



## JOINT INDEPENDENT AUDIT COMMITTEE



### **Annual Assurance Report 2020 from the Joint Independent Audit Committee to the PCC for Thames Valley and the Chief Constable of Thames Valley Police**

#### **Introduction**

This Annual Assurance Report 2020 explains how the Committee has complied with each of its specific responsibilities, referred to in Appendix 1, during the last twelve months covering the period December 2019 to December 2020.

The Committee's last annual report, presented to the PCC and Chief Constable at the Joint Independent Audit Committee meeting held on 18<sup>th</sup> December 2019, provided an assurance opinion that the risk management and internal control environment in Thames Valley Police (TVP) and the Office of the Police and Crime Commissioner (OPCC) was operating efficiently and effectively.

This year has been particularly challenging due to the impact of Covid-19. The scheduled March 2020 meeting of this Committee was cancelled, at relatively short notice, with the papers being circulated and agreed via email, which limited the opportunity for discussion and challenge. The June meeting was held via MS Teams. There was a physical meeting in July, although some members and officers dialled in via MS Teams. The September meeting was held remotely, via MS Teams.

There has been a significant turnover in membership this year. In July, we said thank you and goodbye to longstanding members Dr Louis Lee, Alison Phillips OBE and Richard Jones. In September, we had an induction training day and welcomed Amna Rehman, Melissa Strange and Dr Stephen Page to their first formal meeting.

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

#### **Financial management and reporting**

We received and reviewed the separate Statement of Accounts for 2019/20 for the PCC & Group and the Chief Constable at our meeting on 31<sup>st</sup> July 2020, together with the external auditor's 'Draft Audit results report for the year ended 31<sup>st</sup> March 2020'.

We were pleased to note the excellent progress in concluding the vast majority of the audit plan for 2019/20 but were disappointed to hear that our external auditor, EY (previously known as Ernst & Young), could not sign-off the accounts, and issue an audit certificate, due to delays in receiving appropriate assurance from Grant Thornton regarding their audit of the Buckinghamshire Pension Fund accounts.

We finally received notification from EY, on 20 November, that they had concluded their audit work and issued an unqualified audit opinion on the financial statements. We recognise that this has been an extremely challenging financial closedown and audit period, due to Covid-19, and commend the OPCC and Force Finance staff for their excellent project planning and continued effective working relationship with external audit staff.

We will consider EY's Final Accounts Report and specific comments in respect of value for money (VFM) at our meeting on 4<sup>th</sup> December.

We will receive and discuss the Annual Audit Letter at our meeting on 4<sup>th</sup> December.

We received regular updates on the ERP programme ('Equip') and challenged the PCC and Force Executive regarding the financial and operational risk that TVP continues to carry in respect of this project. We will continue to be robust in our scrutiny of this project throughout 2021.

In December 2019 we received a draft copy of the Annual Treasury Management Strategy Statement for 2020/21 which we reviewed and scrutinised robustly, before it was formally approved by the PCC in January 2020. We considered and noted the annual treasury report for 2019/20. This report explained how officers had complied with the annual treasury strategy statement. We were reminded of the established governance arrangements, that regular progress reports during the year were presented to the PCC and Chief Constable rather than the Committee.

Having considered all the information available to us we are satisfied that both the PCC's Chief Finance Officer and the Force Director of Finance have the necessary capability and capacity to ensure the proper administration of the PCC's and Force's financial affairs. Indeed, the experience and skills of the two individuals concerned, and the teams they lead, have been of real benefit to the PCC and the Force and we commend their efforts and achievements.

### **Internal control and governance environment**

In March, we received an initial draft of the 2019/20 Annual Governance Statement (AGS) for consideration. Although no significant governance issues had been identified the covering report explained the key issues that had been considered by the Governance Advisory Group before reaching this conclusion. As the Committee meeting in March was cancelled, we submitted comments via email. Overall, we were happy to endorse the accuracy of the AGS for inclusion in the annual Statement of Accounts.

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

In March, we received the updated Framework for Corporate Governance for 2020/21, which included the Statement of Corporate Governance, the Joint Code of Corporate Governance for the PCC and Chief Constable, and the Scheme of Corporate Governance, which included Financial and Contract Regulations. Only minor amendments were required this year to ensure that it remained relevant and fit for purpose.

In June we received an annual report from the Director of Information, as the Senior Information Risk Owner (SIRO), which provided a summary across HC and TVP for the information assurance and information governance during 2019/20, to provide assurance that information risks were being managed effectively and highlighted some of the key decisions that had been escalated to the SIRO during the year.

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

The Anti-Fraud, Bribery and Corruption Policy is formally reviewed every two years and we are due to receive the next update in December. This policy sets out a broad systemic approach to creating the right cultures and practices in the organisation.

In October we received a report and presentation on the governance and assurance arrangements in place for significant partnerships and/or collaborations involving TVP. We are satisfied that these governance and assurances arrangements are adequate and effective for their given purposes.

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

Throughout the year we have sought and received regular written and oral updates on Equip, the new Enterprise Resource Planning (ERP) programme, which provided information on the technical progress with development and implementation across the three collaborating forces (Surrey, Sussex and TVP), the tri-force programme governance arrangements and recent programme audit findings. As stated above (under Financial Management) we believe this is an area of significant ongoing operational and financial risk for TVP and we will continue to monitor and scrutinise the governance and VFM arrangements closely throughout 2021. We have similarly kept the Contract Management Programme in view.

We will receive and consider the external auditors Annual Audit Letter at our meeting on 4<sup>th</sup> December.

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

### **Corporate risk management**

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

We have received reports and oral updates to support enhanced risk assurance and governance during the Covid-19 period, considering existing and new strategic risks as well as the most significant operational risks. We were informed which risks were being treated, as well as those tolerated. In October we were advised that the risk scores relating to the Equip programme had increased due to the significant delays beyond January 2021.

We have kept the staffing position of the Force under review given the vital importance of an effective complement of officers and civilian staff for Force effectiveness. We thank the Chief Constable and Deputy Chief Constable for their openness about the issues of recruiting, training and integration of new recruits, and their clear explanations of the Force's approach to these challenges. The Director of People attended our Induction Training day (attended by new members as an induction and continuing members as a refresher to ensure continual professional development) in September and gave a detailed presentation on topical People issues including the Force's approach to Operation Uplift, the national initiative to recruit 20,000 additional police officers over the next three years. We have asked for a further update on People issues at our December meeting.

In last year's Annual Assurance report we highlighted our concern over identified specific weaknesses in OPCC financial management and internal controls and stated that we would monitor the findings of future audits of the Victims First service to obtain independent reassurance as to whether the weaknesses and risks are being remedied successfully. As such we have received regular updates on the OPCC risk register and have challenged officers robustly on the prevailing risks and mitigating actions and are satisfied that the necessary improvements have been implemented successfully. We will continue to monitor processes and practices in the OPCC to ensure that the remedies remain effective.

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

## **Business continuity management**

In March we received a written update from the Force on business continuity, including incidents and exercises. However, due to the operational impact of Covid-19 we have only received oral briefings at later meetings, including the Induction Training day in September.

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

We are satisfied that the business continuity management processes are operating efficiently and effectively in identifying issues and capturing organisational learning and there are no significant issues that we need to draw to your attention. However, we request that formal written reports be provided for future meetings.

## **Internal audit**

Due to Covid-19 a lot of internal audit activity was paused for several months, primarily between March and July, whilst police officers and staff focussed on the operational response to the pandemic. We acknowledged and supported this decision at the time. We are pleased to note that, in recent months, internal audit activity has returned to more normal rhythms and that the Chief Internal Auditor is confident that the revised audit plan for 2020/21 will be delivered in full.

In June we received the annual report from the Chief Internal Auditor. We were pleased to note that the 2019/20 Joint Internal Audit Plan had been completed although seven audits were not formally reported on due to the Covid-19 pandemic. Of the 16 completed audits, 12 (75%) had received reasonable assurance, 3 (19%) had received limited assurance and only 1 audit (6%) had received minimal assurance i.e. the OPCC Victims counselling service payment process. It was pleasing to note the results of the additional sources of assurance that had been provided by independent internal functions or external bodies. Of the 16 sources identified 4 (25%) were deemed to provide substantial assurance, 8 (50%) were deemed to provided reasonable, 3 (19%) were deemed to provided limited assurance and only 1 (6%) was deemed to provide minimal assurance. The one area that received minimal assurance was the HMICFRS Crime data integrity re-inspection (of TVP) 2019. We are pleased that the audit programme continues to return a range of assurance levels, this is a reflection of both the independence of the process and its effectiveness in targeting a cross section of matters within the Force and OPCC.

We received and endorsed the revised Internal Audit Strategy and Annual Plan 2020/21 at our meeting on 12<sup>th</sup> June 2020. We noted that that the annual plan included all relevant financial systems, as well as other business critical functional areas and activities. We were pleased to note the wide range of audit activity, looking at high-risk functions and operations across both organisations.

Although the resourced audit plan does not include a specific allocation of days for use by the Committee, there is an extant agreement with the CC and PCC that the Committee may, at its discretion, draw on up to 10 audit days for its own specific use. We did not need to use this facility during 2020.

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

In March and October 2020 we received updates from the Chief Internal Auditor on progress with delivery of the annual internal audit plan, including a summary of key issues arising from recently completed audits. We continue to receive final audit reports which give us early sight of any key issues arising from completed audits that require management action. This is particularly useful for those few audits where limited or minimal assurance is given.

We have received and debated regular update reports each quarter on progress of agreed actions in internal audit reports. We are pleased that the number of outstanding audit actions is on a downward trend, but we believe that the number is still too high, particularly in the people directorate. We hope that management is able to demonstrate that it continues to take the implementation of actions arising from internal audit reports very seriously and we shall continue to monitor this situation rigorously in coming years.

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

### **External audit**

In December 2019 the external auditor, EY, presented its outline audit plan for the PCC and Chief Constable for the financial year ending 31<sup>st</sup> March 2020. This explained the context for the audit, as well as outlining the auditor's process and strategy. EY highlighted the various risks to the financial statements and the one significant VFM risk i.e. new ERP system. We were pleased to note that the proposed combined audit fee for 2019/20 was £45,652, i.e. the same basic fee level as in 2018/19

However, in June, we received a further report from the CFO and Director of Finance proposing that the audit fee for 2019/20 be increased from £45,652 to £78,557 to reflect the additional volume and complexity of audit work. We expressed our dissatisfaction with the audit fee process (i.e. through the Public Sector Audit Appointments Ltd) but understood the rationale behind the increase and recognise that the increase of £32,905 is proportionate to the work actually undertaken.

In June we received an update to the EY Audit Plan 2019/20 as a result of Covid-19 which reported on the new national timescales for closedown and audit sign-off, as well as the additional risks, areas of focus and methods of delivery.

At the meeting on 31<sup>st</sup> July 2020 the External Auditor presented his Draft Audit Results Report which summarised his preliminary audit conclusion in relation to the Group (i.e. PCC and Chief Constable) financial position and results of operations for the year ended 31<sup>st</sup> March 2020. Subject to completing the outstanding audit matters, as set out in the report, he intended to issue an unqualified audit report. The outstanding audit matter primarily related to the receipt of the IAS audit assurance letter from the auditor of the Local Government Pension Scheme as administered by Buckinghamshire Council.

This audit was designed to express an opinion on the 2019/20 financial statements for the PCC and Chief Constable, reach a conclusion on the PCC and Chief Constable's arrangements for securing economy, efficiency and effectiveness in the use of resources, and address current statutory and regulatory requirements. We were pleased to note that EY had not identified any significant errors or misstatements in the accounts and were planning to issue an unqualified audit opinion on the financial statements.

In respect of Value for Money (VFM) EY identified the new ERP system as being a significant VFM risk at the outset of the audit. In addition, on 16 April 2020, the National Audit Office published an update to auditor guidance in relation to the 2019/20 VFM assessment in the light of Covid-19.

We will receive and consider the Final Accounts Audit Report and the Annual Audit Letter on 4<sup>th</sup> December and will pay particular attention to his comments and conclusions on the PCC (and TVP) arrangements to secure VFM in its use of resources.

In terms of the financial statements and the year-end audit we are very pleased with the final outcome. We welcomed the efforts made by officers to close the accounts early again this year, despite the obvious challenges of Covid-19, which was an excellent achievement. We would also like to express our gratitude to the external auditors for their key role in the effective closedown and audit sign-off process.

We continue to receive and note the quarterly EY Police Sector Audit Committee briefing. We find this a useful source of timely information on topical police, accounting and audit issues.

### **Health & Safety**

In June, we received a summary report on the principal activities and outcomes relating to the promotion and management of Health & Safety (H&S) Management in TVP during 2019/20. Irrespective of whether Covid-19 had arisen or not, the paper fell short of what was required to enable the Committee to provide assurances. As such, a more comprehensive and informative report on H&S was requested for the October meeting.

We received this report in October. Whilst it provided additional information on H&S activity, incidents and statistics the report lacked context and was difficult at times to understand and comprehend. It also failed to address the key issue of culture. Whilst we understand and applaud that good work that has taken place at a practical level, particularly during the very difficult Covid-19 period, we would like additional information and context in next year's report, and have asked the People Director to present at our December meeting; this has been subsequently delayed until 2021 with agreement.

### **Wellbeing**

In June we received an annual report on organisational 'wellbeing' during 2019/20. In accordance with the National Framework in the Workforce the report focused on the 6 principal themes of leadership; creating the environment; protecting the workforce; personal resilience; mental health, and absence management. It also provided an update on wellbeing in respect of Covid-19.

We welcomed the efforts being made to improve wellbeing throughout the workforce but would like to receive additional information, in next year's annual report, on the real improvements that had been made within the organisation.

### **Equality & Diversity**

In June we received the 2019/20 annual report on equality, diversity and inclusion which showcased the achievements from the past 12 months and planned activities for 2020/21. The report covered the following areas: strategic governance, providing a service to diverse communities, BAME representation, recruitment and attraction, retention and attraction, retention and progression, development for women, community and recruitment engagement development, other equality and diversity activity, and future plans. We queried why the number and percentage of BAME officers and staff were reducing and were pleased to hear that additional effort is being made to recruit BAME officers under the Police Uplift Programme to help address this key issue. We recognise the ambition of force leadership on this important issue, and look forward to them building on the achievements to date.

### **Inspection and review**

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

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



to consider and publish a response to each HMICFRS report relevant to Thames Valley Police.

The Committee has asked to be provided with copies of the HMICFRS reports and responses of the PCC. Only one such report (“Joint targeted area inspection of the multi-agency response to children’s mental health in Milton Keynes”), published in December 2019, has been received by the Committee, together with the PCC’s response, which was published in February 2020. However, we are aware that a number of other relevant HMICFRS national reports have also been issued over the last year that contain recommendations that are relevant to all forces’ chief constables and PCCs. We understand that during the Covid-19 pandemic, the Force has prioritised and focused its attention on responding to the operational demands of the Covid-19 situation. Unfortunately, this, in turn, appears to have had an adverse impact on the ability of both the Force and the OPCC to respond to these national HMICFRS (and other HMI) reports. Nevertheless, we look forward to receiving copies of HMICFRS reports and associated published responses on a timely basis in future.

Notwithstanding the above, as far as we know, HMICFRS has not issued any report during the last twelve months that has specifically referred to assurance on the internal control environment and/or highlighted governance issues for the PCC and Chief Constable to consider.

### **Accountability arrangements**

For JIAC to complete:

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

### **Other issues**

#### *Environmental management*

In October we received the Annual Report on Environmental Management for 2019/20 which explained the range of environmental sustainability work the force had undertaken in order to meet its obligations under environmental legislation proactively manages all aspects of its environmental impacts. We welcomed the continued reductions in waste volumes and improved recycling rates. We were pleased to note that additional work is being undertaken with regards to Smarter Ways of Working and have requested an additional update on this

issue for our next meeting in December. We were concerned, however, that the force did not appear to have yet begun work on its environmental management strategy for the period beginning in 2020 and look forward to receiving updates on progress in 2021, with a view to seeing the force putting in place a clear strategy, action plan and appropriate measurement of results. In addition, we are keen to see how the force applies the lessons learned from its rapid pivot to different ways of working as a result of Covid 19 to its future operational strategy, including its use of physical estate.

### *Professional & Ethical Standards - Force Oversight arrangements*

We continue to attend, as observers, the bi-monthly meetings of the Professional & Ethical Standards Panel (previously known as the 'Complaints, Integrity and Ethics Panel) that assesses whether the Chief Constable's arrangements for, and the PCC's oversight of, the proper handling of complaints made against the Force, and consideration of other integrity, ethics and professional standards issues, are operating effectively in practice. We noted in last year's annual report that there appeared to have been a broadening of the Panel's considerations, away from its key remit as laid down in the Panel's former terms of reference. We note that our observations were considered carefully by the PCC, Chief Constable and the Panel when the Panel reviewed and adopted its new Terms of Reference in August 2019. We now consider the current Terms of Reference provide the basis for the Panel to provide effective support to the PCC and Chief Constable, especially with regard to assessing the local implementation and effectiveness of the of the national reforms to the police complaints system that were implemented in February 2020. We continue to observe meetings with interest, and trust the current recruitment of new members will enable the panel to continuously improve and discharge its remit in full.

### **General**

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

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

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

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

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

### **JIAC operating principles**

The Committee's current operating principles are shown in Appendix 1. These were used during the recent member recruitment process.

### **Conclusions**

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

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

The year ahead (2021) will be a highly demanding one due to the ongoing impact of Covid-19; the end of the EU exit transition period, reduced national public sector finances and the adverse impact on the nation's macro-economic situation, coupled with the ongoing investment in the development of leading edge digital policing systems (e.g. ERP). No doubt we will continue to seek answers on costs and business benefits. We will continue our scrutiny on Force change management, the delivery of Force financial performance and operational effectiveness. Given the significance of managing the people risks for the success of TVP, we will continue to keep this area in focus in the year to come. We will remain alert to the extent to which TVP and the OPCC are exposed to risks, from whatever source that might weaken the control environment or otherwise adversely affect overall performance. The coming months will be extremely challenging.

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

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

Three of the longest serving members of JIAC retired in July and we would like to place on record our appreciation for the excellent work undertaken by Dr Louis Lee, Alison Phillips OBE and Richard Jones since the inception of JIAC in early 2013.

We have appointed three new members this year, namely Amna Rehman, Melissa Strange and Stephen Page and hope that the newly formed JIAC will continue to enjoy the same constructive relationship with the CC, PCC and their respective teams that previous members have enjoyed.

### **Joint Independent Audit Committee**

Members:

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

4 December 2020

## Joint Independent Audit Committee - Operating Principles

### Statement of Purpose

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

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

### Committee Composition and Structure

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

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

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

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

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

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

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

## **Methods of Working**

The Committee will:

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

## **Specific responsibilities**

The Committee has the following specific responsibilities:

### Financial Management and Reporting

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

### Internal Control and Governance Environment

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

### Corporate Risk Management

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

### Business Continuity Management

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

### Internal Audit

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

### External Audit

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

### Health & Safety

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

### Equality and Diversity

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

### Inspection and Review

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

### Accountability Arrangements

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