the conflict and related sanctions in Ukraine, Russia and/or Belarus] on our system of internal controls.



Management Rep Letter (continued)

- 5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We have not corrected these differences identified by and brought to the attention from the auditor because [specify reasons for not correcting misstatement].
- 6. We confirm the CC does not have securities (debt or equity) listed on a recognized exchange.
- B. Non-compliance with law and regulations, including fraud
- 1. We acknowledge that we are responsible to determine that the CC's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
- 2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
- 3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the CC (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
- involving financial improprieties;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the CC's financial statements;
- related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the CC's activities, its ability to continue to operate, or to avoid material penalties;

- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.
- C. Information Provided and Completeness of Information and Transactions
- 1. We have provided you with:
- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- 2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the financial statements, including those related to the COVID-19 pandemic and including those related to the conflict and related sanctions in Ukraine, Russia and/or Belarus.
- 3. We have made available to you all minutes of the meetings of the CC and the following committees: Joint Independent Audit Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: [list date].
- 4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the CC's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the [period] end. These transactions have been appropriately accounted for and disclosed in the financial statements.



Management Rep Letter (continued)

- 5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with applicable financial reporting framework.
- 6. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 7. We have disclosed to you, and the CC has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
- 8. From 6th October 2023 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

- 1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- 2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

- 3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties.
- 4. We actioned the court decision made on the Allard case, which involved extracting data from very sensitive source documentation to a spreadsheet. We can confirm that the information from the source documentation is accurately reflected in the spreadsheet that was submitted for audit.

E. Going Concern

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

F. Subsequent Events

1. There have been no events, including events related to the COVID-19 pandemic, and including events related to the conflict and related sanctions in Ukraine, Russia and/or Belarus, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Other information

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



Management Rep Letter (continued)

H. Climate-related matters

- 1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered, including the impact resulting from the commitments made by the CC, and reflected in the financial statements.
- 2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), aligned with the statements we have made in the other information or other public communications made by us (see section G).

I. Reserves

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

J. Contingent Liabilities

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

K. Use of the Work of a Specialist

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

L. Pension Liability Estimate

- 1. We confirm that the significant judgments made in making the pension liability have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.
- 2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the pension liability.
- 3. We confirm that the significant assumptions used in making the pension liability appropriately reflect our intent and ability to carry out pension liability valuation on behalf of the entity.
- 4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).
- 5. We confirm that appropriate specialized skills or expertise has been applied in making the pension liability.
- 6. We confirm that no adjustments are required to the accounting estimate and disclosures in the financial statements, including due to the COVID-19 pandemic.



Management Rep Letter (continued) M. Retirement benefits 1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for. Yours faithfully, **Director of Finance** Chief Constable of Thames Valley Police

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ED None

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

26 February 2024

Dear Matthew and Jason

Outline Audit Planning Report

Attached is our Outline Audit Planning Report for the forthcoming meeting of the Joint Independent Audit Committee (JIAC). The purpose of this report is provide the JIAC of Thames Valley Police (the PCC and CC) with a basis to review our proposed audit approach and scope for the 2023/24 audit, in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements, but also to ensure that our audit is aligned with the Committee's service expectations.

This report summarises our assessment of the key issues which drive the development of an effective audit for the PCC and CC. We have aligned our audit approach and scope with these. The report is also drafted against the backdrop of the likely impact of Government proposals to clear the backlog in local audit and put the local audit system on a sustainable footing. The joint statement on the update to proposals to clear the backlog and embed timely audit recognises that timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. Not only does it support good decision making by local bodies, by enabling them to plan effectively, make informed decisions and manage their services, it ensures transparency and accountability to local taxpayers. All stakeholders have a critical role to play in addressing this situation.

The JIAC, as the PCC and CC's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the PCC and CC's wider arrangements to support the delivery of a timelyy and efficient audit. Where this is not done it will impact the level of resource needed to discharge our responsibilities. We will consider and report on the adequacy of the PCC and CC's external financial reporting arrangements and the effectiveness of the JIAC in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements, and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so.

We draw JIAC members and officers attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly set out what is expected of audited bodies in preparing their financial statements (see Appendix A).

(continued)





Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (https://www.psaa.co.uk/managing-audit-guality/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA (https://www.psaa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the JIAC and management of Thames Valley Police in accordance with our engagement letter. Our work has been undertaken so that we might state to the JIAC 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 JIAC 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 2023/24 audit strategy

DARDROOM



Context for the 2023/24 audit – Department for Levelling-up, Housing and Communities (DLUHC) and Financial Reporting Council (FRC) measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector will need to work together to address this. DLUHC has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop measures to clear the backlog. The proposals, which have been developed to maintain auditor independence and enable compliance with International Standards on Auditing (UK) (ISAs (UK)), consist of three phases:

- ▶ Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 30 September 2024.
- ▶ Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles.
- ▶ Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit.

To support the further development and testing of the measures, consultations are taking place to receive further feedback and inform the decision on how to proceed. Specifically:

- ▶ DLUHC has launched a consultation on changes to the Accounts and Audit Regulations 2015 to insert statutory backstop dates for historic financial statements and for the financial years 2023/24 to 2027/28.
- ▶ The National Audit Office (NAO) has launched a consultation on amending the Code of Audit Practice to :
 - Require auditors to issue audit opinions according to statutory backstop data for historic audits, and place specific duties on auditors to co-operate during the handover period for the new PSAA contract for the appointment of local authority auditors covering the years 2023/24 to 2027/28.
 - ▶ Allow auditors to produce a single value for money commentary for the period to 2022/23 and use statutory reporting powers to draw significant matters to the attention of councils and residents.
- ▶ The Chartered Institute of Public Finance and Accountancy (CIPFA) is expected to launch a consultation on temporary changes to the accounting code for preparation of the financial statements. The proposed temporary changes to the financial reporting framework have an impact on both how the financial statements are prepared and our audit procedures necessary to gain assurance.

The changes proposed by the consultations therefore will have a significant impact on both the scope of the 2023/24 audit and our assessment of risk. We will continue to provide updates to the JIAC as the audit progresses and our final assessment of the scope and nature of procedures we will undertake becomes clearer. We have highlighted those areas where we consider it most likely that the proposed measures will impact our audit approach and scope as part of this Audit Planning Report.



Responsibilities of PCC and CC's management and those charged with governance

DARDROOM

For the planned measures to be successful and the current backlog to be addressed it is vital that all stakeholders properly discharge their responsibilities.

The PCC and CC's Section 151 Officer is responsible for preparing the statement of accounts in accordance with proper practices and confirming they give a true and fair view of the financial position at the reporting date and of its expenditure and income for the year ended 31 March 2024. To allow the audit to be completed on a timely and efficient basis it is essential that the financial statements are supported by high quality working papers and audit evidence and that PCC and CC's resources are readily available to support the audit process, within agreed deadlines. The JIAC, as the PCC and CC's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the PCC and CC's wider arrangements to support the delivery of a timely and efficient audit. Where this is not done, we will:

- ▶ Consider and report on the adequacy of the PCC and CC's external financial reporting arrangements as part of our assessment of Value for Money arrangements.
- ► Consider the use of other statutory reporting powers to draw attention to weaknesses in PCC and CC's financial reporting arrangements where we consider it necessary to do so.
- ▶ Seek a fee variation for the cost of additional resources needed to discharge our responsibilities. We have set out this and other factors that will lead to a fee variation at Appendix B of this report together with, at Appendix A, paragraphs 26-28 of PSAA's Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements.
- ▶ Impact the availability of audit resource available to complete the audit work in advance of any applicable backstop dates.



The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the JIAC 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

DARDROOM

Risk/area of focus	Risk identified	Change from PY	Details
Misstatement due to fraud or error	Fraud risk	No change in risk or focus	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure	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 PCC and CC, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.
Inappropriate revenue recognition of other Income - recharges and collaboration	Fraud Risk	No change in risk or focus	ISA (UK and Ireland) 240 states, in paragraph 26, that material misstatements due to fraudulent financial reporting often result from a misstatement of revenues. In our judgement the risk of manipulation of revenue streams lies in other income as this is reliant on the information produced by the PCC and CC which other Police Authorities accept and send payments to PCC and CC to cover joint projects.
Risk of incorrect accounting in financial statements within Property, Plant and Equipment (PPE)	Significant risk	New risk	In the prior year audit, we identified some large misclassifications in the Statement of Accounts within PPE. As a result, this is an area where we consider there to be a risk of material misstatement for the 2023/24 financial statements.
Valuation of land and buildings	Inherent risk	No change in risk or focus	The fair value of land and buildings represents a significant balance in the PCC's accounts and is subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. The valuation of land and buildings remains an inherent audit risk.



The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the JIAC 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

DARDROOM

Risk/area of focus	Risk identified	Change from PY	Details
Pension liability valuation	Inherent risk	No change in risk or focus	The Local Authority Accounting Code of Practice and IAS19 require the PCC and CC to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

The outcome of consultation on the planned measures to address local audit delays and related proposed temporary changes to CIPFA's Code of Practice on Local Authority Accounting are likely to impact our assessment of audit risks and our response to them. We will continue to keep the JIAC updated on our assessment of any changes to audit risk as this becomes clearer.

Overview of our 2023/24 audit strategy



Planning materiality

£13.6m

DARDROOM

Group

Materiality has been set at £13.6 million, which represents 1.8% of 2022/23 gross expenditure on provision of services.

PCC

£8.7m

Materiality has been set at £8.7 million, which represents 1.8% of 2022/23 gross assets.

CC

£13.4m

Materiality has been set at £13.4 million, which represents 1.8% of 2022/23 gross expenditure on provision of services.

Performance materiality

£10.2m

Group

Performance materiality has been set at £10.2 million, which represents 75% of materiality.

PCC

£6.6m

Performance materiality has been set at £6.6 million, which represents 75% of materiality.

CC

£10m

Performance materiality has been set at £10 million, which represents 75% of materiality.

Audit differences

£0.7m

Group

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 £0.7 million.

PCC

£0.4m

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 £0.4 million.

CC

£0.7m

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 £0.7 million.

Other misstatements identified will be communicated to the extent that they merit the attention of the JIAC.



Audit scope

DARDROOM

This Audit Planning Report 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 give a true and fair view of the financial position as at 31 March 2024 and of the income and expenditure for the year then ended; and
- ▶ Our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 3.

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 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.

Taking the above into account, and as articulated in this Audit Planning Report, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to those risks. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities". Therefore to the extent any of these or any other risks are relevant in the context of the PCC and CC's audit, we set those within this Audit Planning Report and we will continue to discuss these with management as to the impact on the scale fee.



Audit scope (Cont.)

DARDROOM

Effects of climate-related matters on financial statements

Public interest in climate change is increasing. We are mindful that climate-related risks may have a long timeframe and therefore while risks exist, the impact on the current period financial statements may not be immediately material to the PCC and CC. It is, nevertheless, important to understand the relevant risks to make this evaluation. In addition, understanding climate-related risks may be relevant in the context of qualitative disclosures in the notes to the financial statements and value for money arrangements.

We make inquiries regarding climate-related risks on every audit as part of understanding the entity and its environment. As we re-evaluate our risk assessments throughout the audit, we continually consider the information that we have obtained to help us assess the level of inherent risk.

Audit scope and approach

We intend to take a substantive audit approach.

The Government proposals to re-establish the local authority framework on a more sustainable basis and the outcome of the related consultations are likely to have an impact on the scope of the audit. We draw your attention to the audit scope section 5 of this Audit Plan where we set out our current understanding of some of the likely impact of the proposals on our scope and approach for your 2023/24 audit. We will continue to provide updates on the impact of these changes to the JIAC where necessary to do so.



Value for Money

DARDROOM

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

Planning on value for money and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the PCC and CC's arrangements, to enable us to prepare a commentary under three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We will provide a commentary on the PCC and CC's arrangements against three reporting criteria:

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

The commentary on the PCC and CC's value for money arrangements will be included in the Auditor's Annual Report.

Timeline

A timetable has been agreed with management to complete the audit by October 2024. In Section 07 we include a provisional timeline for the audit. All parties need to work together to ensure this timeline is adhered to.



Our response to significant risks 346 Misstatements due to fraud or error

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.

Misstatements due to fraud or error*

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) 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?

- ▶ Identifying fraud risks during the planning stages.
- Inquiry of management about risks of fraud and the controls put in place to address those risks
- ► Understanding the oversight given by those charged with governance of management's processes over fraud
- ▶ Discussing with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions)
- ► Consideration of the effectiveness of management's controls designed to address the risk of fraud
- ▶ Determining an appropriate strategy to address those identified risks of fraud
- ▶ Performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements
- ▶ Undertake procedures to identify significant unusual transactions
- ► Consider whether management bias was present in the key accounting estimates and judgments in the financial statements

Having evaluated this risk we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'Inappropriate capitalisation of revenue expenditure' and 'inappropriate revenue recognition of other income – recharges and collaboration' are required (see following two pages).

Our response to significant risks [4] Inappropriate capitalisation of revenue expenditure

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.

Inappropriate capitalisation of revenue expenditure*

Financial statement impact

We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through:

- ► Revenue expenditure being inappropriately recognised as capital expenditure at the point it is posted to the general ledger.
- ► Expenditure being classified as revenue expenditure financed as capital under statute (REFCUS) when it is inappropriate to do so.
- ► Expenditure being inappropriately transferred by journal from revenue to capital codes on the general ledger at the end of the year.

If this were to happen it would have the impact of understating revenue expenditure and overstating Property, Plant and Equipment (PPE) additions and/or REFCUS in the financial statements.

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

We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

What will we do?

- ► Test Property, Plant and Equipment (PPE) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature.
- Assess whether the capitalised spend clearly enhances or extends the useful like of asset rather than simply repairing or maintaining the asset on which it is incurred.
- ► Consider whether any development or other related costs that have been capitalised are reasonable to capitalise i.e. the costs incurred are directly attributable to bringing the asset into operational use.
- ➤ Test REFCUS, if material, to ensure that it is appropriate for the revenue expenditure incurred to be financed from ringfenced capital resources. Based on our work at the planning stage of the audit we do not expect there to be material REFCUS in the year.
- ➤ Seek to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

Our response to significant risks Inappropriate revenue recognition of other income - recharges and collaboration

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.

Inappropriate revenue recognition of other income - recharges and collaboration *

Financial statement impact

We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through:

► Revenue expenditure being inappropriately recognised.

If this were to happen it would have the impact of overstating revenue in the financial statements.

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

We have assessed the risk is most likely to occur through the inappropriate revenue recognition of other income, in particular recharges and collaboration.

Police bodies have a statutory duty to balance their annual budget and are operating in a financially challenged environment with reducing levels of government funding and increasing demand for services. Any deficit outturn against the budget is not a desirable outcome for the PCC and CC and management, and therefore this desire to achieve budget increases the risk that the financial statements may be materially misstated.

In our judgement the risk of manipulation of these revenue streams lies in other income as this is reliant on the information produced by PCC and CC which other Police authorities accept and send payments to PCC and CC to cover for joint projects.

What will we do?

► Test other income of recharges and collaboration, using a reduced testing thresholds.

We will utilise our data analytics capabilities to assist with our work, including journal entry testing. We will assess journal entries more generally for evidence of management bias and evaluate for business rationale.

Our response to significant risks ₅₄ Inappropriate revenue recognition of other income – recharges and collaboration

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 incorrect accounting in financial statements within Property, Plant and Equipment (PPE)*

What is the risk?

In the prior year audit, we identified some large misclassifications in the Statement of Accounts within PPE.

The errors included:

- a depreciation misclassification error of £0.891 million,
- an error picking up the wrong disposal value for "Amounts written out relating to sold assets". A figure of £7.14 million was included instead of £1.06 milling, leading to an understatement of £6.08 million in the revaluation reserve,
- A PPE additions misclassification between the PCC and CC of £1.275 million
- Lease depreciation of £1.015 million was recorded as 'other land and buildings' instead of 'vehicles, plant and equipment'.

This is therefore an area where we consider there to be a risk of material misstatement for the 2023/24 financial statements.

What will we do?

▶ When reviewing the entries in the Statement of Accounts regarding the area of PPE, we will reduce our testing threshold.

We will utilise our data analytics capabilities to assist with our work, including journal entry testing. We will assess journal entries more generally for evidence of management bias and evaluate for business rationale.

Other areas of audit focus - Valuation of land and buildings

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, and the key judgements and estimates?

Valuation of land and buildings (inherent risk)

Per the statement of accounts, as at 31 March 2023, the value of the PCC's land and buildings was £210 million and represents the largest balance in the accounts. It is subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

The PCC continues to engage an external valuation expert to support the valuation of these assets. As this is one of the largest accounting estimates on the balance sheet, and one dependent on a high degree of subjectivity, we deem the valuation of land and buildings to represent an inherent risk of material misstatement.

Our response: Key areas of challenge and professional judgement

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;
- Challenge the accuracy of the inputs and the assumptions used by the PCC's valuer by reference to external evidence;
- Sample test 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 investment properties. We will consider if there are any specific changes to assets that have occurred and that these have been communicated to the valuer:
- Review assets not subject to valuation in 2023/24 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;
- Test accounting entries have been correctly processed in the financial statements.

What else will we do?

We will consider any other relevant information available at the time we undertake our work after production of the PCC's draft financial statements.

We will use this to inform our assessment of the accuracy of estimated information included in the financial statements and whether any adjustments are required.

Other areas of audit focus - Pension liability valuation

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, and the key judgements and estimates?

Pension liability valuation (inherent risk)

The Local Authority Accounting Code of Practice and IAS19 require the PCC and CC to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Buckinghamshire Council. The CC must also do likewise 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 PCC and CC's balance sheet. At 31 March 2023 this totalled £3,361 million.

The information disclosed is based on the IAS 19 report issued to the PCC and CC by the actuary to Buckinghamshire Council and the Police Pension Fund.

Accounting for these schemes involves significant estimation and judgement and therefore management engages actuaries 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.

Our response: Key areas of challenge and professional judgement

We will:

- Liaise with the auditors of Buckinghamshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the PCC and CC.
- Assess the work of the pension fund actuary (Barnet Waddingham) and the Police Pension Fund actuary (GAD) including the assumptions they have used by relying on the work of PWC -Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considering relevant reviews by the EY actuarial team
- Evaluate the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model; and
- Review and test the accounting entries and disclosures made within the PCC and CC's financial statements in relation to IAS19.

What else will we do?

We will consider outturn information available at the time we undertake our work after production of the PCC and CC's draft financial statements, for example the yearend actual valuation of pension fund assets.

We will use this to inform our assessment of the accuracy of estimated information included in the financial statements and whether any adjustments are required.





PCC and CC's responsibilities for value for money

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

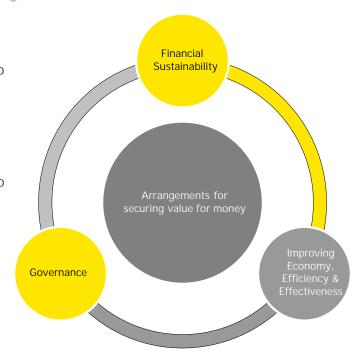
As part of the material published with the financial statements, the PCC and CC is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the PCC and CC tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Auditor Responsibilities

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

The specified reporting criteria are:

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





Planning and identifying risks of significant weakness in VFM arrangements

The NAO's guidance notes requires us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the PCC and CC's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

In considering the PCC and CC's arrangements, we are required to consider:

- ▶ The PCC and CC's governance statement;
- ▶ Evidence that the PCC and CC's arrangements were in place during the reporting period;
- Evidence obtained from our work on the accounts;
- ▶ The work of inspectorates and other bodies; and
- Any other evidence source that we regards as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- ► Exposes or could reasonably be expected to expose the PCC and CC to significant financial loss or risk;
- ▶ Leads to or could reasonably be expected to lead to significant impact on the quality or effectiveness of service or on the PCC and CC's reputation;
- ▶ Leads to or could reasonably be expected to lead to unlawful actions; or

Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- ▶ The magnitude of the issue in relation to the size of the PCC and CC;
- ► Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves (where applicable), or impact on budgets or cashflow forecasts;
- The impact of the weakness on the PCC and CC's reported performance;
- Whether the issue has been identified by the PCC and CC's own internal arrangements and what corrective action has been taken or planned;
- ▶ Whether any legal judgements have been made including judicial review;
- ▶ Whether there has been any intervention by a regulator or Secretary of State;
- ▶ Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- ▶ The impact on delivery of services to local taxpayers; and
- ▶ The length of time the PCC and CC has had to respond to the issue.



Responding to identified risks of significant weakness

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the JIAC.

Reporting on VFM

Where we are not satisfied that the PCC and CC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the Code requires that we should refer to this by exception in the audit report on the financial statements.

In addition, the Code requires us to include the a commentary on your value for money arrangements in the Auditor's Annual Report. The Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the PCC and CC's attention or the wider public. This may include matters that we do not consider to be significant weaknesses in your arrangements but should be brought to your attention. This will include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

Status of our 2023/24 VFM planning

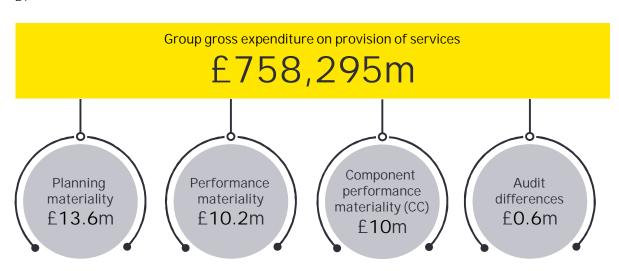
We have yet to complete our detailed VFM planning.

We will update the next JIAC meeting on the outcome of our VFM planning and our planned response to any identified risks of significant weaknesses in arrangements.



Group, PCC and CC materiality

For planning purposes, Group materiality for 2023/24 has been set at £13.6 million, and CC Single Entity has been set at £13.4 million, based on the 2022/23 accounts. This represents 1.8% of the PCC Group and CC Single Entity's prior year gross expenditure on provision of services. We have set materiality for the PCC Single Entity at 1.8% of gross assets at £8.7 million. Materiality will be reassessed throughout the audit process. This is no change from the prior year on the basis that the PCC and CC meet the Local Audit & Accountability Act 2014 criteria for a major local audit based on its size. We have provided supplemental information about audit materiality in Appendix D.



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 at £10.2 million which represents 75% of group materiality. We have used the same basis for assessment as the prior year.

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 income statement and balance sheet 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 or disclosures and corrected misstatements will be communicated to the extent that they merit the attention of the JIAC, or are important from a qualitative perspective.

We request that the JIAC confirm its understanding of, and agreement to, these materiality and reporting levels.



Objective and Scope of our Audit scoping

Under the Code of Audit Practice, our principal objectives are to undertake work to support the provision of our audit report to the audited body and to satisfy ourselves that the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its 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 opinion on the financial statements:

- whether the financial statements give a true and fair view of the financial position of the Group and its expenditure and income for the period in question; and
- whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.

Our opinion on other matters:

- whether other information published together with the audited financial statements is consistent with the financial statements; and
- where required, whether the part of the remuneration report to be audited has been properly prepared in accordance with the relevant accounting and reporting framework.

Other procedures required by the Code:

- Examine and report on the consistency of the Whole of Government Accounts schedules or returns with the body's audited financial statements for the relevant reporting period in line with the instructions issued by the National Audit Office.
- 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 its use of resources and report a commentary on those arrangements.

Audit Process Overview

Our audit involves:

- Identifying and understanding the key processes and internal controls; and
- Substantive tests of detail of transactions and amounts.
- Reliance on the work of other auditors where appropriate;
- Reliance on the work of experts in relation to areas, such as pensions and property valuations.

Our initial assessment of the key processes across the PCC and CC has not identified any processes where we will seek to test key controls, either manual or IT. Our audit strategy will, as in previous years, follow a fully substantive approach. This will involve testing the figures within the financial statements rather than looking to place reliance on the controls within the financial systems. We assess this as the most efficient way of carrying out our work and obtaining the level of audit assurance required to conclude that the financial statements are not materially misstated.

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 JIAC.

Internal audit

We will 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.



Audit team and the second of t

Andrew Brittain *
Audit partner

Alison Kennett Manager

Nana Mukhigulashvili Senior

Specialist 1 (EY Real Estates)

Specialist 2 (Specialist PWC consulting actuary and EY Actuaries)

* Key Audit Partner

Use of specialists 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 use the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where EY specialists are expected to provide input for the current year audit are:

Area	Specialists
Valuation of land and buildings	EY Valuations team
Pensions disclosure	EY 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
- $\,\blacktriangleright\,$ Assess the reasonableness of the assumptions and methods used
- ► Consider the appropriateness of the timing of when the specialist carried out the work
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements

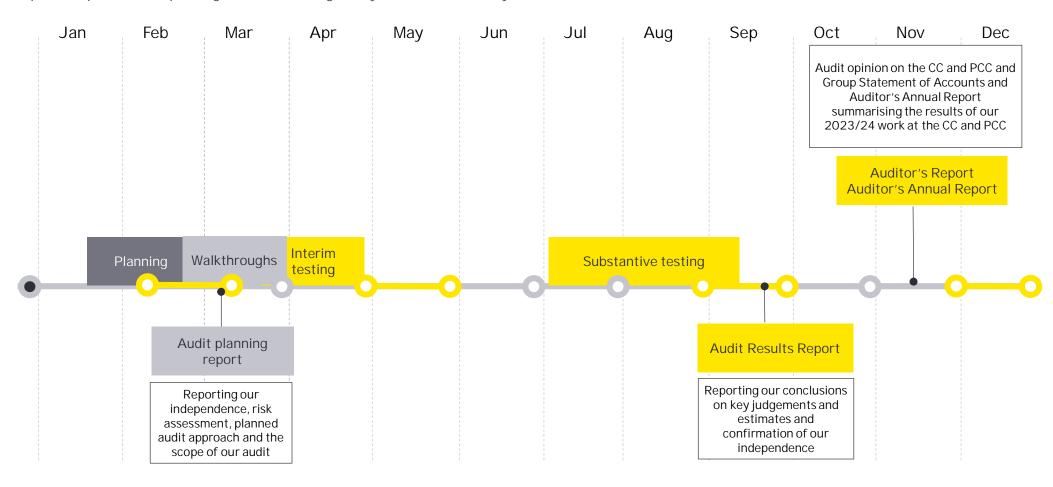


Timetable of communication and deliverables

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 2023/24.

From time to time matters may arise that require immediate communication with the JIAC and we will discuss them with the JIAC Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.





Independence 08



The FRC Ethical Standard 2019 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 December 2019, 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 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
- ▶ The IESBA Code requires EY to provide an independence assessment of any proposed non-audit service (NAS) to the PIE audit client and will need to obtain and document pre-concurrence from the audit committee/those charged with governance for the provision of all NAS prior to the commencement of the service (i.e., similar to obtaining a "pre-approval" to provide the service).
- ▶ All proposed NAS for PIE audit clients will be subject to a determination of whether the service might create a self-review threat (SRT), with no allowance for services related to amounts that are immaterial to the audited financial statements.

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/additional 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;
- ▶ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner
- ▶ 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 all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; 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 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 Andrew Brittain, 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 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 those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2019 (FRC ES), and we will comply with the policies that you have approved.

When the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC ES, and if necessary agree additional safeguards or not accept the non-audit engagement. We will also discuss this with you.

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.

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 your company. 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

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EY Transparency Report 2023

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 period ended 30 June 2023 and can be found here: EY UK 2023 Transparency Report.



Appendix A - PSAA Statement of Responsibilities

As set out on the next page our fee is based on the assumption that the PCC and CC complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/. In particular the PCC and CC should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

Preparation of the statement of accounts

26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

- prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;
- ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.
- assign responsibilities clearly to staff with the appropriate expertise and experience;
- provide necessary resources to enable delivery of the plan;
- maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;
- ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;
- ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and
- · during the course of the audit provide responses to auditor queries on a timely basis.

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable and the start date of the audit will be delayed.

Appendix B – Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

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 requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

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 by the PCC and CC; and
- ▶ The PCC and CC has an effective control environment
- ▶ The PCC and CC complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <a href="https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/. In particular the PCC and CC should have regard to paragraphs 26 28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full on the previous page.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the PCC and CC in advance.

	Current Year	Scale fee	Prior Year
	£m	£m	£m
Total Fee - Code Work	Note 2	165,873	Note 1
Other	Х	Х	0
Total fees	0	0	TBC

All fees exclude VAT

- (1) The 2022/23 Code work includes the PSAA fee of £45,662, plus the recurring adjustment fee of £32,900 and an additional fee which is to be confirmed relating to additional work on the pension valuation, PPE valuation, VFM commentary, increased FRC challenge, ISA 315 (see note 2) and ISA 540. We will discuss the variation with officers and then will submit the additional fee to PSAA.
- (2) The revision to ISA (UK) 315 will impact on our scope and approach, and require us to enhance the audit risk assessment process, better focus responses to identified risks and evaluate the impact of IT on key processes supporting the production of the financial statements. We expect to charge addition fee for this. The scale fee also may be impacted by a range of other factors which will result in additional work, which include but are not limited to:
- Consideration of correspondence from the public and formal objections.
- New accounting standards, for example full adoption or additional disclosures in respect of IFRS 16.
- Non-compliance with law and regulation with an impact on the financial statements.
- VFM risks of, or actual, significant weaknesses in arrangements and related reporting impacts.
- The need to exercise auditor statutory powers.
- · Prior period adjustments.
- Modified financial statement opinions

Appendix C — Accounting and regulatory update

Future accounting developments

The following table provides a high level summary of the accounting development that has the most significant impact on the PCC and CC:

Name	Summary of key measures	Impact on 2023/24
IFRS 16 Leases	 CIPFA have confirmed the re will be no further delay of the introduction of the leases standard IFRS 16. 	 The 2023/24 Statement of Accounts must disclose the impact the initial application of IFRS 16 is expected to have on the PCC and CC's financial statements.
	 Assets being used by the PCC and CC under operating leases are likely to be capitalised along with an associated lease liability. 	The PCC and CC should make key IFRS 16 policy decisions in accordance with the Code before 1 April 2024.
	 Lease liabilities and right of use assets will be subject to more frequent remeasurement. 	 Officers must implement robust systems to ensure all relevant data points, which could prompt a remeasurement or modification of the accounting entries, are captured in a timely manner.
	The standard must be adopted by 1 April 2024 at the latest.	

Appendix C – Accounting and regulatory update (optional)

Regulatory update

The following table provides a high level summary of the regularity update that has the most significant impact on the PCC and CC:

Name	Summary of key measures	Impact on 2023/24
ISA (UK) 315 (Revised): Identifying and Addressing the Risks of Material Misstatement	ISA 315 is effective from FY 2022/23 onwards and is the critical standard which drives the auditor's approach to the following areas: Risk Assessment Understanding the entity's internal control Significant risk Approach to addressing significant risk (in combination with ISA 330) The International Auditing & Assurance Standards Board (IAASB) concluded that whilst the existing version of the standard was fundamentally sound, feedback determined that it was not always clear, leading to a possibility that risk identification was not consistent. The aims of the revised standard is to: Drive consistent and effective identification and assessment of risks of material misstatement Improve the standard's applicability to entities across a wide spectrum of circumstances and complexities ('scalability') Modernise ISA 315 to meet evolving business needs, including: how auditors use automated tools and techniques, including data analytics to perform risk assessment audit procedures; and how auditors understand the entity's use of information technology relevant to financial reporting. Focus auditors on exercising professional scepticism throughout the risk identification and assessment process.	We will need to obtain an understanding of the IT processes related to the IT applications of the PCC and CC. We will perform procedures to determine if there are typical controls missing or control deficiencies identified and evaluated the consequences for our audit strategy. When we have identified controls relevant to the audit that are application controls or IT-dependent manual controls where we do not gain assurance substantively, we performed additional procedures. We also review the following processes for all relevant IT applications: • Manage vendor supplied changes • Manage security settings • Manage user access • Manage entity-programmed changes • Job scheduling and managing IT process

Appendix D – The Spring Report (A combined perspective on enhancing audit quality)

Background

The Spring Report ('The Report') was released by the Audit Committee Chairs' Independent Forum (ACCIF) on 2 June 2023 and is the first of its kind. The Report is the outcome from a series of discussions held with a group of experienced audit committee chairs, auditors from the top 6 firms, and executives from the Financial Reporting PCC and CC. The Report details the 9 key learnings that the group agreed on, proposing evolution not revolution, and is focused on getting the basics right first time leading to enhanced audit quality. The report considers key learnings covering the planning, execution, completion and reporting phases of the audit. The full list of key learnings can be found in the report (accif.co.uk).

Appendix E - Required communications with the JIAC

We have detailed the communications that we must provide to the JIAC.

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the JIAC 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 on the planned work to be undertaken ► The planned use of internal audit ► 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	Outline Audit Plan, March 2024 meeting of the JIAC.
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 	Outline Audit Plan, March 2024 meeting of the JIAC.

Appendix E - Required communications with the JIAC (cont'd)

		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:	Audit results report, September 2024 meeting of the JIAC.
	 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	
Misstatements	 Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation 	Audit results report, September 2024 meeting of the JIAC.
	► The effect of uncorrected misstatements related to prior periods	
	 A request that any uncorrected misstatement be corrected 	
	 Material misstatements corrected by management 	
Fraud	 Enquiries of the JIAC to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity 	Audit results report, September 2024 meeting of the JIAC.
	 Any fraud that we have identified or information we have obtained that indicates that a fraud may exist 	
	Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving:	
	a. Management;	
	b. Employees who have significant roles in internal control; or	
	c. Others where the fraud results in a material misstatement in the financial statements	
	► The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected	
	 Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud 	
	 Any other matters related to fraud, relevant to JIAC responsibility 	

Appendix E - Required communications with the JIAC (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the entity's related parties including, when applicable:	Audit results report, September 2024 meeting of the JIAC.
	 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 	
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence	Outline Audit Plan, March 2024 meeting of the JIAC.
	Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:	Audit results report, September 2024 meeting of the JIAC.
	► 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 	
	Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.	

Appendix E – Required communications with the JIAC (cont'd)

		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, September 2024 meeting of the JIAC.
Consideration of laws and regulations	▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur	Audit results report, September 2024 meeting of the JIAC.
	► Enquiry of the JIAC into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the JIAC may be aware of	
Internal controls	► Significant deficiencies in internal controls identified during the audit	Audit results report, September 2024 meeting of the JIAC.
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report, September 2024 meeting of the JIAC.
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit results report, September 2024 meeting of the JIAC.
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report, September 2024 meeting of the JIAC.
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, September 2024 meeting of the JIAC.

Appendix F – Additional audit information

Regulatory update

Our objective is to form an opinion on the PCC and CC financial statements under International Standards on Auditing (UK) as prepared by you in accordance with International Financial Reporting Standards as adopted by the UK, and as interpreted and adapted by the Code of Practice on Local Authority Accounting.

Our responsibilities in relation to the financial statement audit are set out in . We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the JIAC. The audit does not relieve management or the JIAC of their responsibilities.

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, company law 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
- ▶ Obtaining 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 PCC and CC'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 PCC and CC's 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 JIAC reporting appropriately addresses matters communicated by us to the JIAC and reporting whether it is materially inconsistent with our understanding and the financial statements
- ► Maintaining auditor independence

appendix F — Additional audit information (cont'd)

Other required procedures during the course of the audit

Procedures required by the Audit Code

- ▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement.
- ▶ Examining and reporting on the consistency of consolidation schedules or returns with the Group's audited financial statements for the relevant reporting period

We have included in Appendix E a list of matters that we are required to communicate to you under professional standards.

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 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.

Appendix G - Non-Compliance with Laws and Regulations (NOCLAR)

Non-Compliance with Laws and Regulations includes:

Any act or suspected act of omission or commission (intentional or otherwise) by the entity (including any third parties under the control of the entity such as subsidiaries, those charged with governance or management or an employee acting on behalf of the company), either intentional or unintentional, which are contrary to the prevailing laws or regulations

Management Responsibilities:

"It is the responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements."

"The directors' report must contain a statement to the effect that... so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information."

ISA 250A, para 3

"Management is responsible for communicating to us on a timely basis, to the extent that management or those charged with governance are aware, all instances of identified or suspected non-compliance with laws and regulations ..."

Audit Engagement Letter

Management's responsibilities are also set out in the International Ethics Standard Board of Accountants' International Code of Ethics (IESBA Code) Para 360.08

Auditor Responsibilities

The International Ethics Standard Board of Accountants' International Code of Ethics (IESBA Code) section 360 sets out the scope and procedures in relation to responding to actual or suspected non-compliance with laws and regulations.

Professional accountancy organisations who are members of the International Federation of Accountants (IFAC), such as the Institute of Chartered Accountants in England and Wales (ICAEW) are required to adopt the IESBA Code of Ethics.

We as your auditor are required to comply with the Code by virtue of our registration with ICAEW.

"If the auditor becomes aware of information concerning an instance of non-compliance or suspected non-compliance with laws and regulations, the auditor shall obtain:

An understanding of the nature of the act and the circumstances in which it has occurred; and Further information to evaluate the possible effect on the financial statements

The auditor shall evaluate the implications of the identified or suspected non-compliance in relation to other aspects of the audit, including the auditor's risk assessment and the reliability of written representations, and take appropriate action."

ISA 250A, paras 19 and 22

Examples of Non-Compliance with Laws and Regulations (NOCLAR)

Matter

ISA 250A, para 3

- Suspected or known fraud or bribery
- ► Health and Safety incident
- ► Payment of an unlawful dividend
- Loss of personal data
- Allegation of discrimination in dismissal
- ► HMRC or other regulatory investigation
- ▶ Deliberate journal mis-posting or allegations of financial impropriety
- ► Transacting business with sanctioned individuals

Implication

- Potential fraud/breach of anti-bribery legislation
- ▶ Potential breach of section 2 of the Health and Safety at Work Act 1974
- ▶ Potential breach of Companies Act 2006
- ▶ Potential GDPR breach
- ▶ Potential non-compliance with employment laws
- ► Suspicion of non-compliance with laws/regulations
- Potential fraud / breach of Companies Act 2006
- Potential breach of sanctions regulations

Appendix G - Non-Compliance with Laws and Regulations (NOCLAR) (cont'd)

What are the implications of NOCLAR matters arising?

Depending on the nature and significance of the NOCLAR matter the following steps are likely to be required, involving additional input from both management and audit.

This can have an impact on overall achievability of audit timeline and fees.

Across our portfolio of audits we have seen a steady increase in NOCLAR matters that need to be addressed as part of the audit over the past 3 years



Management response:

Timely communication of the matter to auditors (within a couple of days)

Determine who will carry out any investigation into the matter – in-house or external specialists or mix of both

Scope the investigation, in discussion with the auditors

Evaluate findings and agree next steps

Determine effect on financial statements including disclosures

Prepare a paper, summarising the outcome of the investigation and management's conclusions

Communicate the outcome to Those Charged With Governance (TCWG) and to us as your auditors. Report to regulators where required.

Key Reminders:

- Make sure that all areas of the business are aware of what constitutes actual or potential non-compliance and associated requirements
- Communicate with us as your auditors on a timely basis – do not wait for scheduled audit catch-ups
- Engage external specialists where needed
- Ensure that your investigation assesses any wider potential impacts arising from the matter, not just the matter itself.
- Plan upfront and consider any impact on overall accounts preparation and audit timeline - discuss the implications with us as your auditor

Audit response:

Initial assessment of the NOCLAR matter and its potential impact

Initial consultation with risk team to determine responsive procedures and the involvement of specialists

Understand and agree scope of management's investigation with support from specialists as needed

Evaluate findings and undertake appropriate audit procedures

Determine audit related impact including accounting and disclosure and audit opinion implications

Document and consult on the outcome of our procedures

Communicate the outcome with management, TCWG and where necessary other auditors within the group or regulators

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ED None

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JOINT INDEPENDENT AUDIT COMMITTEE



Title: Progress on 2023/24 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 2023/24 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 2023/24 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 2023/24 Joint Internal Audit Plan for TVP and the OPCC and any findings arising from the audits that have been completed.

2 Issues for Consideration

Audit Resources

- 2.1 There have been no changes to the Joint Internal Audit Team's resource plan for 2023/24, with the plan being delivered by the Chief Internal Auditor, Principal Auditor and TIAA Ltd (ICT audit provider).
- 2.2 In terms of capacity, due to a team resource pressure, the Environmental Sustainability Strategy will not be completed as part of the 2023/24 Joint Internal Audit Plan. The audit has been carried forward to the 2024/25 Joint Internal Audit Plan and will be completed during quarter one.

2023/24 Audit Plan Status and Changes

- 2.3 The progress made in delivering the 2023/24 Joint Internal Audit Plan, as at the 16 February 2024, is detailed in Appendix A.
- 2.4 The following changes have been made to the 2023/24 Joint Internal Audit Plan since the December JIAC meeting:
 - Environmental Sustainability Strategy carried forward to the 2024/25 Joint Internal Audit Plan.
- 2.5 The other plan changes have been minor audit title updates or day allocation alterations.

2023/24 Completed Audits

- 2.6 Appendix B contains the details of each completed audit since the previous JIAC meeting on the 15 December 2023. The appendix contains details on the scope, assurance rating and key findings. Since the previous meeting and as at 16 February 2024, the following audits have been completed:
 - Rural Crime reasonable assurance.
 - Contractor Management reasonable assurance.
 - Mandatory and Essential Training Completion limited assurance.
 - VAT Returns reasonable 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.

2023/24 Performance Indicators

2.8 Local performance indicators are used by the section to ensure audits are completed promptly and to an acceptable standard. The table below summarises current performance against each indicator.

Ref.	Performance Indicator	Measurement and Target	Current Status	R/A/G
1	Testing completed.	By July: 10% By November: 40% By February: 70% By May: 100%	56%	仓
	70%		/ =	
	60%	/		
	50%		_	
	40%	/_/		
	30% ———			
	20%			
	10%			
	0%			
	•	May Jun Jul Aug Sep Oct Nov Dec Jan	Feb	
	K	ey: Blue (actual) / Red (target)	<u> </u>	
2	Final Report issued.	By July: 0% By November: 25% By February: 45% By May: 100%	32%	仓
	50%			
	40%			
	30%			
	20%			
	10%			
	0% —			
	Apr M	ay Jun Jul Aug Sep Oct Nov Dec Jan	Feb	
Key: Blue (actual) / Red (target)				
3	Joint Internal Audit Plan delivered.	Each audit review completed, excluding any agreed changes (i.e. removed audits): 100%	Year- end reporting	N/A
4	Annual Internal Audit Quality Questionnaire outcome.	Responses who agree or tended to agree with the statements (excluding "unable to comment" answers): 95%	Year- end reporting	N/A

- 2.9 The details to support the current performance levels are:
 - In terms of testing completion, the graph is showing the plan behind schedule, but on track to be delivered by April 2024.
 - In relation to issued final reports, again, the plan is behind schedule, but on track to have all reports issued by April 2024.
 - The remaining two performance indicators will be reported at year-end.
- 2.10 The team continue to track performance measures around the timeliness in completing audits. Of the 14 audits where testing is complete, nine were within target, five were not. Of these five audits, the average delay was 36 days due to resolving audit queries, obtaining evidence and agreeing audit report content. Of the eight audits where the final report has been issued, seven were done within the

performance indicator, one was not. This report was issued 11 days over, due to resolving final queries on the report content. The eleven audits that have been completed have all been within their agreed day allocations.

Fraud

- 2.11 The Force and OPCC are currently reviewing the 2022/23 data matches. To date, no issues have been identified.
- 2.12 The Joint Internal Audit Team have liaised with the Professional Standards Department (PSD) and Corporate Finance and there have not been any instances of fraud that have needed to be notified to the team since the previous JIAC meeting in December. These matters are now discussed at the quarterly Fraud Group, which is attended by PSD, Corporate Finance, Internal Audit and the OPCC.

3 Financial comments

3.1 The Joint Internal Audit Plan can be delivered within existing budgetary provisions.

4 Legal comments

4.1 No known legal issues arise from the contents of this report.

5 Equality comments

5.1 No known equality issues arise from the contents of this report.

6 Background papers

6.1 Final Internal Audit Strategy and Annual Plan 2023/24.

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 2023/24 Joint Internal Audit Plan.	Chief Internal Auditor
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 Head of Governance and Compliance
Financial Advice No known financial issues arise from the contents of this report.	PCC Chief Finance Officer

Equalities and Diversity		
No known equality issues arise from the contents of this report.	Chief	Internal
	Auditor	

OFFICER'S APPROVAL

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

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

PCC Chief Finance Officer (OPCC) Date: 9 February 2024

Director of Finance (TVP)

Date: 22 February 2024

APPENDIX A

2023/24 Joint Internal Audit Plan – Current Status (February 2024)

Organisation	Audit Review	Area	To Start	Scoping	Fieldwork / Ongoing	Exit Meeting	Draft Report	Final Report / Complete	Replaced
	Violence Against Women and Girls Strategy	Force Wide					-	Reasonable Assurance	
	Trust and Confidence				✓				
	Force Restructure / Efficiency Savings					✓			
	Environmental Sustainability Strategy	DCC							Carried Forward
	Management of Volunteers and Specials					✓			
	Counter Fraud Controls						✓		
	Digital Project Implementation	Information			✓				
	Cyber Security Governance and Framework					✓			
	Back Up and Recovery				✓				
TVP	Management of Legacy Systems				✓				
1 11	Security and Data Protection Compliance (Working Smart)					✓			
	Mandatory and Essential Training Completions	People						Limited Assurance	
	Contractor Management							Reasonable Assurance	
	Key Financial Controls	Finance			✓				
	Seized Cash					✓			
	Criminal Justice Outcomes (Out of Court Disposals)	Crime and Criminal Justice				✓			
	Stalking				✓				
	Forensic Improvement Plan							Reasonable Assurance	
	Rural Crime	Local Policing						Reasonable Assurance	

Organisation	Audit Review	Area	To Start	Scoping	Fieldwork / Ongoing	Exit Meeting	Draft Report	Final Report / Complete	Replaced
	Knife Crime							Reasonable Assurance	
	Hate Crime							71000101100	√
	Regional Vehicle Policy and Fleet Usage	Regional Crime and Counter Terrorism				✓			
	Violence Reduction Unit	OPCC Wide						Limited Assurance	
	Commissioning Processes	OPCC Wide							✓
OPCC	VAT Returns	Finance						Reasonable Assurance	
	Independent Custody Visitors Scheme	Governance and Compliance				✓			
	Sources of Assurance	General			✓				
N/A	Limited / Minimal Assurance Follow Up	General			✓				
	Number of Audits		0	0	8	8	1	8	3
% of Audits				0%	32%	32%	4%	32%	-
N/A	JIAC Days	Other	Yet to b	e commissi	oned.		•		

APPENDIX B

2023/24 Joint Internal Audit Plan - Completed Audits

Below are the audits that have been complete since the previous JIAC meeting. The key to the assurance ratings is:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently
Substantial	applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for
Reasonable	improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management
	and control to effectively manage risks to the achievement of objectives in the area audited.
Minimal	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk
	management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Audit Review Rural Crime			Force CCMT Lead	ACC Christian Bunt (Local Policing)
	Roles and Responsibilities	Reasonable	Planned Days	12 days
Scope	Governance and Oversight	Reasonable	Plailileu Days	
	Partnership Working	Reasonable	Actual Days	12 days
	Overall Assurance	Reasonable	Actual Days	

The priority one actions arising from the audit relate to the following observations:

- It was stated that Rural Crime (RC) is considered within LPA Daily Management Meetings (DMM) as standard. However, through contact with a sample of LPAs it was confirmed that this is not the case for every LPA. This had also been picked up at the August 2023 Rural Crime Operational Group meeting with the minutes stating that 'often the crimes are closed at source and the only way to make sure they are picked up and any forensic opportunities are not missed is via the DMM process. The rural crime qualifier should populate the DMM and then it would be the Chair's decision if they should be discharged ... AlU should be reviewing all flagged rural crime in line with other red crimes so they will be reviewed quicker.' From this meeting the RC Inspector was tasked to look into the entire process with the Assessment and Investigation Unit (AIU), DMM and the Rural Crime Coordinator, to ensure that 'we capture all rural crime as soon as possible and action appropriately within Force processes.'
- The Rural Crime Strategy 2023-2026 was finalised in late September 2023 and shared with key partners, although wider communications are planned which will potentially include a 'launch' video. Discussions are also due to be undertaken to determine the process for monitoring progress against the 'we will' statements within the strategy. Linked into this, within the OPCC Strategic Delivery Plan, there is an action to 'Establish LPA level plans to reduce and respond to Rural Crime'. The update against this action states that LPA plans are in development but contact with a sample of LPAs indicated that whilst three of the LPAs had plans they contain varying level of detail, and the other two sampled LPAs do not have/feel they need rural crime plans.

The priority two actions arising from the audit relate to the following observations:

- There is a Rural Crime Taskforce (RCT) intranet page, which contains an array of details around rural crime. However, the RCT team structure chart was out of date and there was no link on the page to the RCT Teams Channel. There is also limited guidance on heritage crime within the page and no SNAP guide on this area. There is also content on RC within the Contact Management intranet section which contains a variety of information, although several pages are 'under development' or need updating.
- In terms of training for Officers and PCSOs, there is no specific rural crime content within the initial training, or e-learning packages in place.
- The current RCT structure comprises an Inspector, two Sergeants, and ten Constables (PCs), although it was stated that the full structure is intended to incorporate 18 PCs. At present there are two vacancies in terms of PCs and these positions have been vacant for a number of months. The Team are also structured to host six student Officers although there are only three currently in place and they are due to leave shortly. In terms of Police Staff, there is not currently an analyst post who could undertake more in depth analysis around figures, achievements and impacts of operations / campaigns undertaken.
- As well as RC Single Point of Contacts (SPOCs) on each LPA (excluding the three urban LPAs), the intention is for there to also be Wildlife Trained
 Officers (WTOs) within each Neighbourhood Team. However, this is not yet the case and there is an action within the Rural Crime strategy to
 'Increase number of Wildlife Trained Officers across Force and to improve response to wildlife crime'. It was also noted that within the 'Find Force
 Skills' section of SSAMI there is a list of WTOs, however the individuals shown did not correspond with the list of trained WTOs provided during the
 audit.
- There is a RC qualifier which should be applied to all rural crimes and incidents. Although the application of a qualifier is mandatory it is not enforced by the Contact Management Platform (CMP) system. Also, a request for the qualifier be changed to Rural Crime/Incident is on the list for a future upgrade although there is no set completion date. Whilst levels of qualifier application had been improving earlier in the year, it was noted towards the end of the audit that there has been a recent decline in qualifier compliance. The reasons for this were being explored and the Contact Management RC week of action included reminders about the importance of applying the qualifier.
- In terms of regular internal comms sent out, infographics are created and shared with the LPAs, and bulletins are produced by the RC Intelligence Team. However, these are produced on a monthly basis and there were no other regular comms identified that communicate where the RCT have been across the Force. In contacting a sample of LPAs to ask them how much they are aware of the work of, and liaise with, the RCT the feedback was generally positive. However, one LPA Commander commented that there are occasions when the SPOC/Sergeants are not aware that the RCT have visited the LPA.
- Within the Service Improvement Portal there is a section on rural crime. Figures from this portal are used for reporting to Force Performance Group against the strategic aim and related diagnostic of 'Reduce rural crime levels by 5%'. As part of discussions with a sample of LPAs, the LPA Commander for one of the 'urban' LPAs commented that whilst they have some rural crimes recorded they are generally incorrect and need reclassifying. These crimes were not generally being reviewed locally but when reviewed during the audit by the LPA Service Improvement Team the number shown was reduced from 13 to 3.
- Within the Strategy there is an action in relation to development of LPA rural crime calendars. However of the five sample LPAs contacted, two did not
 have calendars, although one was working towards this, and two link into the Rural Crime Events/Operations planner which has recently been
 established. This planner is being developed with the intention for it to be updated Forcewide, which will assist in co-ordinating activities, and also for it

- to be shared with partners.
- The Thames Valley Rural Crime Partnership meet on a quarterly basis. There is a terms of reference (ToR) which is marked as last reviewed in January 2020 and refers to objectives for the first year. The minutes from the May 2023 meeting reflect that the ToR were agreed as still valid, however the document would benefit from being formally updated and potentially expanded to reflect a recent change to the chairing arrangements and the membership of the Partnership.
- Within TVP there are a number of levels of Independent Advisory Group (IAG). Four of the sampled LPAs contacted confirmed their LPA IAGs included either rural representatives or Neighbourhood Watch representatives who share messages with the rural community/seek out concerns from them. However, one LPA confirmed that their IAG had no rural representative, although this would be considered pending any changes to IAGs under the current review.
- Although it was clear that there are significant amounts of external communications and engagement taking place across the key rural LPAs and the RCT, there is no overarching rural crime comms plan. That said there are several actions around increasing comms detailed within the Rural Crime Strategy relating to social media, WhatsApp and Thames Valley Alerts (TVA). In particular, it was noted during the audit that TVA is one of the least used comms channels for rural crime, although use of this channel would assist in reaching non-social media users.
- Feedback is received from partners through meetings, however there have not been any recent surveys or similar approaches to seeking specific feedback from external partners in terms of whether they are receiving the right type of / sufficient information on RC and the work of the RCT. It was noted during the audit that South and Vale LPA are involved in the launch of a Community Safety Partnership (CSP) Rural Crime survey which is in the process of being launched although it was not clear whether this survey will be shared Forcewide.

Audit Review Contractor Management			Force CCMT Lead	ACO Christine Kirby (Director of People)
Scope	Appointment Process	Reasonable	Planned Days	10 days
	Governance and Monitoring	Reasonable	Plailileu Days	
	Overall Assurance	Reasonable	Actual Days	10 days

The priority one actions arising from the audit relate to the following observations:

- The Workforce Planning Team operate an ongoing IR35 review process via a Tracker spreadsheet. During the audit, the process and the Tracker were reviewed with testing identifying a lack of a check to SSAMI to ensure that all "temporary" employees were captured within the spreadsheet. Also, the Tracker spreadsheet is only forward looking and there is some work required on retrospective roles to ensure that they all are captured and any related risks are being mitigated. Additionally, the Receipts, Procure & Pay (RP&P) Team maintain annual HMRC spreadsheet returns of payments made to contractors "off payroll". The Workforce Planning Team do not currently have access to this spreadsheet to cross reference individuals to the Tracker.
- His Majesty's Revenue & Customs (HMRC) have written to all Forces requesting assurances on their IR35 processes dating back to 2017. Over
 the last couple of months, the Force have been reviewing the payments on a risk basis with an aim of identifying individuals where IR35 issues
 have arisen. The checks completed so far have identified a few individuals that will need to be put through the IR35 assessment tool to determine
 the outcome. The outcome of the review is also due to be reported to CCMT for their oversight and assurance.

• In reviewing the Tactical Workforce Planning Board and Strategic Workforce Board details, one observation was made regarding the lack of visibility at these meetings of the current IR35 issue. It was commented that the issue will need escalating to both boards in terms of outcome and future actions.

The priority two actions arising from the audit relate to the following observations:

- During the audit, the overall processes and guidance for appointing Fixed Term Contracts, Temporary Staff, Contractors and Non-TVP Staff were reviewed. The only observation related to the Police Staff Commission Form and testing of the links within the form found the "guidance" link is restricted and not publically available.
- The audit reviewed the Standard Operating Procedures (SOP) in place within the Workforce Planning Team and the Payroll Team. Testing found up to date processes in place, although the Workforce Planning Team's IR35 SOP was in the process of being reviewed.
- At the beginning of the audit, it was commented that Force wide communications relating to contractor appointments have been drafted but are yet to be finalised or issued.
- During the audit, a sample of 15 individuals were tested to ensure the correct appointment processes were applied, including value for money, vetting and ICT access. Testing found examples of individuals that were missing from the Workforce Planning Team's IR35 Tracker spreadsheet; one example where PeopleSoft had not been updated to show an individual had left the Force; examples where an IR35 / recruitment assessment was overdue; an example where a temporary appointment file could not be located (although the individual has since left the Force) and two individuals where spend over the last four years has been in excess of £50,000, but the audit was unable to identify any value for money testing.
- In reviewing the Strategic Risk Register, it was noted that the Force are currently mitigating the following risk "SR107: Contractor Appointment (risk score 8)". The risk is overseen operationally at the Strategic Workforce Board, and corporately at CCMT / Force Risk Management Group. However, in reviewing the current risk detail, the content would benefit from a review and update.

Audit Review	ew Mandatory and Essential Training Completion			ACO Christine Kirby (Director of People)
Scope	Mandatory and Essential Training Completion	Reasonable	Planned Days	10 days
	Mandatory and Essential Training Monitoring and Oversight	Limited	Piailileu Days	
Overall Assurance		Limited	Actual Days	10 days

The priority one actions arising from the audit relate to the following observations:

- For a number of the First Aid (FA)/ Personal Safety Training (PST) courses, SSAMI data is used to help identify those who need to complete training. Whilst SSAMI can filter on deployability, it is not currently possible to differentiate between non-deployable individuals who can and cannot complete FA/PST training. It was also noted during sample testing that there are a number of ways of recording individuals who are on light/recuperative/adjusted duties, which can cause additional administration work when identifying who should be booked onto courses.
- Display Screen Equipment e-learning is delivered via an external package/system. As at mid-May 2023, the completion rate for the training was only 57.82%, which was stated as mainly due to an issue that had arisen around the setup of new starters to complete the training. Work was about to

- commence on reviewing all those individuals shown as not having completed the training and a process has also been agreed for auto-enrolling new starters on the training system and sending out reminders where the training is not completed.
- It was stated that emails are sent to Line Managers when individuals go out of licence, however, one of the SPOCs commented that they do not receive this information for their teams, and the SPOCs confirmed that they are not involved in monitoring or dealing with individuals in these instances. Line managers can view training expiry dates for their teams within SSAMI, but it was stated this is not the easiest to find and the functionality needs development to ensure the correct licences/audiences are being linked.
- Training SPOCs, and senior managers, can also view completion data via the Audience Finder screen. Whilst data is provided on completion rates for FA/PST and key e-learning completions at the Tier 1 / 2 meetings, it was commented that it would be useful for the SPOCs to have access to this kind of data via a dashboard so that they could look at it directly and tackle issues outside of the Tier 1 / 2 data. On making contact with a sample of Training SPOCs, one responded that they were not carrying out any monitoring or reporting, and the other six SPOCs confirmed that data is being extracted from SSAMI and reviewed, although in one of these cases the data was not then being considered at Area Management Meetings (AMM)/Senior Management Team (SMT) meetings.
- In terms of data available, a new Data Evaluation post has been introduced within L&D with a remit to look at the data available for identifying patterns, trends and issues with training completion levels. Although training completion data is submitted to the Tier 1 and 2 meetings, and more recently to the L&D Performance Group, the information provided is under development to potentially include more details/analysis.

The priority two actions arising from the audit relate to the following observations:

- The intranet content in place with regard to the Learning & Development (L&D) Administration Team requires updating to reflect which training sits under which section of the team. It was commented that there is a review of the team structure being undertaken at present and once this has been completed the intranet will be updated.
- During the audit a range of standard operating procedure (SOP) documentation was reviewed and a small number of issues were noted suggesting the SOPs required updating or introducing.
- For one of the sampled courses, a spreadsheet is used to track bookings/completion of the required modules. However, sample testing of the spreadsheet identified and number of errors and issues with completion data shown.
- There are a number of courses shown on the L&D intranet page/publicised as for 'All Officers/Staff' where the audience within the SSAMI Essential Training Completions (Audience Finder) screen does not match the standard 'All staff' audience figure. It was thought there were two main reasons: The audience not having been updated to reflect new posts, for which a piece of work is underway to auto-update audiences, and the description of the audience needing to be revised on the intranet where course completion is not actually required for all Officers and Staff. There were also a small number of individuals who were incorrectly shown within the audience for PST100 (Fitness Test).
- Police officers should have up to date FA/PST so that they can be deployed for large scale events and if the Force goes to critical. However, historically there have been some exemptions based on rank and job role. Whilst these exemptions have recently been revisited, and work undertaken to book a number of previously exempt individuals onto courses, sample testing showed that there still appear to be some exemptions in place but there is no documented policy to confirm details and how / at what level this has been authorised.
- Staff Personal Safety Instructors (SPSIs) are individuals who 'support and deliver Public and Personal Safety Training to Officers and Police Staff'. The target is to have 50 SPSIs across the LPAs but the numbers were 21 below target as at mid-June 2023.
- During sample testing of the updating of PeopleSoft with FA training completions, instances were identified where the Pertrain has been marked to

- show that individuals have completed HSD1M (First Aid pre-learning), but there was no record of completion on PeopleSoft.
- In reviewing the completion rates for FA and PST courses, where shown on the Audience Finder, a number of courses were identified where the completion rates were below 85% (stated completion level for sign off) ranging from 45% to 84%.
- Sample testing of FA/PST training completions identified: several individuals who do not have an exemptions but are out of licence and do not have a course booked, a Superintendent who did not have a first aid training record at all, a Special Sergeant who did not have a PST record at all, a Police Officer who was a no show but has not yet been rebooked onto another course and a Police Officer who appeared to be out of licence for PST but for whom this should not occur for the role they are in due to additional monitoring processes.
- Review of a sample of Health and Safety (H&S) courses shown on the Audience Finder highlighted two courses with 0% completion rates and one course with a completion rate of only 41.44%. A meeting was scheduled to take place over the summer to review the H&S training in place and look at what is missing/future approach. It was also noted that the audience for First Aid at Work (HSD3) is only shown as JOU and L&D, with a completion rate of 59.57%, although a review is being undertaken to look at the number required/location of first aiders, given the significant increase in working from home following Covid.
- There are 101 courses currently showing on the Audience Finder, the majority of which are e-learning. The e-learning page on the intranet states there are thirteen 'essential e-learning courses for all staff and officers' and completion rates, where included within the Audience Finder, ranged from 6.44% to 95.91%, with seven under 85%. A sample of ten other e-learning courses were reviewed, of which eight had completion rates under 85% (ranging from 0% to 74.70%). Also for two courses highlighted during the previous audit as low completion rates, the rates are still showing as below 85% (39.64% and 63.07%). There is no dedicated resource within L&D to chase e-learning completion.
- When an individual completes an e-learning package, using College Learn or Moodle, completion data is regularly extracted for upload into PeopleSoft. In some cases pass marks are applied and individuals should only be uploaded onto Peoplesoft as having completed the training if the pass mark was achieved. However, review of a sample of upload files identified several instances where the file shows scores that do not correspond with the stated pass marks.
- A report compiled by the Head of L&D in August 2022 entitled 'Managing Deployment of Self-Directed learning in TVP: Focus on Information Management Training', included several points which related to e-learning completions. One was to 'make as many packages as possible Team E-Learning' although review of a sample identified that this had not been actioned in every case. Another was to 'Set a goal to reduce the average time taken to complete e-learning packages' with an action to introduce a package of the month with the aim of making completion within a four-week window achievable. The success of this has not however been measured yet by reassessing the completion timescales.
- The reasons applied for cancellations and no shows were reviewed for a sample of recent months and observations were made around the number of reason codes available, instance where no reason is being given/recorded, the use of reminders, booking errors, instances where advance notice was given and authorisation for cancellations.
- Work is underway to develop reporting/analysis in relation to individuals who repeatedly no show/cancel training courses. In terms of monitoring at LPA/Department level, whilst one sampled SPOC had been looking at no shows/cancellations this had recently ceased due to overall improvements around training completions. The remaining six sampled SPOCs stated that they do not receive any data around no shows/cancellations as SPOCs. Within L&D, consideration is being given to what data will be provided in future to LPA Commander/Department Heads with regard to cancellations and no show rates. The information being provided to the L&D Performance Group, Tier 1 Resourcing and Resilience Board and Tier 2 Local Policing Strategic Resourcing Board is also being considered as these forums do not currently consider no show/cancellation rates.
- New e-learning courses are publicised via 'In The Know', and for those individuals within the audience the course will also appear in their Essential Outstanding Learning (EOL) screen. Targeted emails are not currently sent out to notify the individuals in the audience, although it was commented

- that this could be considered again in the future following completion of the PeopleSoft upgrade. Also, whilst it is possible for individuals to look up the expiry dates for their licenced courses, several comments were made around whether individuals would be aware of how to do this and that it would be helpful to have guidance on the L&D intranet page and/or add the information to the EOL to make it easier for individuals and line managers to identify, in one place, any outstanding / expired training.
- As part of the PDR process Line Managers should be checking individuals EOLs as they are required to state within the PDR if all mandatory training is up to date. However, analysis by L&D showed that 49% of line managers had closed a PDR and answered yes to the question 'is all mandatory training complete' where there were in fact outstanding training packages on the EOL screen. Whilst some work was initiated to look at whether to link pay awards to training completion, this has not been introduced and no other follow up or action was taken.
- There are SPOCs in place for each LPA and some, but not all, departments or the OPCC. However, there is no role profile for the SPOC role and although an initial meeting is held with new SPOCs to talk through their responsibilities, some of the sampled SPOCs commented that they had not received any specific guidance on what they should be monitoring. Emails have been sent out in the past and there also used to be meetings with the SPOCS but these have dwindled, although these will be reinstated when time allows, most likely via Teams, along with the introduction of a Teams channel.

Audit Review	VAT Returns		OPCC SMG Lead	Martin (Chief Officer)	Thornley Finance
Scono	VAT Return Process	Reasonable	Planned Days	anned Days 10 days	
Scope	Quality Assurance Arrangements	Reasonable	Plailileu Days		
	Overall Assurance	Reasonable	Actual Days	10 days	

The priority one actions arising from the audit relate to the following observations:

• During the audit, the team's suspense account reconciliation process was reviewed. The suspense account contains all proforma invoices, pending receipt of the formal VAT invoice. Until the VAT invoice is received, the OPCC Finance Team cannot reclaim the VAT. Testing found that a more focussed approach and improved communications could increase the number of outstanding invoices. The current value of the suspense account is £252,013 (as at October 2023), up from £225,321 in April 2023. At a standard VAT rate of 20%, this could mean up to £50,000 is yet to be reclaimed.

The priority two actions arising from the audit relate to the following observations:

- The OPCC Finance Team have a procedure note for the VAT Return process, which was last updated in February 2023. Although the main principles are noted within the document, the full process does need to be recorded. Additionally, the procedure note for the 5% VAT Income Check was provided which would also benefit from a review and refresh. The Corporate Accountant currently manages the process and there is continuity within the team to complete the process. However, the VAT Return process was due to be handed over to other members of the OPCC Finance Team to manage and complete.
- The audit confirmed that historically, there has been a lack of checking of the data that is extracted from Aptos or assurance processes that the

data is correct and there are no data quality issues. In recent months, checks have been taking place on the data, based on a sample number of invoices, including larger value invoices. It was commented that the checks are not yet fully embedded and documented within the team's procedures.

- The OPCC Finance Team have attended relevant VAT Training courses. In terms of the Force's Receipts, Procure & Pay (R, P&P) Team, they received some internal training several years ago on VAT processes / risks and the team use the manuals and guidance from that training. However, as most of the current team joined TVP after this training took place, it may be beneficial to complete refresher VAT Training.
- During the audit, it was commented that on occasions, Aptos upgrades can cause issues with the VAT Return process and the OPCC Finance Team are not always aware of or consulted on the upgrade.
- During the audit, the VAT journal process was documented. Testing found that VAT journals should be processed by the OPCC Finance Team, but
 on occasions, the journals can be accidently processed by Corporate Finance. Although there are other controls in place to identify this (i.e. the
 OPCC Finance Team's monthly sampling checking and access to Aptos journal records), there are options to implement more robust
 arrangements to gain assurances on the journal input process, as well as complete training / issue communications to Corporate Finance on the
 required process.

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.



Signature

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.

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 36 actions that are currently overdue:
 - 16 actions are due for completion by the end of March 2024;
 - 10 actions are due for completion by the end of April 2024;
 - 1 action is due for completion by the end of May 2024;
 - 5 actions are due for completion by the end of June 2024;
 - 3 actions are due for completion by the end of September 2024; and
 - 1 action is due for completion by the end of January 2025.

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 2024 in relation to audits conducted during the years 2021/22 to 2023/24. It shows that in total there were 36 overdue actions at 31st January, arising from 16 separate audits. The overdue actions are split by priority. Also shown is the number of overdue actions that had previously been reported, which has fallen from 33 to 25 since the last report to this Committee in December 2023.
- 2.2 Appendix 2 shows the changes in the number of overdue actions since the previous report to this Committee in December 2023. The total number of outstanding overdue actions reported has fallen from 45 to 36.
- 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 2024. The information is based on responses from managers received up to and including 26th February 2024. If required, a verbal update will be provided to the Committee on any further information received since this report was written.

Priority 1 rated overdue actions

- 2.4 Of the 20 priority 1 overdue actions, two are more than 12 months overdue. These consist of:
 - One action from the 2021/22 Protective Monitoring (Vigilance Pro) audit.
 - One action from the 2022/23 Operations (TVP Events and Protests) audit.
- 2.5 Appendix 3 sets out further details of each of the actions.

Priority 2 rated overdue actions

2.6 Of the priority 2 actions, two are more than 12 months overdue. These relate to the 2021/22 Protective Monitoring (Vigilance Pro) audit.

3 Financial comments

3.1 No known financial issues arise from the contents of this report.

4 Legal comments

4.1 No known legal issues arise from the contents of this report.

5 Equality comments

5.1 No known equality issues arise from the contents of this report.

6 Background papers

6.1 None.

Public access to information

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

Is the publication of this form to be deferred? No

Is there a Part 2 form? No

Name & Role	Officer
Head of Unit	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 Head of
No known legal issues arise from the contents of this report.	Governance and
	Compliance
Financial Advice	PCC Chief Finance
No known financial issues arise from the contents of this report.	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: 16 February 2024

Director of Finance (TVP)

Date: 27 February 2024

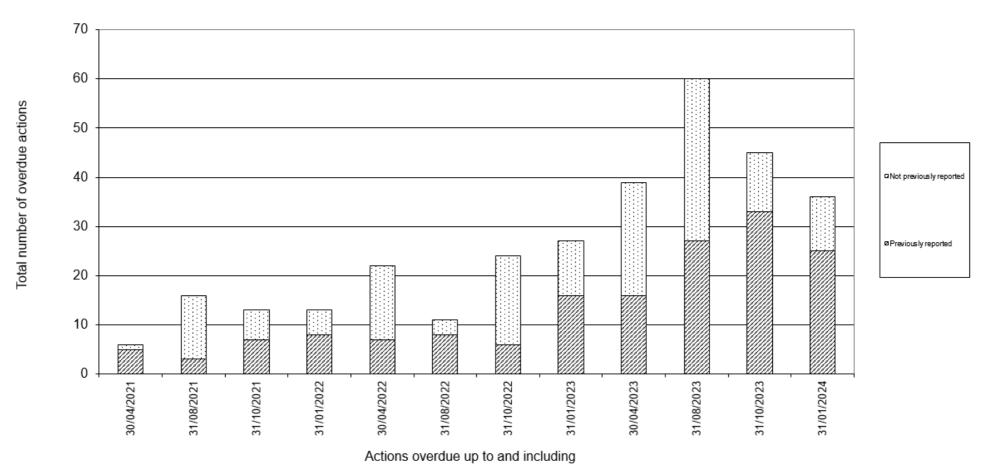
Appendix 1

ANALYSIS OF OVERDUE ACTIONS AS AT 31ST JANUARY 2024

Audit Subject/Location	Overall rating	CCMT/SMG Lead	Outstanding Overdue	Priority 1	Priority 2	Previously Reported
2021/22						
Protective Monitoring (Vigilance Pro)	Reasonable	DCC Ben Snuggs	3	1	2	3
TOTAL		·	3	1	2	3
2022/23						
Community Safety Fund	Reasonable	Rachel Batts (OPCC)	1	1	-	1
Contact Management Platform Performance	Reasonable	ACO Mike Lattanzio	1	1	-	-
Domestic Abuse	Reasonable	ACC Katy Barrow-Grint	6	4	2	6
Economic and Cyber Crime	Reasonable	ACC Tim Metcalfe	4	2	2	1
ICT/Digital Strategy	Reasonable	ACO Mike Lattanzio	2	-	2	-
Limited Assurance Follow Up - Electronic Device	N/A	DCC Ben Snuggs	1	-	1	1
Management (Losses)						
Mental Health	Limited	ACC Christian Bunt	4	3	1	4
Missing Persons	Limited	ACC Katy Barrow-Grint	4	3	1	4
Operations (TVP Events and Protests)	Reasonable	ACC Rob France	1	1	-	1
Rape	Reasonable	ACC Katy Barrow-Grint	2	-	2	2
Sickness Management	Limited	ACO Christine Kirby	1	1	-	1
TOTAL			27	16	11	21
2023/24						
Forensic Improvement Plan	Reasonable	ACC Katy Barrow-Grint	1	1	-	-
Knife Crime	Reasonable	ACC Christian Bunt	1	1	-	-
Violence Against Women and Girls	Reasonable	ACC Katy Barrow-Grint	3	1	2	-
Violence Reduction Unit	Limited	Jules Bottazzi (OPCC)	1	-	1	1
TOTAL				3	3	1
OVERALL TOTAL			36	20	16	25

Appendix 2

Analysis of the number of overdue actions



Appendix 3

UPDATE ON PROGRESS IN DELIVERING OVERDUE AGREED ACTIONS

Observation and Risk		Agreed action	Original	Priority	Current position	Revised
			completion			completion date
Community Safety Fund		Final report issued on: 12/0			OPCC SMG Lead: Rachel Batts	uate
Total number of agreed actions: 17	Number completed: 14		nber not vet due	: 2 (12%)	Number overdue: 1 (6%)	
Internal tracking of spend and receipt of reports A 'CSF — Finance tracker 2022-25' spreadsheed spend, forecasts and receipt of reports. The spread by the Partnerships Delivery Officer, but has no reviewed by the OPCC Finance Team to obtain financial monitoring processes. During the audit, the spreadsheet and information receipt of monitoring reports were cross-referenced did not always correspond and was not always consumed and separate forecast spreadsheet was also compile end financial purposes. However, this could possible in the spreadsheet in the above possible forms of a hard stop in terms of paragraphy amounts. Risk: Incomplete or inaccurate tracking information spend/reporting picture and additional work requires	t is maintained to track sheet has been compiled of been shared with or their input/expertise on on in financial reports / , however the information sistent. In the theorem is the theor	An organisational tracking process, that meets the needs of all the Teams involved, will be drawn up. This will then be considered, and signed off, by the Senior Management Group.		1	BAU activities continue to support the closure of year 2 (2023/24) bids received from Partners alongside year 3 (2024/25) forecasting activities for the ultimate funding period of the three-year cycle. The year 2 closure period continues to highlight further process improvements, which the Partnerships Team are feeding into the process review. It is expected that documentation to support the process will be published by end-May 2024, before which surveyed feedback will be requested from all current grant funding recipients to shape the closure of the fund, whilst highlighting continuous improvement opportunities for future rounds of CSF.	31/05/24
as and when necessary.		=	1/22			
Contact Management Platform Performance	N 1 1 1 1 0 /6	Final report issued on: 18/0		0 (00()	CCMT Lead: ACO Mike Lattanzio	
Total number of agreed actions: 7 CMP – MOPI Compliance During the review, one aspect that was highliq compliance with the Management of Polici requirements. Although work has been ongoing for progress is being made, CMP does not currently for relation to the deletion of data the Forces are not lar has been asked to delete. The Integrated Systems Support Structure have ide options are currently the subject of an Annual Plater Financial Plan bid, which has been high requirement. If approved, work will commence in Accompleted by the end of 2023. Risk: The Forces do not fully comply with legal MC to potential sanctions or reputational damage.	re Information (MOPI) re the last 18 months and ully comply with MOPI in wfully allowed to retain or entified a solution and the inning Process / Medium lighted as a mandatory April 2023 and should be	An APP / MTFP bid has been submitted to assist with CMP complying with MOPI requirements. If successful, the approved solutions will be applied to the platform. If the APP / MTFP bid is unsuccessful, the risk exposure to both Forces will be approved and owned by the necessary senior leader governance forum.		1	Number overdue: 1 (14%) The funding bid was approved but other Force priorities for Joint ICT meant the project start date was planned in for Q4 of 2023-24. A business case to formally release the funding, initiate the project and allocate ICT resources is being submitted to the Joint Change Governance Board on 23 January.	31/01/25

Observation and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
Total number of agreed actions: 23 Number completed: 17	(74%) Num	ber not yet due	: 0 (0%)	Number overdue: 6 (26%)	•
Inclusion of DVDS content within initial training courses For new Police Officers, Police Community Support Officer (PCSO)s and Contact Management staff content regarding the DVDS is included within their initial training sessions. For DAIU staff, there is a one week DA Specialist course which all DAIU staff attend when they join a unit. Whilst it does already include DVDS, it was recently reviewed and it was felt that there was not enough content included on the area. Risk: Without inclusion of sufficient DVDS content within DAIU initial training, new DAIU team members may not make effective use of the DVDS.	The DVDS content of the DA Specialist course will be discussed with the Training Team and revised as appropriate.	30/06/23	2	L&D have been requested to review DVDS input on DA Specialist course in terms of more detail around process and considerations. It is due to be updated for the next course that runs this year. L&D have produced a videoscribe product for both internal and external use, providing simple narrative on what a DVDS is and how to trigger a request. This has been added to new Operational guidance and is to go out in early 2024 as part of the comms strategy. Discussions have also been held to ensure DVDS is included within PCEP curriculum for new joiners. Strategy Unit are working with L&D on content of this.	31/03/24
Processing of applications As part of the audit, details of DVDS applications received between 01/01/22 and 14/09/22 were extracted from Niche. High level review of these showed that there were a total of 89 non-filed occurrences which were over 35 days old. More detailed review of the process followed for a sample of 10 application occurrences identified the following observations: In one case, after initial contact with the applicant the OIC has updated the OEL to indicate they do not believe the person is eligible for disclosure. Outside of a Multi-Agency Safeguarding Hub (MASH) review, no other action is noted in the OEL and the occurrence remains open (initiated on 09/03/22). In three cases there was no DOM5 on the OEL and no documented reason for this.	An evaluation will be undertaken of the AIU/DVDS approach in early 2023 so that a decision can be made on whether to move forward with roll out or look for another approach for the future administration of the DVDS. The Operational Guidance will then be updated to reflect any necessary changes to the DVDS process.	30/06/23	1	An evaluation of the DVDS pilot that took place within AIU was undertaken. This showed that with dedicated resources the timeliness of applications reduced significantly to around 2 weeks. A paper was taken to CCMT to request the pilot be extended and they agreed that a dedicated team was the best approach. However, at that point there were no resources to expand the team. An APP bid and an interim bid to the OPCC for the resources required to implement the pilot force wide were not successful. Current discussions around the Force Review and Harm Reduction to understand demand and feasibility of work sitting within HRU in the long term.	31/03/24
completion of an application. From reviewing the OELs the key reasons for this appear to be: - Delays in research and/or Sergeant and Inspector reviews being carried out. - Difficulties in contacting applicants either to clarify details or organise disclosure meetings. There does not appear to be a standard approach to frequency of contact or cut off points. - Appointments being rescheduled or missed by applicants. It has already been identified that there are a number of pressures within DAIU affecting their ability to process applications. As a result of this, a pilot is currently underway whereby a dedicated DVDS Team has been put in place as part of the trial Assessment and Investigation Unit (AIU) within Berkshire. This is due to run for six months, from September, although it was not possible during the audit to identify how this trial is to be assessed at the end of this period and who will authorise further roll out if it is deemed a	The processing issues shown have arisen due to ineffective use of Niche and the need for better 'housekeeping' of applications. The steps to address this will depend on the future approach for DVDS (see action 6.1) but will include a process for periodic review of applications over 35 days to ensure appropriate progress is being made and a universal, risk based,	30/06/23	1	This action is tied into the AIU pilot (see above). There is no capacity to review until we have a centralised team to deal with all applications.	31/03/24

Observation and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
success. Risk: Where applications are not processed in a timely manner, any potential risk to the applicant is not identified and communicated at the earliest opportunity.	approach to filing applications where applicants are not engaging.				
Peer review and sharing of learning across the DAIUs It was commented that, with up to 20 Sergeants and Inspectors across the Units, and what can be high turnover in these roles, there could be differences of interpretation in terms of what harm/serious harm means and in the level of information approved or not for disclosure. Whilst the DVDS Operational Guidance is designed to encourage as much consistency in process and decision making as possible, across the six DAIUs there is no DVDS peer review process or meetings between units to share learning, concerns, etc. or to provide an opportunity for benchmarking decision making. Risk: Lack of peer review and sharing of learning potentially leads to inconsistent approaches and less efficient application of the process.	This should be addressed if the decision is made to move to roll out the AIU/DVDS approach following the trial evaluation in early 2023 (see action 6.1), as the number of Sergeants and Inspectors involved will be greatly reduced. However, if following the evaluation a decision is made to take another approach, an appropriate peer review / learning process will be devised and introduced.	30/06/23	2	This is tied into the AIU pilot. If rolled out force wide this will need to be incorporated. In the meantime, L&D have been requested to review DVDS input on DA specialist course in terms of more detail around process and considerations.	31/03/24
Monitoring and analysis of evidence led prosecution numbers At present, the number of ELPs cannot be determined from Niche as they are not recorded within Niche in a way that can be extracted. This means that it is not possible to identify ELP cases to look at numbers/trends and to consider areas for review and improvement e.g. which areas are using ELPs more/less effectively to enable sharing of good practice/ learning. The recent implementation of a monitoring flag within the CPS system has led to them being able to provide data on how many ELPs are being pursued. This began in October and it is acknowledged that this will take time to embed. Risk: The Force lacks a full understanding of its ELP usage and performance, leading to the potential for issues and improvements not being identified and addressed.	The mechanisms and key points for recording ELPs within Niche, or another related record, will be discussed with the relevant teams to identify a way forward that will enable the data to be collated and meaningfully analysed.	30/06/23	1	NICHE contains an ELP flag. It has been established that CPS also have a flagging system. Both are not currently routinely used and therefore we have no clear way of identifying ELP cases. An action has been set for both TVP and the CPS to promote the use of the flag. The DA Team are seeking contact with other forces around how cases are being flagged. Initial internal discussion suggesting that wider expectation for all OICs to place flag on is unrealistic and this may be best completed by ERO/Justice gateway who would be more familiar. However direction on this being held until research is complete.	31/03/24
As part of the audit, two sample LPAs were contacted regarding review work they have undertaken in relation to Code 16 filing and ELP: - One LPA undertook review work around Code 16 filings, including the introduction of a Gateway Sergeant process, in early 2022. Although formal records of number of cases reviewed and progressed as ELP have not been maintained, anecdotally it was stated that this has led to an increase in ELPs. The findings/learning from this work have been	In some LPAs there are DA Operational Groups in place. ELP feedback will be sought from these groups, which will then be considered by either the DA Working Group or the DA Strategic Board. This will also be explored	30/06/23	1	The Open University have just begun research, with Thames Valley and other Forces around this subject area, and now have access to correct systems to do this. They also held their first focus group on the 23/02/2024. Findings along with a Learning tool are hoped to be delivered in a workshop by April 2024 With the current Force review underway it is not clear where DA Operational groups will exist and	30/04/24

Observation and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
shared with the other LPA Commanders. An operation was undertaken within another LPA to progress ongoing DA investigations. This identified issues and learning around ELP which have only been presented to the LPA AMT. Also during audit discussions with different individuals across the Force, there were a significant number of (anecdotal) thoughts shared around issues with ELP. It was unclear however if there is currently a forum for all of the learning arising across the Force, anecdotal or otherwise, to be drawn together and shared in order to address issues that have been identified locally / from different perspectives. Risk: Learning is lost which could have potentially been used to improve	further in terms of potentially moving to every LPA holding a DA Operational Group to provide an ongoing feedback mechanism.			what they will look like in the long term as many roles such as the HRU are still being established.	
use and levels of ELP. Economic and Cyber Crime	Final report issued on: 31/03	3/23		CCMT Lead: ACC Tim Metcalfe	
Total number of agreed actions: 7 Number completed: 3 (4		ber not yet due	: 0 (0%)	Number overdue: 4 (57%)	
Project Startech SLA During the audit, a copy of SEROCU's Service Level Agreement (SLA) for economic and cyber-crime was obtained. The SLA is dated June 2021, although there is no review date noted. It was commented during the audit that whilst there are no immediate plans to change the SLA, as the service has now been in operation for a couple of years, it might be beneficial to review the SLA in the next 12 months to ensure it is up to date and relevant. Risk: The potential for a lack of an up to date or robust SLA, leading to a lack of clarity over service expectations.	The Project Startech SLA will be reviewed and potentially refreshed.	31/12/23	2	The SLA for Cyber-crime is being reviewed in light of Surrey, Sussex and Hampshire & IOW now having agreed to enter a 12 month pilot with SEROCU. A delivery group has been set up run by the SEROCU Cyber DCI, and this includes representation from TVP. The SLA will be reviewed prior to the pilot start date which is 1st April. For noting, the NPCC / Home Office have agreed to evaluate the success of the regional pilot, and are currently in the process of setting criteria. We do not plan to review the Economic Crime SLA at this point in time as we await the findings from the HMIC inspection (report due May 2024). The Economic Crime SLA will also be reviewed in May following the expected publication of the HMIC SOC inspection report.	30/06/24
Section 9 of the SLA contains high level summaries of service performance levels. Key points to note are: In order to ensure that this SLA is being adhered to the measurement of performance by each capability will be necessary. Continued assessment will take place to monitor any changes and anticipated improvements to service. The SEROCU Performance Analyst will retain responsibility for collating these measures and producing regular reports assessing performance.	It was accepted that the first 12 months of the collaboration would involve baselining of performance, expectations and reporting. During 2023, a review will be conducted of the performance levels for both cyber and economic crime aimed at formally identifying expectations, performance levels and the information required.	31/12/23	1	Performance levels and KPIs will be agreed within the new Cyber-crime SLA, which is being drafted, and Chief Officer sign off will be sought from the four regional Forces. There is an aspiration to include details of Economic Crime performance levels within the SLA when reviewed.	30/04/24

Observation and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
The audit did note that the SLA lacks detail on the exact service and performance levels (economic or cyber) that will be delivered, other than defining the "expectation is that capacity and capability will increase with the new model and so increases in services may be seen but there should be no decrease or reduction in any area".					
Performance reporting takes place nationally and locally, but the audit was unable to locate a single document that defines specific performance levels for economic or cyber-crime.					
The audit also contacted senior leaders at TVP to ascertain whether they have been involved in setting any specific performance levels / expectations for the regional units. Testing found that although TVP were consulted on the SLA content and performance reports are produced, specific performance levels have not been agreed.					
Risk: Performance levels are not defined or agreed, leading to a lack of transparency or agreement to the service's outcomes.					
Economic Crime / Fraud Performance During the audit, Force level (not volume) economic / fraud performance reporting was reviewed. Testing found that unlike cyber-crime, reporting on economic crime / fraud outcomes is more difficult. Fraud outcomes are recorded on the Agency and Partnership Management Information System (APMIS) and a qualitative review of fraud work takes place at the ARROW meeting. However, it was commented that further work is needed to quantify economic / fraud performance levels. Risk: A lack of visibility of Force level economic / fraud performance, leading to issues not being addressed.	Further work is required to formally capture and report on economic / fraud performance. There are national strategies and expectations that will be used to inform the performance structure for economic / fraud.	30/09/23	1	There is a delivery group to oversee implementation of recommendations from paper 'separation of SEROCU and TVP performance data for Economic Crime'. From April 2024, performance data for TVP based investigations will be visible and searchable and will not be lumped in with SEROCU performance data. There is a current risk in respect to this, namely the Home Office decision to cease funding for APMIS, the system used to record and collate disruptions data. This paper and recommendations were agreed. APMIS is not being replaced by another system. All forces need to review the number of licences that they will fund and hold moving forward.	30/06/24
ACC Internal Review Recommendations During the summer of 2022, the ACC (Crime and Criminal Justice) commissioned a review of SEROCU's economic crime approach. The outcome report identified three recommendations. One recommendation related to the overall Startech project approach. The other two recommendations related to the following:	The two points raised as part of the ACC's review (noted below) will be addressed. - A debrief of pre and post collaboration performance levels.	31/12/23	2	The Detective Superintendents have discussed these recommendations and agreed these will be progressed when the HMIC inspection report has been produced as they may provide commentary that is relevant.	30/06/24
 A debrief of pre and post collaboration performance levels. Retrospective benchmarking of the Economic Crime Unit (ECU) to inform future structural changes. At the end of the audit, it was commented that both of these areas were still being considered.	- Retrospective benchmarking of the Economic Crime Unit (ECU) to inform future structural changes. The work on these aspects				

Observation and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
Risk: Points raised by the internal review are not addressed, leading to areas highlighted by TVP not being implemented.					
Forensic Improvement Plan	Final report issued on: 14/11	1/23		CCMT Lead: ACC Katy Barrow-Grint	
	(43%) Num	her not vet due	. 3 (43%)		
Total number of agreed actions: 7 Programme Financial Reporting The audit reviewed the financial position and reporting of the FIP and its related projects. Testing identified that the programme PID lists the five year total FIP budget (excluding the New Build) as £23,206,665. However, the initial budget was collated at a point in time (during 2021), based on known assumptions. This budget has been revised and in reviewing the current financial information, the FIP budget is now £22,021,965. The budget is subject to monthly monitoring by Corporate Finance and monthly reporting to the FIP Board. The format of reporting to the FIP Board has been revised in recent months to ensure the information being presented is accurate and easily understood. For example, previous FIP Board updates did not include any prior year spend, which presented an unclear picture to the board. This was clarified and from September 2023, the budget updates included the necessary details. However, the way the programme has articulated under / over spends is that they are set out as the remaining budget. It was commented that this may not be clear in the budget updates, so this was going to be reviewed. Risk: FIP budget reporting is unclear or inconsistent, leading to ineffective	As noted, the reporting of under/over spends is to be clarified. Corporate Finance will be changing how the programme's finances are reported on at the next FIP Board in November to make this clearer. Clarification will also be sought on the overall programme budget figure.	ber not yet due 31/12/23	1	Number overdue: 1 (14%) Discussions have been held with Corporate Finance regarding the FIP budget and settling any outstanding confusion around the budget. A proposed budget based on discussions with Corporate Finance will be sent to FIP Programme Board members in January 2024 for feedback, with a view that a settled and consistent budget figure is adopted from February 2024. Articulation of overspends and underspends is being updated for January 2024 FIP Programme Board papers.	31/03/24
challenge and oversight of the programme's financial position.	F: 1 1: 1 10:0	1/00		00171 100 1511 11	
ICT/Digital Strategy	Final report issued on: 18/04		- 0 (00()	CCMT Lead: ACO Mike Lattanzio	
Total number of agreed actions: 5 ICT Strategy Refresh The current ICT Strategy has been in place since 2020 (developed in 2019) and takes TVP and Hampshire Constabulary (HC) through to 2025. During the audit, it was commented that there are plans to refresh the strategy during 2023 to ensure that it aligns to the current climate and priorities of TVP and HC. Risk: Lack of an up to date ICT Strategy and related Road Map, leading to the potential for initiatives being included that are no longer a priority or key areas not being captured.	The ICT Strategy will be refreshed and updated during 2023 to ensure that it aligns to the current climate and priorities of TVP and HC.	31/12/23	2	Number overdue: 2 (40%) The ICT Strategy refresh and update has been delayed due to CMP priorities. The current aim is to review and update the strategy by the end of March 2024.	31/03/24
ICT Strategy Reporting As part of the review, progress in delivering the ICT Strategy, as well as any reporting, oversight and monitoring was reviewed. A copy of the "221105 - 2223 ICT Strategic Review - Delivery Plan (final)" (November 2023) PowerPoint was provided, which is the main document that tracks delivery of the strategy. Within this presentation, there is a Road	1.1. Going forward, there will be a more regular review and	31/12/23	2	As per the action above, the current aim to review and update the strategy by the end of March 2024. Once this has been completed, the document will be subject to more regular reviews and oversight via the necessary governance forums.	31/03/24

Observation and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
Map of delivery since 2020, with three slides that detail progress over the last three / four years, as well as Outcome slides, detailing any benefits delivered.	quarterly), with supporting reports and Road Map updates being submitted to the necessary governance				
Testing of the ICT Strategy and the "221105 - 2223 ICT Strategic Review - Delivery Plan (final)" Road Map and Outcomes found the following:	forums for oversight and assurance. This will be included in the strategy				
 The "Scaling VPN", "ITIL (Maturity)" and "Enterprise Architecture" initiatives are noted within the ICT Strategy, but there is no information in the ICT Strategy Review PowerPoint presentation (Road Map or Outcomes). The "Service Now Virtual Agent", "Single Domain" and "MBCS Cert" 	update.				
initiatives are in the ICT Strategy Review PowerPoint presentation Road Map, but are not noted in the ICT Strategy or the ICT Strategy Review PowerPoint presentation Outcomes. - The "Transform Radio Comms Phase 1" and "ESRI Locator" initiatives					
are not noted within the ICT Strategy, but are covered in the ICT Strategy Review PowerPoint presentation (Road Map and Outcomes). - "Cloud Adoption Strategy Design / Implementation" initiative is not in the ICT Strategy or early version of the ICT Strategy Review PowerPoint presentation Road Map.					
It was noted that omissions of any initiatives from the ICT Strategy or early Road Maps were due to initiatives being added after the ICT Strategy had been developed. The Road Map has been updated to show initiatives that have been delivered and those that are still being planned / worked on. It was also commented during the audit that the Road Map will be refreshed and updated for future years, beyond 2024, based on the review of the ICT Strategy.					
In terms of strategy oversight, it was reported that this takes place at ICT Senior Management Team (SMT), the Deputy Chief Constable's (DCC) Collaboration Board and the Police and Crime Commissioner's (PCC) Collaboration Governance Board. Although the audit was able to locate references within presentations to the ICT Strategy's initiatives and outcomes, the audit could not locate any specific meeting agenda items or reports referring solely to the ICT Strategy.					
Risk: Lack of a fully transparent oversight and reporting process for ICT Strategy initiatives and outcomes, leading to the potential that deliverables are not met or lack of senior management assurance on strategy outcomes.					
Knife Crime	Final report issued on: 08/08			CCMT Lead: ACC Christian Bunt	
Total number of agreed actions: 10 Number completed: 6 (6		ber not yet due		Number overdue: 1 (10%)	
Knife Crime Plans There is a Knife Crime Plan template which LPAs should follow. There is also a SharePoint folder for the LPA Knife Crime Plans.	The following action is planned: - A standard Knife Crime Plan template has	31/12/23	1	This work is almost complete. We are awaiting sign off at the next Gold meeting (currently planned for February). The product for recording all 7 essential actions is complete and once signed	31/03/24
In reviewing the content, there was a Knife Crime Plan for all eleven LPAs. It	recently been agreed and will be rolled out to			off by Gold, this will bring consistency across LPAs and how they manage their Serious Violence.	

Observation and Risk	Agreed action	Original	Priority	Current position	Revised
Observation and Nisk	Agreed action	completion	Filolity	Current position	completion
		date			date
was commented that Operation Rasure are looking at storing the plans in a	all LPAs.				
place that enables timely LPA updates.	- LPAs will be asked to				
	update their Knife Crime				
In reviewing a sample of six LPA Knife Crime Plans in more detail, testing	Plans for 2023/24.				
found the following:	- The monthly webinars will include holding the				
- The Knife Crime Plans tended to be dated 2022/23, so would potentially	LPAs to account on				
benefit from a review and refresh.	governance and				
- In reviewing the six Knife Crime Plans, there were five different template	delivery of their local				
formats.	Knife Crime Plans.				
- Two LPA SPOCs were unaware their LPA had a Knife Crime Plan.	- There will be a central				
- There was a general lack of governance and assurances that actions	repository for the plans,				
noted were being overseen and completed within acceptable	including any updates.				
timeframes.	- Clarity over the LPA's				
- LPA Knife Crime meetings are taking place, but they vary in frequency	Knife Crime governance				
from weekly to monthly. There is an option to look at a more flexible approach, based on LPA demand / need.	meetings will also be communicated.				
approach, based on LPA demand / need.	communicated.				
Risk: Lack of up to date or effective local plans, leading to uncoordinated or					
inconsistent local approaches to managing knife crime demand.					
Limited Assurance Follow Up (2022/23)	Final report issued on: 05/05	/23	l .	CCMT Lead: DCC Ben Snuggs	
Total number of agreed actions: 6 Number completed: 4 (66%) Num	ber not yet due	: 1 (17%)	Number overdue: 1 (17%)	
Electronic Device Management (Losses)					
Line Manager Review and Building an Overall Picture	Reporting to LPAs and	30/09/23	2	An additional Force Security Officer is in post and	30/06/24
	Departments of any local			has been trained. There is annual reporting via the	
2.1 Work is underway to enhance the reporting around losses:	issues for review and action			SIRO report.	
Reporting capability is being developed to report losses by area and to	will be implemented.			Quarterly LPA reporting is to commence in quarter	
communicate these out to the relevant Heads of Department.				one 2024/25. Additional aspects are also being	
Discussions are taking place with the Service Improvement Team to				considered relating to the annual PDR process.	
build losses into their LPA/ Department reviews to hold areas to					
account for losses.					
Reasons for loss will be further reviewed and any trends identified will					
be addressed.					
Follow Up Testing					
The review found that less data is new being contured and reported via					
The review found that loss data is now being captured and reported via Service Now, and is overseen by the Information and Physical Security Sub					
Group. Force induction training for officers and staff also covers the security					
issues relating to lost devices.					
The one aspect that is yet to be completed is the reporting to LPAs and					
Departments of any local issues for review and action. The reporting					
process is being developed with ICT and will be rolled out shortly.					
Plate Last of last and an investment of the last of the first of the f					
Risk:_Lack of local review of reasons for losses, leading to failure to learn from previous losses and introduce preventative measures and/or identify					
potential individual specific issues.					
potential individual specific issues.					

Observation and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
Mental Health	Final report issued on: 18/10			CCMT Lead: ACC Christian Bunt	
Total number of agreed actions: 15 Number completed: 11		ber not yet due	: 0 (0%)	Number overdue: 4 (27%)	
 Demand and Performance Reporting The Force have adopted a Mental Health Performance Toolkit. During the audit, the content and use of the toolkit was reviewed. Testing identified a number of observations: The toolkit currently picks up three main classifications from Niche: Mental Health (an occurrence that did not require Section 135 or Section 136); Section 135 Mental Health Act – Power of Entry; and Section 136 Mental Health Act – Form. The toolkit was developed in 2014, and although it has been refreshed in recent years, it may benefit from a further review to ensure that the data being captured and made available is the most relevant and useful to monitor performance and demand. There is currently no monitoring of toolkit usage. Further testing with Mental Health SPOCs found that the toolkit is not widely used and between January and June 2022, has only been accessed 55 times by 23 individuals, most of whom are not on the LPAs. During the audit, it was commented that the current Mental Health Gold Group have tasked the Service Improvement Unit to review the content and use of the toolkit. Risk: The Force lacks oversight of mental health performance, leading to risks or issues not being addressed. 	The Mental Health Delivery Plan 2022/23 includes the following actions relating to performance reporting: 1.1.1 Review custody MH toolkit and ensure it is fit for purpose. 3.1.1 Consult with LPA / Department SPOC to identify the data they currently use and how it supports the work they do. 3.1.2 Liaise with Service Improvement in order to create a MH toolkit fit for purpose to support LPA demand reduction and MH monitoring.	30/04/23 (for a Delivery Plan update)	1	Work is still in progress with the custody toolkit – it has proved to be quite complex due to the limited control we have as a force to make changes. There has been a lot of work done with the main toolkit, but some data issues still remain. There is further work ongoing with Service Improvement in relation to additional data / information that will be particularly relevant to monitor the implementation of RCRP (Right Care, Right Person).	31/03/24
Mental Health Delivery Plan The Force have adopted a Mental Health Delivery Plan 2021/23. In reviewing the plan, it lacks updates, action owners and delivery dates. It was commented during the audit that the document is due to be refreshed and updated. Once this has been completed, a governance forum (potentially the Mental Health Gold Group) will oversee implementation of the plan. Risk: Force wide improvements to mental health arrangements are not implemented, leading to an ineffective Force response and oversight.	A Mental Health Delivery Plan 2022/23 has been collated and circulated to the Gold Group for comment and approval. It is likely that the plan will be updated annually and delivered on an ongoing basis, as further improvements are identified.	30/04/23 (for a Delivery Plan update)	1	This does still need to be updated, but has been cross referenced with the audit actions and SIR actions.	31/03/24
Mental Health Processes During the audit, the following observations and comments were made on the current mental health processes (obtained via sample testing and discussions with Mental Health SPOCs): - A view that there is a lack of understanding on certain issues (use of force, compliance with the law on 136s, etc.), due to the availability of data. This was confirmed via the sample testing above. - Work has commenced on how the Force deals with crimes that are	The Mental Health Delivery Plan 2022/23 includes the following actions relating to the mental health process: 1.1.2 Review all S136 requests made in custody for necessity and compliance with legislation, and accuracy of Niche	30/04/23 (for a Delivery Plan update)	2	S136 is reviewed by the MH PCs on each area – any themes etc. are discussed at the Bronze meetings and any issues that arise are discussed at the PIP (partnership meeting). A process is currently in consultation with partners around unlawful detentions. Whilst it might not reduce the number (we have no control over NHS bed availability) it should lead to better communication and planning.	31/03/24

Observation and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
committed by those with mental health issues and high demand individuals. There is some inconsistency in relation to how this is dealt with across the Force. - Central guidance has been lacking in recent years and the Joint Working Protocol is difficult to locate and would probably benefit from a review. - It is not fully appreciated how much resourcing and time is taken to manage mental health on the front line. Repeat callers and the understanding of people living with Personality Disorders in the community have impacts on policing time. - Resource pressures in relation to Section 135 warrants and managing this demand with partners. - Appropriate utilisation of Section 136 within Custody and whether more mental health provision is needed within Custody to enable more effective screening of detained persons. - Potential gap in how Contact Management / Control Room Operators refer mental health incidents to the Multi Agency Safeguarding Hub (MASH) for awareness and partnership intervention. Whilst the points noted above have not been verified in full via testing, they are being included as potential areas for discussion and consideration at the Mental Health Gold Group. Risk: Risk or issues with the Force's current mental health processes are	completion. 1.1.3 Review all unlawful detentions to understand the rationale and collate data to work with partners to reduce. Oversight and monitoring of the data and analysis will take place by Mental Health SPOCs, Silver Group and Gold Group. Further escalation and oversight will take place at the Protocols in Practice (PIP) meetings and Mental Health Strategic Partnership Group.				
Partnership Process During the audit, the following comments were made in relation to the Force's partnership processes: - One comment was made around the Section 136 partner process. This related to the need for the Mental Health Trust to provide a single number to call and to take responsibility for locating a bed. It was felt that the Force should not be making multiple calls to different NHS areas / trusts to resolve. - The lack of available beds is becoming more time consuming and complex and needs to be improved. - Unequal or lack of access to Mental Health Triage and out of hours advice across TVP is an issue. - Waiting times for a Place of Safety. Whilst the points noted above have not been verified in full via testing, they are being included as potential areas for discussion and consideration at the Mental Health Gold Group. Risk: Partner processes for resolving potential issues are ineffective, leading to excessive demand.	The Mental Health Delivery Plan 2022/23 includes the following actions relating to partner processes: 1.1.2 Review all S136 requests made in custody for necessity and compliance with legislation, and accuracy of Niche completion. 1.1.3 Review all unlawful detentions to understand the rationale and collate data to work with partners to reduce. 1.1.4 Create a partnership process to review and discuss unlawful detentions and work towards a pathway to improve access to HBPOS. 2.3.1 Review TVP Multi	30/04/23 (for a Delivery Plan update)	1	All areas now have RCRP Implementation meetings (Oxfordshire / Bucks / Berks and Milton Keynes) with a Multi-agency Strategic management board giving oversight. As a partnership, we have not yet started on the S136 / access to HBPOS phase of RCRP yet, but that should start soon. Review of the Multi-Agency protocol has started, but will not be completed until RCRP processes are agreed. Street triage and conveyance is part of the ICB led work. Progress has been made and awaiting confirmation of funding in order to progress the HR part of the process.	31/03/24

Observation and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
	Mental Health Crisis annually in consultation with relevant partners. 3.2.2 Implement Local partnership processes to give oversight, where necessary, to criminal investigations where support is required for MH concerns. 3.2.3 Implement local partnership processes to support repeat victims with MH conditions when necessary. 3.2.4 Implement local partnership processes to respond to inappropriate repeat presentations. 3.2.5 Review Street Triage, ensuring it continues to be fit for purpose and provides a beneficial service to patients and policing. Escalation and oversight will take place at the Protocols in Practice (PIP) meetings and Mental Health Strategic Partnership Group.				
Missing Persons	Final report issued on: 19/12	2/22		CCMT Lead: ACC Katy Barrow-Grint	
Total number of agreed actions: 11 Number completed: 7 (6	•	ber not yet due	: 0 (0%)	Number overdue: 4 (36%)	
Strategic Governance and Oversight During the audit, the overall governance framework for monitoring missing persons demand, risks and issues was reviewed. Testing found that the main forum is the Missing Persons Operational Group, which feeds into the Vulnerability Strategic Group. However, in terms of strategic priorities and visibility, there is nothing noted in the Force Strategic Plan, Force Performance Group do not receive any information and the latest Service Improvement Review was completed in 2020. Risk:_Potential for a lack of corporate visibility of missing persons issues, leading to the Force not taking an overall strategic approach to addressing concerns.	A Force Gold / Task and Finish Group will be introduced tasked at looking into the Force's priorities and objectives for missing persons. The group will include engagement of other Force departments who are key stakeholders in the operational response to missing persons. The group will have a defined terms of reference and outcome aimed at mitigating the current risks relating to missing persons demand.	30/09/23	1	Following this HMIC NCPI, at the end of May 2023, a dedicated role was created for the oversight of this critical area of business. The Strategic Lead for Missing immediately commenced an end-to-end review of how the investigation of missing persons is undertaken across the force. This involved all processes, within all teams from initial report to conclusion. Paper will be presented to CCMT 14/11/23 requesting approval for a significant programme of change in processes. Request that Missing is within the Force Strategic Plan moving forward.	01/04/24

Observation and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
Force Risk Appetite The Force are currently completing a significant amount of work to improve overall demand management. One aspect that could be considered in the future is trialling applying risk appetites to certain "calls for service" which generate a high level of demand. The recently started Managing Frontline Demand Project Priorities and Direction Paper (July 2022) includes the following objective "Develop force risk appetite principles for approval by CCMT to aid confident decision making at all levels within the organisation" (Timeline: October / November 2022)). This could be considered for missing persons incidents. Risk: The Force's risk appetite for missing persons is not formally defined, leading to excessive demand levels.	Work will be completed via the Missing Persons Gold / Task and Finish Group in adopting a risk appetite for missing persons demand, aligned to any strategic objectives and priorities, considering the primary duties of the Force. Where required, changes to Force training, guidance and processes to implement the risk appetite will be considered.	30/09/23	1	The programme of change for missing as above involves significant work on risk assessments at each and every stage. This includes ensuring that correct risk assessment is being applied, medium risk is not being over utilised and Operational Guidance, training including CPD will be included.	01/04/24
Missing Person Gradings The Force has a documented approach to risk assessing a missing person incident. As part of the audit, the process to strategically review the risk gradings was tested. The review found that data on risk gradings, whilst available within the Missing Persons and CSE toolkit, is not analysed or reported to understand the level of demand and whether the gradings are correct or indicate any underlying issues or themes. In reviewing the current data, it was noted that the Force consistently has around 80% of cases as medium risk. It was commented that this is something the Force could review to ensure these are genuinely medium, or whether more incidents should be classified as high or low. It could also be beneficial to present the data (and any analysis) to a relevant governance forum for discussion and decision (i.e. the Missing Persons Operational Group). The data on repeat missing persons would also benefit from further analysis and understanding. Risk: The Force lacks a full understanding of its missing person demand levels, leading to the potential for demand levels to not be managed and improvements to be missed.	Work will be completed via the Missing Persons Gold / Task and Finish Group to analyse and understand the scale and impact of the current risk grading approach (i.e. medium risk). This work will be used to inform decision making in relation to the Force's approach to missing persons incidents.	30/09/23	1	As above the new SiPo toolkit for missing with be utilised for performance oversight. These will be built into a new process created from the end to end review programme. Also working with academic researchers (LJMU) and the TVP Behavioural scientists to understand this area better to make process changes and improved training and CPD.	01/04/24
Incident Acceptance / Risk Assessment The processes for accepting and risk assessing missing person incidents is documented within the Missing Persons Operational Guidance. Three main issues were raised in relation to incident acceptance and risk assessment: - The Force may accept responsibility for incidents too early, before partners have done all they can. Generally, partnership ownership of cases and those that should not be owned by the Police is an issue	The Task and Finish Group work in relation to incident acceptance / recording will be completed. The outcome of the group will be presented to the Missing Persons Operational Group for consideration and	30/04/23	2	This work in relation to risk assessment has been progressing and a review by the behavioural scientists was completed in January 2023 to identify any trends and possible work to be done across the force. However this is a complex and large piece of work. Due to this it is now being worked upon with the demand reduction team as it is linked to wider	01/04/24

Observation and Risk	Agreed action	Original	Priority	Current position	Revised
		completion date			completion date
that needs to be managed.	approval in terms of any	uate		work regarding the force risk appetite overall and	uate
The management of risk and prioritisation of cases, based on LPAs local demand.	guidance, training, process or system changes.			this work is ongoing.	
There might also be a gap in risk identification training.	or eyetem enangee.			In addition, we have started some collaborative work with Abertay University who are working on a	
In terms of case acceptance and risk assessment, these areas are the focus of a Task and Finish Group which is looking at process, governance and ownership. One potential outcome is creation of a "Missing Persons Incident" on Niche, until it is confirmed that the case is definitely a missing persons.				bespoke missing risk assessment tool for Police Scotland. We are now linked in with this work and our aim is to be included within the trial of an academically approved, evidence based risk assessment tool for missing people.	
The Missing Persons Operational Group has oversight of the work being completed by the Task and Finish Group.				This is being significantly reviewed and will be delivered within the End to end review programme of change.	
Risk: _Missing persons demand is not managed effectively, leading to the Force accepting / responding to inappropriate or low priority cases.					
Operations (TVP Events and Protests)	Final report issued on: 25/08	3/22		CCMT Lead: ACC Rob France	
Total number of agreed actions: 11 Number completed: 10		ber not yet due	: 0 (0%)	Number overdue: 1 (9%)	
Knowzone Guidance / Training The audit reviewed the current Joint Operations Unit (JOU) Knowzone pages. One observation was made that the content is mainly aimed at JOU staff.	Recognise the need for new Operational Guidance across both Forces for protests.	01/10/22	1	Package is complete and ready to be uploaded by Policing Strategy Unit but delayed due to other projects.	31/03/24
In terms of training, this takes place for Gold / Silver Commanders, as well as the Operational Planning Team. The JOU also complete training for higher demand LPAs. However, based on the overall testing, there is potentially a gap in general guidance for Bronze Community / Neighbourhood Policing roles. Therefore,	Remove historic response plans for thematic protest areas and focus on expectations of first responders and control room staff. Also include expectations of roles (i.e.				
it might be beneficial to provide some high level guidance / key points on the JOU Knowzone pages for Bronze Community / Neighbourhood Policing roles.	Bronze community).				
Risk: Without training and guidance for all levels of the operational response, there is the potential risk that front line response lack awareness of the appropriate response for events or protests.					
Protective Monitoring (Vigilance Pro)	Final report issued on: 25/02	2/22	<u> </u>	CCMT Lead: DCC Ben Snuggs	
Total number of agreed actions: 4 Number completed: 1 (ber not yet due	e: 0 (0%)	Number overdue: 3 (75%)	
Action 1.1		30/09/22	1	N/A	30/09/24
Action 1.2		30/09/22	2	N/A	30/09/24
Action 2.2		30/09/22	2	N/A	30/09/24
Rape	Final report issued on: 31/03			CCMT Lead: ACC Katy Barrow-Grint	
Total number of agreed actions: 7 Number completed: 5 (ber not yet due		Number overdue: 2 (29%)	
Operational Guidance The audit found that there is a significant amount of guidance available to	The ongoing review of the current rape investigation guidance will be concluded	31/07/23	2	The self-assessment phase of the National Operating Model (NOM) was completed on 2nd January 2024. We await force level feedback from	30/06/24
officers in responding to rape investigations, including: Knowzone details; Rape and Sexual Assault Investigative Guidance; Rape Investigation	and the documentation updated, where necessary.			the NOM team. The next stage will be to produce a Transformation Plan by 31st May 2024. There are	

Observation and Risk	Agreed action	Original	Priority	Current position	Revised
		completion date			completion date
Operational Guidance; and Rape and Serious Sexual Assault Operational		uale		a number of supporting documents and processes	uale
Guidance.	Once complete, the updated			that come with the NOM. The intention will be to	
	guidance will be placed on			use the process of NOM adoption to fully align and	
Towards the end of the audit, it was commented that the RASO SSP Team	the Knowzone and the			review all processes, including a review of	
are currently conducting a detailed review of the guidance to ensure that it is	necessary communication to			Operational Guidance. This should be well	
up to date and any training needs have been captured.	promote the guidance issued (Force wide or			underway by the revised completion date of 30th June 2024 but may not be completely finalised.	
Risk: Force guidance and training is not up to date or lacks the necessary	targeted).			There is no incorrect guidance but it does require	
content, leading to ineffective local responses to investigations.	targotoa).			streamlining and simplifying.	
Meeting Terms of References and Minutes	The following actions will be	30/06/23	2	The JOIM TOR have been updated and are	30/04/24
	taken:			available.	
During the audit, the main governance meetings were reviewed. As part of					
this testing, copies of the meetings terms of reference were requested.	- The RASO Operational			The RASO Gold Group is now no longer an active	
Testing in this area identified the following:	Group and RASO Gold			meeting and has been replaced by the DA and	
T	Group terms of reference			RASO Governance Board, for which TOR have	
- To oversee the Force's response to rape investigations, there is a RASO Operational Group and a RASO Gold Group. A copy of the terms of	will be reviewed and updated.			been written and will be kept under review (first meeting was on 12th January 2024).	
references for both meetings was provided. This was one single document	- A copy of the RASO			meeting was on 12th January 2024).	
and it was commented during the review that the content would benefit from	Partnership terms of			The RASO Partnership Meeting TOR are being	
a review and refresh.	reference will be located and			developed at the moment and will be ready for the	
- A copy of the RASO Partnership meeting terms of reference was also	reviewed to ensure it is up to			March 2024 meeting. It does not appear that	
requested. However, this document was not provided.	date.			specific TOR previously existed for this meeting /	
- A copy of the terms of reference for the monthly Joint Operational	- The RASO Partnership			the same one as for the RASO Gold Group was	
Investigation Management (JOIM) meeting (with the CPS) was provided.	meeting actions will be			utilised.	
· · · · · · · · · · · · · · · · · · ·	updated with the latest			All TOP should be finalized and made by Audi	
commented that these are being reviewed nationally. An updated terms of	information The monthly Joint			All TOR should be finalised and ready by April	
reference and meeting agenda should be available by May 2023. TVP will look to adopt these then.	- The monthly Joint Operational Investigation			2024.	
look to adopt these then.	Management (JOIM) terms				
One additional observation was made that the actions from the RASO	of reference will be finalised.				
Partnership meeting do not appear to have been updated at the December	once the national updates				
2022 meeting. The last updates were noted as June 2022. At the end of the	are available.				
audit it was noted that there are some updates from the December meeting,					
but these are yet to be reflected within the Action Plan.					
Risk: Key governance meetings lack available or up to date terms of reference, leading to a lack of agreed focus for the meetings.					
Sickness Management	Final report issued on: 24/04	/23		CCMT Lead: ACO Christine Kirby	
Total number of agreed actions: 23 Number completed: 21 (9		ber not yet due	: 1 (4%)	Number overdue: 1 (4%)	
Proactive health review process (psychological sickness)	An evaluation of the	31/05/23	1	A survey of the Demobilising & Defusing training	30/04/24
	process, including BAU	(for a		rollout has taken place and evaluation of this is	
Whilst the audit did not primarily focus on proactive health review initiatives,	arrangements for training, is	proposal to		being reviewed.	
there were two key processes that were discussed in relation to	being undertaken.	be		It has been assessed that the DOD testings of the	
psychological sickness (as this is the top reason for sickness absence at		considered		It has been agreed that the D&D training will be implemented within the Core Leadership	
present):		and approach		programme. This will take effect from April 2024	
- Health Surveillance: This has traditionally been for specified specialist		approach		onwards.	
		ag. 504	Ī		I
roles although there has recently been a pilot review of a sample of		regarding			

Observation and Risk	Agreed action	Original	Priority	Current position	Revised
		completion date			completion date
Wellbeing Board regarding reviewing all roles and the frequency of		training can			uate
screening to determine if the list of roles covered by the scheme can		be			
or should be extended to additional roles.		embedded			
- Demobilise and Diffuse (ESTIP) process: Training on this process has		and how the			
been rolled out, via the Occupational Health Unit (OHU), to		evaluation			
approximately 650 supervisors over the last 18 months. However, based on available OHU resources, it has already been identified that		can be conducted.)			
this cannot be sustained as business as usual (BAU). There were also		conducted.)			
some anecdotal comments during the audit around how effectively,					
and to what extent, the process was being used and the impact of it.					
An evaluation of the process is planned to review the use of the					
process and to seek to confirm the BAU arrangements for the training					
going forward.					
Risk: Proactive health review processes do not cover all relevant					
roles/situations or are not operating effectively, leading to opportunities to					
proactively address (potential) psychological issues being missed.					
Violence Against Women and Girls	Final report issued on: 24/04			CCMT Lead: ACC Katy Barrow-Grint	
Total number of agreed actions: 9 Number completed: 4 (ber not yet due	_ , _ ,	Number overdue: 3 (33%)	04/00/04
VAWG Strategy Quarterly Reports	Future reporting will take place on a quarterly basis,	31/12/23	2	Future reporting arrangements and dates are still being discussed and agreed.	31/03/24
For 2022/23, quarterly VAWG Delivery Plan Performance Update reports	following on from the			being discussed and agreed.	
were collated and published on the Knowzone. There were reports for	Quarter One Action Plan				
quarters one, two and three, but not for quarter four.	report for the 2023/25				
	VAWG Strategy.				
Towards the end of the audit, a Quarter One Action Plan report was					
produced for the 2023/25 VAWG Strategy. The only audit observation from	Update reports will also				
the report is that the Action Plan lacks target completion dates for the work.	include target completion dates to enable effective				
Risk: Regular strategy reporting does not take place, leading to a lack of	challenge and oversight.				
assurance on outputs and deliverables.	onanongo ana ovoroigna				
Project Management Approach	A structured project	31/12/23	1	These arrangements are still being discussed and	31/03/24
	management approach will			are to be agreed going forward.	
As part of the audit, the structured approach to delivering the aims,	be applied to the VAWG				
objectives and actions included within the 2022/23 and 2023/25 VAWG	work going forward.				
Strategies was reviewed. Testing found that whilst a lot of good work has taken place, there is a lack of a structured project management framework	This will include key				
to manage the work. The operational and pillar leads have been managing	governance documentation,				
this work, but going forward, it is planned that there will be Force project	a risk register and structured				
manager support to oversee and report on the activity, linked to a detailed	pillar meetings.				
timeline of work (i.e. target dates, outcomes, interdependencies, etc.).					
It was also commented that from September 2023, there will be a more					
structured monthly or quarterly Pillar Lead meeting to drive the next phase of					
the Force's response and 2023/25 VAWG Strategy.					
Risk: A structured approach to delivering and overseeing VAWG work is not					
applied, leading to certain activities not being delivered to scope and within					
acceptable timeframes.					

White Ribbon Action Plan	Observation and Risk	Agreed action	Original completion date	Priority	Current position	Revised completion date
Violence Reduction Unit Total number of agreed actions: 17 Number completed: 14 (83%) VRU Branding With the transfer of the VRU to the OPCC, it was commented that there is a potential opportunity to rebrand the unit to clarify its role and remit with grant expectations. The branding and overall partnership engagement of the VRU will be reviewed and refreshed. The branding and overall partnership engagement of the VRU will be reviewed and refreshed. The branding and overall partnership engagement of the VRU will be reviewed and refreshed. There is also an opportunity to emphasise the importance of partnership.	TVP are a White Ribbon accredited organisation, which represents the Force's pledge to stamp out misogyny, sexism and male perpetrate violence against women and girls. There is a Knowzone page for the accreditation, which includes details of the approach as well as the White Ribbon Action Plan. The audit tested the approach and oversight of the work linked to the accreditation. Testing found that that there is a gap in the Action Plan updates and lack of clarity over which governance forum maintains oversight of the work. This was confirmed in reviewing the available version of the Action Plan, which contained some detail, but lacked information on planne outcomes, updates, target dates, evidence, lead officer and RAG status. Risk: The work linked to the White Ribbon Action Plan is not completed a monitored, leading to a lack of assurance on the work being delivered an	Plan will be updated to reflect the current status and progress against each action. Oversight and progress against the action plan will continue to be monitored by the VAWG Gold Group.	31/12/23	2	provide an update to CCMT at the end of March	30/04/24
VRU Branding With the transfer of the VRU to the OPCC, it was commented that there is a potential opportunity to rebrand the unit to clarify its role and remit with grant expectations. The branding and overall partnership engagement of the VRU will be reviewed and refreshed. The branding and overall partnership engagement of the VRU will be reviewed and refreshed. 2 Consultation on rebrand took place before Christmas We are collating all feedback at present and we will announce new name at January strategy board but there is further work to do on website, governance structure, collateral etc. End April still realistic completion date of rebrand.	Violence Reduction Unit	Final report issued on: 24/04	1/23		OPCC SMG Lead: Jules Bottazzi	
VRU Branding With the transfer of the VRU to the OPCC, it was commented that there is a potential opportunity to rebrand the unit to clarify its role and remit with grant expectations. The branding and overall partnership engagement of the VRU will be reviewed and refreshed. The branding and overall partnership engagement of the VRU will be reviewed and refreshed. 2 Consultation on rebrand took place before Christmas We are collating all feedback at present and we will announce new name at January strategy board but there is further work to do on website, governance structure, collateral etc. End April still realistic completion date of rebrand.	Total number of agreed actions: 17 Number completed: 1	4 (83%) Num	ber not yet due	: 2 (11%)	Number overdue: 1 (6%)	
	With the transfer of the VRU to the OPCC, it was commented that there is potential opportunity to rebrand the unit to clarify its role and remit wit partners, considering the Serious Violence Duty and role in delivering other grant expectations.	partnership engagement of the VRU will be reviewed and refreshed.	30/09/23	2	Christmas We are collating all feedback at present and we will announce new name at January strategy board but there is further work to do on website, governance structure, collateral etc. End	30/04/24
Risk: The current branding of the VRU is not consistent with its remit,	working in addressing serious violence within Thames Valley.					