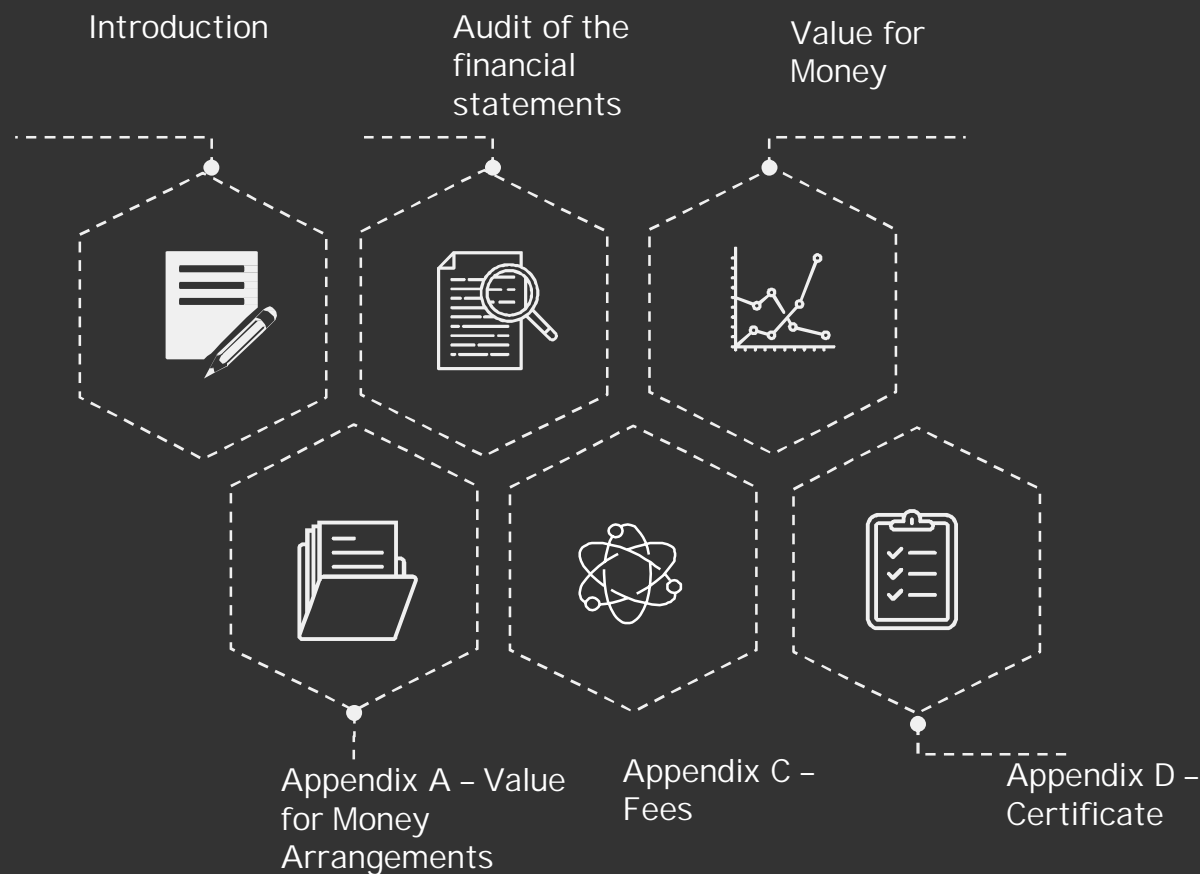
The background of the image is a photograph of a modern building's interior, characterized by extensive glass walls and a polished floor that reflects the surrounding environment. The glass panels are held together by dark metal frames. The interior space is bright and open, with a clean, minimalist aesthetic. A yellow rectangular box is positioned on the left side of the image, containing the title and date information for the report.

The Police and Crime Commissioner for Thames Valley Group Auditor's Annual Report

Year ended 31 March 2022

December 2023

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.psa.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.



Introduction

Purpose

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

Responsibilities of the appointed auditor

We have undertaken our 2021/22 audit work in accordance with the Outline Audit Plan that we issued on 18 March 2022. We have complied with the National Audit Office's (NAO) 2020 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- The 2021/22 financial statements;
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

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

Responsibilities of the PCC and CC

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



Introduction (continued)

2021/22 Conclusions

Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the PCC and CC as at 31 March 2022 and of its expenditure and income for the year then ended. We issued our auditor’s report on 12 October 2023.
Going concern	We have concluded that the Chief Finance Officer and Director of Finance’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Consistency of the other information published with the financial statement	Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.
Value for money (VFM)	We had no matters to report by exception on the PCC and CC’s VFM arrangements. We have included our VFM commentary in Section 03.
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the PCC and CC.
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Whole of government accounts	We have performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission. We had no issues to report.
Certificate	We will issue our certificate once we have concluded our Whole of Government Accounts procedures. We cannot currently conclude on the WGA work until the NAO confirms if they would like any additional procedures performed.

Audit of the financial statements

Key findings

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

On 12 October 2023, we issued an unqualified opinion on the financial statements. We reported our detailed findings to the 17 March 2023 Joint Independent Audit Committee (JIAC) meeting and updated our report in September 2023. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan. We reported one internal control recommendations and three areas for improvement in the control environment in the Audit Results Report. See Appendix B for details.

Significant risk

Conclusion

Risk of fraud in revenue and expenditure recognition

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 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.

Misstatements due to fraud or error – inappropriate capitalisation of revenue expenditure

Our work did not identify any material weaknesses in the design and/or operation of controls or evidence of material misstatements, whether due to fraud or error, related to the inappropriate capitalisation of revenue expenditure. Our work did not identify any instances of inappropriate judgements being applied.

Our work did not identify any other transactions during our audit which appeared unusual or outside the PCC and CC's normal course of business.

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

Our work did not identify any material weaknesses in the design and/or operation of controls or evidence of material misstatements, whether due to fraud or error, related to the inappropriate revenue recognition of other income for recharges and collaboration. Our work did not identify any instances of inappropriate judgements being applied.

Our work did not identify any other transactions during our audit which appeared unusual or outside the PCC and CC's normal course of business.

However, we did identify that the vehicle recharges from the Chiltern Transport Consortium, run by the Thames Valley Police, has not been reviewed for a number of years and would recommend the charges are reviewed.

We did not identify any risks of significant weaknesses in the PCC and CC's VFM arrangements for 2021/22.

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

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

Scope

We are required to report on whether the PCC and CC has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We have complied with the guidance issued to auditors in respect of their work on value for money arrangements (VFM) in the 2020 Code of Audit Practice (2020 Code) and Auditor Guidance Note 3 (AGN 03). We presented our VFM risk assessment to the 17 March 2023 JIAC meeting, which was based on a combination of our cumulative audit knowledge and experience, our review of PCC and CC committee reports, meetings with the Director and Chief Finance Officer and evaluation of associated documentation through our regular engagement with PCC and CC management and the finance team.

Reporting

We completed our risk assessment procedures in March 2023 and did not identify any significant weaknesses in the PCC and CC's VFM arrangements. We have also not identified any significant risks during the course of our audit. As a result, we had no matters to report by exception in the audit report on the financial statements.

Our commentary for 2021/22 is set out over pages 7 to 9. The commentary on these pages summarises our conclusions over the arrangements at the PCC and CC in relation to our reporting criteria (see below) throughout 2021/22. Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2020/21 Annual Auditors Report and have been updated for 2021/22.

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

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the PCC and CC plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weaknesses identified
Governance: How the PCC and CC ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weaknesses identified
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	No significant risks identified	No significant weaknesses identified



Value for Money (continued)

Financial Sustainability: How the PCC and CC plans and manages its resources to ensure it can continue to deliver its services

The PCC and CC's budgeting process starts with the approved annual budget for the current financial year. Inflation is added to each line using appropriate pay and prices indices. Growth bids, which are necessary to meet increased demand, legal obligations or new priorities are co-ordinated by the finance department and prioritised by Chief Constable's Management Team (CCMT) before being presented to the PCC.

CCMT review the content of the proposed budget on a number of occasions before recommending the agreed Medium Term Financial Plan (MTFP) to the PCC. Cash savings are identified through the Productivity Strategy. The Productivity Strategy is driven by the Deputy Chief Constable and sets a challenging, but achievable, target to identify savings through the Efficiency and Effectiveness Programme.

The PCC determines the level of council tax increase in accordance with Government guidelines. The draft budget and MTFP is presented to the PCC in November. The final budget is presented to the PCC in January, following receipt of the provisional police grant settlement. The PCC presents his budget and council tax proposals to the Police and Crime Panel in late January.

Conclusion: Based on the work performed, the PCC and CC had proper arrangements in place in 2021/22 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.



Value for Money (continued)

Governance: How the PCC and CC ensures that it makes informed decisions and properly manages its risks

We have seen through our attendance at JIAC meetings and our review of the minutes that key decisions made are backed up by the appropriate supporting evidence. In addition, the relevant officers attend the Committees to present their papers and to answer any questions the Committee may have. We have seen in the JIAC meetings members asking challenging questions to officers to ensure they are fully informed before decisions are made.

During 2021/22, Internal Audit have issued seventeen reports with reasonable assurance and six with limited assurance. The six audits that were identified as having limited assurance were not areas that would affect the production of the financial statements (Electronic Device Management (Losses), Partnership Data Sharing – Probation Service, Niche Data Quality (Part 1), Niche Data Quality (Part 2), Telematics Information and Reporting: Fleet Management and Health and Safety). We have not identified any weaknesses in relation to the governance of the PCC and CC through review of these reports. Internal Audit have raised a total of one hundred and fifty nine actions during the year, of which nineteen were overdue at the year end. JIAC monitors the Internal Audit recommendations and ensures they are followed up on a timely basis.

The PCC and CC has continued to maintain its risk register. The risk register is regularly reviewed by the JIAC which challenges the risks included and gains assurance that the right risks and mitigations are included. There are a number of 'red' risks within the risk register for 2021/22 which we considered as part of our value for money risk assessment. These are risks that we would expect to see for the PCC and CC and are not an indication of a weakness in their governance arrangements and have acceptable mitigations against each risk.

Conclusion: Based on the work performed, the PCC and CC had proper arrangements in place in 2021/22 to enable it to make informed decisions and properly manage its risks.



Value for Money (continued)

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 PCC and CC uses the Home Office value for money data to compare themselves to other similar forces to identify where there may be areas for improvement. The Performance Group is chaired by the CC and meets quarterly, identifying areas that need further investigation.

Further to this, the PCC and CC's internal auditors also provide operational recommendations and control reviews. The outcome of these and any recommendations are tracked at JIAC. This is used in conjunction with financial and performance information to identify areas for improvement.

The PCC and CC delivers a number of services in collaboration with Hampshire (ICT, Information Management, Joint Operations) and these are overseen at operational level by the Deputy Chief Constable (DCC) Board. The DCC Board comprises the two Deputy Chief Constables in Thames Valley and Hampshire. Formal scrutiny by PCCs and Chief Constables is undertaken at the Bilateral governance board.

The South East Collaboration Board meets quarterly to scrutinise those services delivered at regional level (Regional Organised Crime Unit - ROCU, Counter Terrorism Policing South East - CTPSE). The South East Collaboration Board comprises the PCCs and CCs from Thames Valley, Hampshire, Surrey, Sussex, and Kent with appropriate support from other senior officers as required.

Thames Valley Police also lead the Chiltern Transport Consortium (CTC) which provides a fleet management service for a number of regional and national police organisations. The CTC board meets twice yearly, with operational activity monitored by fleet managers and operational users.

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

Conclusion: Based on the work performed, the PCC and CC had proper arrangements in place in 2021/22 to enable it to use information about its costs and performance to improve the way it manages and delivers services.

Appendices

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y', pointing downwards towards the letters.

Building a better
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Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria

Findings

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

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

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

The Force has a robust Productivity Strategy that has identified and removed over £113m of cash savings from the annual base budget. The Productivity Strategy is driven by the Deputy Chief Constable and has set a challenging but achievable target to identify, through the Efficiency and effectiveness Programme, over £13m of new cash savings over the next 3 years i.e. 22/23 to 24/25.

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

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

Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria	Findings
How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system	During the drafting and preparation stage these are co-ordinated through the Chief Constable's Management Team. When working in partnership with other forces, joint plans and budgets are developed and dovetailed into the force planning process. In January, the draft budget is presented to the PCC alongside all relevant plans & strategies. The PEEL report highlighted that the Force has some workforce issues, in that there is more crime, officers busier than before and policing more complex with digital crime. So although they are bringing in new officers, those people need more training.
How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans	The MTFP and budget report includes a section on risks and uncertainties, including sensitivity analysis for key assumptions. The key assumptions are the key factors that impact on the budget e.g. pay and price rises, grant and precept increases. These are agreed at the start of the planning process based on staff knowledge acquired from their involvement in national groups and the general financial performance of the economy. They also produce and publish a separate, but linked, report on reserves balances and provisions which syncs with expenditure commitments in the MTFP and Medium Term Capital Plan (MTCP). At this stage they are still reporting an adequate level of general and earmarked reserves.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria	Findings
<p>How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The PCC and CC has a joint internal audit team that has a comprehensive risk based annual audit plan. The Chief Internal auditor provides regular updates to the JIAC and his annual audit opinion is incorporated within the Annual Governance Statement (AGS). The Authority has an anti-fraud, bribery and corruption policy that is monitored by the Professional Standards Department who provide regular updates to both JIAC and the Professional and Ethical Standards Panel. The CC also has a Strategic Risk register for the force which is reviewed by CCMT bi-monthly and an OPCC risk register which is reviewed by the PCC, both reports are reviewed by JIAC.</p>
<p>How the body approaches and carries out its annual budget setting process</p>	<p>Budgeting is an incremental process which starts with the approved annual budget for the current financial year. Inflation is added to each line using appropriate pay and prices indices. Growth bids, which are necessary to meet increased demand, legal obligations or new priorities are co-ordinated by the Finance department and prioritised by CCMT before being presented to the PCC.</p> <p>CCMT review the content of the proposed budget on a number of occasions before recommending the agreed MTFP to the PCC. Cash savings are identified through the Productivity Strategy process referred to above. The PCC determines the level of council tax increase in accordance with Government guidelines. The draft budget and MTFP is presented to the PCC in November. The final budget is presented to the PCC in January, following receipt of the provisional police grant settlement. The PCC presents his budget and council tax proposals to the Police and Crime Panel in late January.</p>
<p>How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed</p>	<p>CCMT is provided with a monthly monitoring report which highlights emerging risks and issues. These are acted upon as necessary and take into account the outcome of the bi-monthly performance groups. Formal budget monitoring reports are presented to the PCC at either his public Performance and Accountability meetings and/or his monthly Liaison meetings with the Chief Constable.</p> <p>These financial monitoring reports are considered alongside regular monitoring reports on the strategic delivery plan ensuring that finance and non-financial information are considered alongside each other. The OPCC works closely with the Force Finance Department to ensure that all statutory financial returns are completed and submitted on a timely basis.</p>

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

Findings

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

The PCC has published his decision making policy. Budget monitoring reports are presented to both CCMT and the PCC's public Performance and Accountability meetings (or his monthly Liaison meeting with the Chief Constable). All agenda items are minutes are published on the PCCs website. Decisions taken at CCMT are minuted. Formal PCC decision reports (e.g. contacts and tenders) are published on the PCCs website.

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

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

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
How financial and performance information has been used to assess performance to identify areas for improvement	<p>As part of the Efficiency and Effectiveness review the Authority has used the Home Office VFM data to identify those services which were out of line in comparison to other forces and Most Similar Force (MSF) data. These outliers are used as an indication that there might be room for improvement and hence further investigation.</p> <p>The Authority manages and monitors performance at various levels within the organisation. At the highest level CCMT reviews performance and considers recommendations for improvements. This will include the outcome of local and national HMIC reports as well as information from Performance Group and the DCC audits as well as internal reviews.</p>
How the body evaluates the services it provides to assess performance and identify areas for improvement	<p>A Performance Group is held quarterly and is chaired by the CC. This compares performance across the force with national and the Authority's MSF data on various performance indicators. In addition, Service Improvement Reviews are carried out by the DCC, this framework covers Local Police-Areas (LPA) and Departments.</p>
How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve	<p>TVP delivers a number of services in collaboration with Hampshire (ICT, Information Management, Joint Operations) and these are overseen at operational level by the DCC board, Formal scrutiny by PCCs and Chief Constables is undertaken at the Bilateral governance board.</p> <p>The SE collaboration Board meets quarterly to scrutinise those services delivered at regional level (ROCU, CTPSE). TVP leads the Chiltern Transport Consortium which provides a fleet management service for a number of regional and national police organisations. The CTC board meets twice yearly, with operational activity monitored by fleet managers and operational users. The PCC engages with local authorities to delivery his community safety priorities and works with other partners through the LCJB to reduce crime and reoffending.</p>
How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits	<p>The Commercial Governance Board, chaired by the Director of Finance and attended by the PCC CFO, reviews all upcoming contracts and tenders and approves the Procurement Launch Document which sets out the most appropriate route to market for each individual procurement. Following the receipt of tenders, contracts are approved by the Director of Finance and CFO (depending on value) , with those contracts over £1m also requiring approval from the PCC. VFM is embedded in all procurement document and all procurement staff are fully au fait with the need to demonstrate VFM through tenders and contracts. Robust contract management is used to ensure that expected benefits are realised through service delivery.</p>

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
<p>How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve</p>	<p>The Authority delivers a number of services in collaboration with Hampshire Police (ICT, Information Management, Joint Operations) and these are overseen at operational level by the DCC Board. The DCC Board comprises the two Deputy Chief Constables in Thames Valley and Hampshire. Formal scrutiny by the PCC and CC is undertaken at the Bilateral governance board. The Bilateral governance board comprises the PCCs and CCs from Thames Valley and Hampshire with support from their respective DCCs, Chief Executives and other senior offices from both forces as required.</p> <p>The South East (SE) collaboration Board meets quarterly to scrutinise those services delivered at regional level (Regional Organised Crime Unit - ROCU, Counter Terrorism Policing South East - CTPSE). The SE Collaboration Board comprises the PCCs and CCs from Thames Valley, Hampshire, Surrey, Sussex, and Kent with appropriate support from other senior officers as required. Thames Valley also leads the Chiltern Transport Consortium (CTC) which provides a fleet management service for a number of regional and national police organisations. The CTC board meets twice yearly, with operational activity monitored by fleet managers and operational users. The PCC engages with local authorities to delivery his community safety priorities and works with other partners through the Local Criminal Justice Board to reduce crime and reoffending.</p> <p>At all governance boards relevant heads of service (e.g. ROCU) are held to account for delivery by both the PCC and CC. Each group will receive performance data, information on risks and issues with recommendations for change improvement, appropriate to the collaboration.</p>
<p>How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits</p>	<p>The Commercial Governance Board, chaired by the Director of Finance and attended by the PCC CFO, reviews all upcoming contracts and tenders and approves the Procurement Launch Document which sets out the most appropriate route to market for each individual procurement. Following the receipt of tenders, contracts are approved by the Director of Finance and CFO (depending on value), with those contracts over £1m also requiring approval from the PCC.</p> <p>The Authority aims to embed value for money (VFM) in all procurement documents and all procurement staff are fully informed with the need to demonstrate VFM through tenders and contracts. Contract management processes are used to ensure that expected benefits are realised through service delivery. This means qualified procurement staff work closely with business leads to manage all significant contracts to ensure that they deliver the services and benefits that the Authority has procured. Each contract is risk assessed to determine the extent of contract management required for example a national contract for the purchase of stationery requires a low level of management whereas the contract for Health Care services requires a higher level.</p>

Appendix B – Summary of all recommendations

Recommendations

The table below sets out all the recommendations arising from the financial statements in 2021/22. All recommendations have been agreed by management.

Issue	Recommendation	Management Response
<p>We note that Thames Valley Police (TVP) stops depreciating vehicles once they reach their residual values as TVP will recover some value on sale. As such, it is considered not appropriate to fully depreciate these assets and then recognise profit on disposal for the full proceeds. TVP's Capital Policy does not state this in detail nor is this included as part of Accounting Policies in the Statement of Accounts.</p>	<p>TVP's Capital Policy should be clear on how the depreciation of vehicles should be carried out.</p>	
<p>Using our data analytics, we identified several entries with data entries posted from 2002. Our review concluded that as the items were below performance materiality (£5,943k), this would not be a material to the financial statements.</p>	<p>It would be good practice review these items to ensure they should still be in the general ledger.</p>	
<p>We identified that the Chiltern Transport Consortium charges to the other police bodies have not been reviewed for a number of years.</p>	<p>Although no issues are noted in the amount recorded in the financial statements as we could follow the audit trail, we recommend that a review is performed by TVP to review the Chiltern Transport Consortium charges.</p>	
<p>The accounts presented for audit contained a number of basic errors which indicated a lack of detailed quality review before issuing as draft.</p>	<p>Officers should ensure a suitably robust review of the financial statements, including the narrative statement, to ensure they are internally consistent and free from typographical errors and there are no mis-classification errors between the PCC and the CC.</p>	

Appendix C – Fees

Fees

We carried out our audit of the PCC and CC's financial statements in line with PSAA Ltd's "Statement of Responsibilities of auditors and audited bodies" and "Terms of Appointment and further guidance (updated July 2021)". As outlined in the Audit Results Report we were required to carry out additional audit procedures to address audit risks in relation to the risk of misstatements due to fraud or error – Management override, inappropriate capitalisation of revenue expenditure and inappropriate revenue recognition of other income for recharges and collaboration.

We discuss with the officers our assessment of the audit fees required to safeguard audit quality and our professional standards. We will, on completion of the audit, submit to PSAA our assessment of the changes required to the fee to include the impacts set out in Note 1 and 2. In doing so, we will notify PSAA whether the Authority agree, partially agree or do not agree with our assessment. PSAA are ultimately responsible for determining the scale fee and any variations.

Description	Final Proposed Fee 2021/22 £	Planned Fee 2021/22 £	Final Fee 2020/21 £
Scale Fee – PPC & CC	45,652	45,652	45,462
Recurring adjustment to scale fee (Note 1)	32,900	32,900	17,171
Base Audit Fee – Code work	78,552	78,552	62,633
Additional fees for incremental work in year:			
• Additional work on PPE	12,660	TBC	-
• VFM additional procedures (Note 2)	6,854	6,000-10,000	10,346
• Going concern assessment & disclosure	4,378	4,000-5,000	3,858
• EY internal consultation on audit report	1,900	2,000-3,000	2,364
• Revised auditing standard for estimates (Note 2)	6,520	5,000-7,000	4,578
• Accounting for C-19 related grants	-	-	1,703
• Data analytics issues	11,373	-	-
Total	122,237	TBC	85,482

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 2020/21, PSAA determined this amount at £17,171.

Note 2: The new VFM arrangements and revised ISA 540 (estimates) result in a scale fee variation (applicable from 20/21 onwards). PSAA have published guidance on these matters and advise for minimum additional fees for a PCC and CC. We have kept these proposed fees at the lower end of the ranges indicated in the guidance.

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

Appendix C – Fees 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 Authority, and its members and senior management and its affiliates, including all services provided by us and our network to the Authority, 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 2021 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

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ED None

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