

Police and Crime  
Commissioner and Chief  
Constable for Thames Valley  
Police

Auditor's Annual Report  
Year ended 31 March 2025  
February 2026



The better the question. The better the answer. The better the world works.



Shape the future  
with confidence

19 February 2026



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

Dear Matthew and Jason

2024/25 Auditor's Annual Report

[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.](#)

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for Police and Crime Commissioner (PCC) and Chief Constable (CC) for Thames Valley Police. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2024/25.

This report is intended to draw to the attention of the Police and Crime Commissioner (PCC) and Chief Constable (CC) for Thames Valley Police any relevant issues arising from our work up to the date of issuing the report. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you.

The [EY UK 2025 Transparency Report](#) provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 30 June 2025.

Yours faithfully

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

# Contents

01 Executive Summary

02 Audit of financial statements

03 Value for Money Commentary

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/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/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 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.



# 01 Executive Summary

# Executive Summary

## Purpose

The Auditor's Annual Report summarises the year's audit work, including value for money commentary and confirmation of the financial statement opinion. It also references any use by the auditor of their additional powers and duties under the Local Audit and Accountability Act 2014. In line with the NAO Code of Audit Practice 2024 ("the 2024 Code") and Auditor Guidance Note 03 (AGN 03), this report provides an overview to Police and Crime Commissioner (PCC) and Chief Constable (CC) for Thames Valley Police and the public, detailing current recommendations and a review of prior years' actions, including our assessment of whether they have been satisfactorily implemented.

Auditors must issue their draft annual report to those charged with governance by 30 November each year, reflecting the audit position and value for money assessment at that time, even if the 2024/25 audit is ongoing.

### Responsibilities of the appointed auditor

We have undertaken our 2024/25 audit work in accordance with the Audit Plan that we issued on 12 March 2025. We have complied with the 2024 Code, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- whether the financial statements give a true and fair view of the financial position of the PCC and CC and its expenditure and income for the year; and
- have been prepared properly in accordance with the relevant accounting and reporting framework.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the PCC and CC;
- the use of additional powers and duties, for example making written recommendations under Section 24 and Schedule 7 of the Act or making a report in the public interest; and
- 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.

### Responsibilities of the PCC and CC

The PCC and CC are responsible for the preparation of the financial statement, including the narrative statement and governance statement, in accordance with the CIPFA Code and for having internal controls in place to ensure these financial statements are free from material error. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

# Executive Summary (cont'd)

2024/25 conclusions based on work carried out to date

Financial statements	We issued an unqualified 2024/25 audit opinion on 19 February 2026.
Going concern	We have concluded that the PCC's Chief Finance Officer's and the CC's 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 statements	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.
Additional powers and duties	We had no reason to use our auditor powers.
Whole of Government Accounts	We have performed the initial procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission. We have not yet concluded the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the NAO have not yet confirmed the final reporting position and whether any questions will be raised on individual returns. We cannot issue our Audit Certificate until these procedures are complete. 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 WGA work until the NAO confirms if they would like any additional procedures performed.

# Executive Summary (cont'd)

## Value for money scope

Under the 2024 Code, we are required to consider whether the PCC and CC for Thames Valley Police have 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.

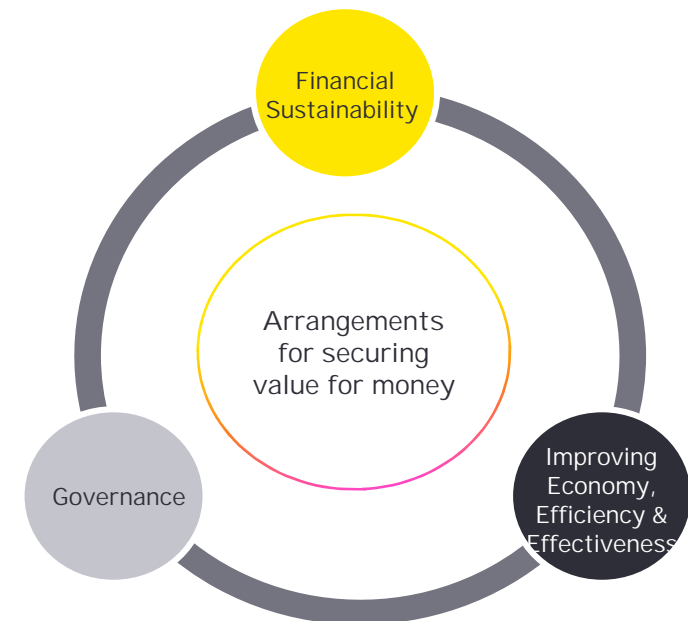
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's report on the financial statements.

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.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of PCC and CC committee reports;
- meetings with the Director of Finance and Chief Finance Officer;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with PCC and CC management and the finance team.



# Executive Summary (cont'd)

## Reporting

Our commentary for 2024/25 is presented in Section 03. This section provides a summary of our understanding of the arrangements at the PCC and CC as determined from our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25 and up to the date of issuing this draft Auditor's Annual Report, which must be issued by 30 November. We have made no recommendations regarding value for money arrangements.

In compliance with the 2024 Code, we are required to provide commentary against the three specified reporting criteria. The table below outlines these criteria, indicates whether a significant risk of weakness was identified during our planning procedures, and details our current conclusions regarding any significant weaknesses within your arrangements.

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 weakness identified
Governance: How the PCC and CC ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness 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 weakness identified

# Executive Summary (cont'd)

## Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the PCC and CC, and its members and senior management and its affiliates, including all services provided by us and our network to the PCC and 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 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

## EY Transparency Report 2025

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 2025:

[EY UK 2025 Transparency Report](#)



# 02 Audit of financial statements

# Audit of financial statements

## Key findings

The Statement of 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.

## Financial statement risks

### Significant risk

### Conclusion

Misstatements due to fraud or error – Management override of controls

We have not identified any material weaknesses in the recognition of expenditure. We have not identified any instances of inappropriate judgements or estimates 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 capitalisation of revenue expenditure

We have not identified any misstatements or instances of inappropriate capitalisation of costs.

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

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

Significant risk – Implementation of IFRS 16 Leases

We identified several misstatements on the implementation of IFRS 16 in the disclosure in the Statement of Accounts, including an omission of depreciation for the right of use assets and the incorrect treatment of IFRS 16 on the PFI liability. All issues have been corrected except for the depreciation omission which we have agreed with management is not material to the financial statements.

# Audit of financial statements

## Financial Statement reporting assessment

Management, and the JIAC, as the PCC and CC's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table over-page sets out our views on the effectiveness of the PCC and CC's arrangements to support external financial across a range of relevant measures.

# Audit of financial statements

## Financial Statement reporting assessment

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 <sup>th</sup> June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			There a few of non-material internal inconsistencies, typographical and arithmetic errors in the draft financial statements that should have been detected through internal quality review prior to publication.	N/A
Delivery of working papers in accordance with agreed client assistance schedule	Requires improvement			Working papers were not always provided to the agreed timetable. There is no specific area to share here, but the finance team are aware of the working papers that were delivered late.	N/A
Quality of working papers and supporting evidence	Requires improvement			Working papers and supporting evidence were generally of a good standard. Although there were delays in producing a usable debtors listing and providing suitable audit evidence to support the balances.	We expect to raise a scale fee variation in respect of this.
Timeliness and quality of evidence supporting key accounting estimates	Requires improvement			Delays were experienced in the provision of supporting evidence for PPE. The quality of evidence and explanations provided in other areas of the audit were often were not of a good quality initially and resulted in the audit team having to send the queries back. The delay in providing evidence resulted in a delay to the audit process being completed.	We expect to raise a scale fee variation in respect of this.
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			Generally there were no issues with access to the finance team and key personnel.	N/A
Volume and value of identified misstatements	Requires improvement			Material misstatements were detected as a result of our work, changes in the reporting standards (IFRS 16) were not taken into account correctly.	We expect to raise a scale fee variation in respect of this.
Volume of misstatements in disclosure	Requires improvement			A significant number of misstatements in disclosure were detected in our work.	We expect to raise a scale fee variation in respect of this.



# 03 Value for Money commentary

# Value for Money



## The PCC and CC's responsibilities for value for money

The PCC and CC are required to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at their disposal.

As part of the material published with the financial statements, the PCC and CC are 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 tailor the content to reflect their 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.

## Our responsibilities

Under the revised NAO Code we are required to consider whether the PCC and CC have put in place 'proper arrangements' to secure economy, efficiency and effectiveness on their 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 on the arrangements the PCC and CC have in place to secure value for money through economic, efficient and effective use of their resources for the relevant period. Our summary is below:

	Significant risk identified	Significant weakness identified
 <p><b>Financial sustainability</b> How the PCC and CC plan and manage resources to ensure they can continue to deliver their services.</p>	<ul style="list-style-type: none"> <li>No significant risks identified</li> </ul>	<ul style="list-style-type: none"> <li>No significant weaknesses identified</li> </ul>
 <p><b>Governance</b> How the PCC and CC ensures that they make informed decisions and properly manage their risks.</p>	<ul style="list-style-type: none"> <li>No significant risks identified</li> </ul>	<ul style="list-style-type: none"> <li>No significant weaknesses identified</li> </ul>
 <p><b>Improving economy, efficiency and effectiveness</b> How the PCC and CC use information about their costs and performance to improve the way they manages and delivers their services.</p>	<ul style="list-style-type: none"> <li>No significant risks identified</li> </ul>	<ul style="list-style-type: none"> <li>No significant weaknesses identified</li> </ul>



# VFM commentary: Financial Sustainability

## Financial sustainability: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Financial Sustainability sub-criteria set out in AGN03:

- 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;
- How the body plans to bridge its funding gaps and identifies achievable savings;
- How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- 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; and
- How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

## Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the PCC and CC's arrangements for financial sustainability. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years, we identified no recommendations in relation to financial sustainability. The PCC and CC's underlying arrangements in relation to financial sustainability are not significantly different in 2024/25.

## Overview of our conclusions

Based on the work performed, the PCC and CC had proper arrangements in place in 2024/25 to plan and manage its resources to ensure it can continue to deliver its services.



# Financial Sustainability considerations

## Medium Term Financial Strategy

The Director of Finance and the Chief Finance Officer for the PCC and CC for Thames Valley Police presented a Medium-Term Financial Strategy in January 2025. The Strategy highlights the continuing levels of financial uncertainty across the sector. Key challenges outlined within the PCC and CC's planning include the following:

### 1. Uncertainty of Future Funding

- Only a one-year funding settlement was received, future support is unclear until the 2025 Comprehensive Spending Review (CSR) is received.
- With the new Neighbourhood Policing (NHP) Grant (£3m), there is an expectation that TVP will need approximately an additional 50 Officers/Staff, creating a risk for ongoing staffing and operational commitments.

### 2. Inflation and Pay Pressures

- Significant inflationary pressures on goods, services, and pay awards make budget forecasting difficult.
- In July 2024, the Government announced a Police Officers pay award (4.75%), for which TVP matched for Police Staff, this was only partly funded by the Home Office, adding cost pressures.
- Any pay inflation above the budgeted 2%, which is not funded by the government, would be funded from reserves in the short term. Every additional 1% increase would add an additional £3.8m to the overall pay budget.

### 3. Productivity and Savings Requirements

- £15.4m savings is required in 2025/26 to balance the budget, with £11.7m more required over the next three years.
- Many savings are delivered through the Force Review, but future years' savings have yet to be identified and will require new programmes and efficiency initiatives.
- Achieving savings without impacting operations is increasingly difficult.

### 4. Capital Investment and Borrowing Risks

- The estates strategy requires £80m borrowing over four years, potentially rising to £160m in the long-term.
- There is a risk that the revenue impact may become unaffordable in the long term, especially if funding tightens.
- One-off asset sales are finite and cannot support the capital programme after 2027/28.

### 5. Low Reserve Levels

- General and earmarked reserves are at historically low levels and are being drawn down to support investment and meet inflationary pressures.
- With these pressures, there is a reduced ability to respond to financial shocks or to support continued growth.



# Financial Sustainability considerations

## Medium Term Financial Strategy (continued)

### 6. Inflation and Supply Chain Volatility

- Ongoing geopolitical instability and supply chain issues continue to drive up costs and create uncertainty in both revenue and capital budgets.
- Construction and technology projects are exposed to inflation risk, potentially leading to budget overruns.

### 7. Recruitment and Retention

- Recruitment and retention of officers and staff is a strategic risk, especially with the uncertainty of future funding for new posts (e.g., those supported by the NHP Grant).
- High recent recruitment has reduced average length of experience of officers, reducing the overall level of skills and knowledge within the organisation.

### 8. Operational Demands and Service Delivery

- Balancing tight financial resources with maintaining and improving service delivery, including neighbourhood policing, public protection, and technological investment.
- Unquantified future demands, whether new operational demand or investment requirements, could further strain resources.

### 9. National Policy and Economic Risks

- The national funding formula review and Home Office efficiency reviews introduce additional uncertainty and risk to the financial plan.
- Economic factors like weak GBP and high inflation introduce additional risks for goods and services such as software licences.

With these factors in mind the PCC and CC had to produce a realistic medium term financial plan based on the information they had at that point in time.



# Financial Sustainability considerations

## Medium Term Financial Strategy

The PCC and CC's Medium Term Financial Plan which went to the January 2025 Performance and Accountability Meeting (PAM) outlines the scale of the challenge over the next four years. The current funding gap over the period to 2029 is £27 million, but significant risks remain, including:

1. Targeted Savings for 2025/26:

- £15.4 million in savings targeted for the 2025/26 financial year.
- These savings are part of a broader programme to maintain budget stability amid rising costs and funding uncertainty.

2. Additional Savings Required (2026/27 to 2028/29):

- £12 million in additional savings planned across the following three years.
- These depend on the successful implementation of strategic initiatives, many of which are still in development.

3. Overspend Risk:

- Overspend risk in 2025/26 due to staff national insurance contributions and the 4.2% pay rise for officers and staff.

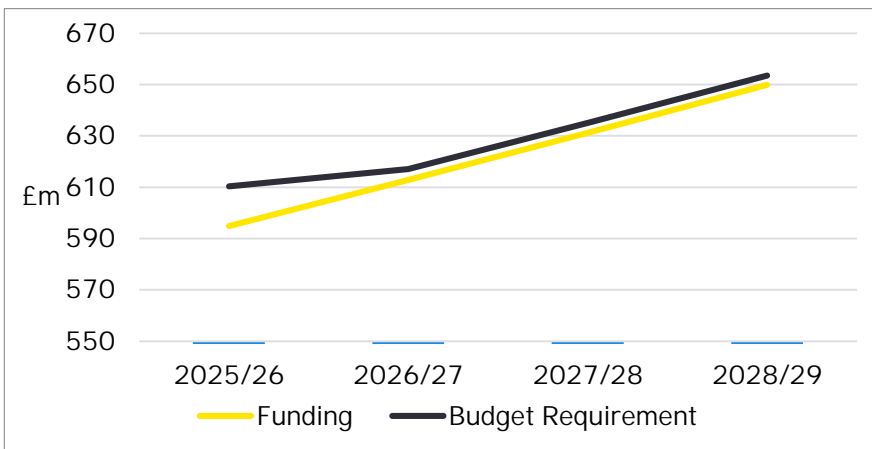
4. Funding Uncertainty:

- Lack of multi-year settlements from the Home Office is creating a "holding budget" scenario, limiting expansion and long-term planning
- Capital schemes are unfunded, meaning upgrades must be financed through borrowing, increasing operational strain.

6. Council Tax Precept:

- To help bridge the gap, an increase in police funding was proposed via a £14 rise in Band D council tax, bringing it to £283.28.

Exhibit [1]: The PCC and CC's MTFP outlines a funding gap of £15.4m for 2025/26





# Financial Sustainability considerations

## Budget Monitoring

Budget monitoring reports are critical for those charged with governance to make decisions about the prioritisation of resources.

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.

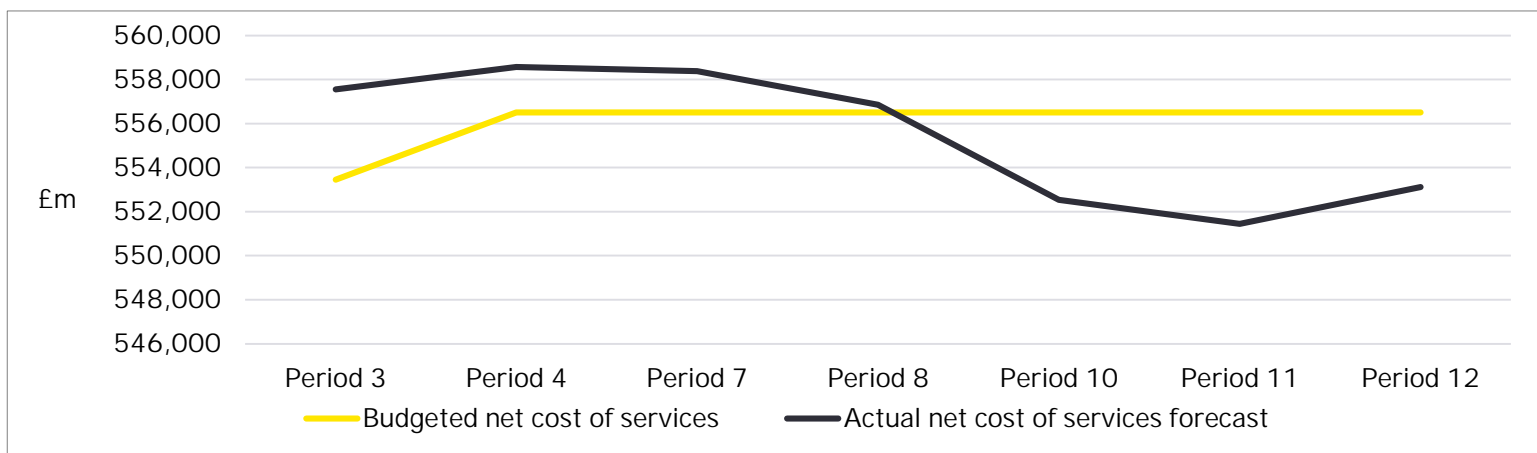
CCMT review the content of the proposed budget on a number of occasions before recommending the agreed MTFP to the PCC. Cash savings are identified through the Productivity Strategy process. The Productivity Strategy is driven by the Deputy Chief Constable and sets a challenging but achievable cash savings target to identify 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.

Exhibit [2] below highlights that forecasting for the first part of the 2024/25 year projected an overspend against service budgets, which then changed to an underspend in the last quarter of the year.

During 2024/25, £5.3m was received in interest, otherwise a £1.9m overspend would have been reported at the end of the year.

Exhibit [2]: 2024/25 Budget monitoring reports outlined an initial overspend, changing to an underspend part-way through the year





# Financial Sustainability considerations

## Savings plans

The PCC and CC's 2024/25 budget relied on the delivery of savings of £7.6 million and in the narrative report of the financial statements, it was reported that this was achieved through the efficiency programme.

Key factors that impacted the delivery of savings included:

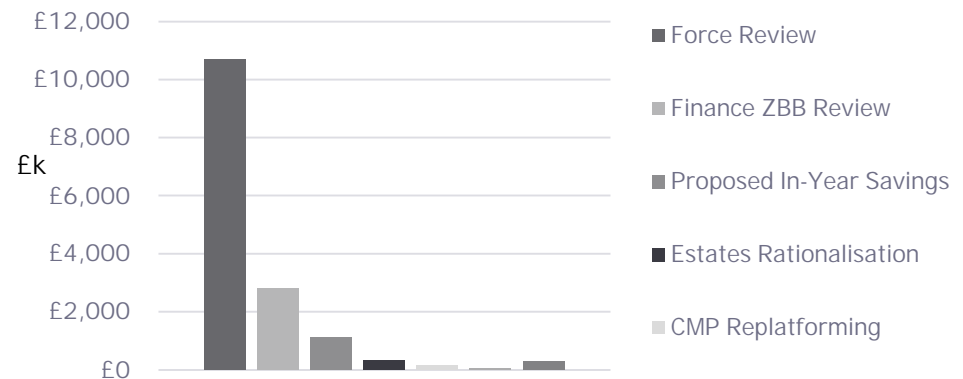
- Force restructuring,
- Overtime expenditure,
- Motor Insurance Premium, and
- Other Force Levies

The PCC and CC plan to deliver £15.4 million savings in 2025/26, of which £11 million is directly attributable to the Force Review. The rest will come from central and local initiatives. The Savings Delivery Board in September 2025 reported that 88% of these savings had been completed for 2025/26, demonstrating that the savings plan for 2025/26 is realistic and achievable.

Exhibit [3a]: The PCC and CC delivered 100% of planned £7.9 million of savings in 2024/25



Exhibit [3b]: The PCC and CC plan to deliver £15.4 million of savings in 2025/26





# Financial Sustainability considerations

## Reserves position

The PCC approved the Reserves Strategy in January 2025. The PCC's Reserves Strategy outlines that the minimum reserves to be held as uncommitted general funds of 3% of net expenditure, with an absolute minimum level of 2.5%.

£3.6 million in reserves is planned to be used in 2025/26, and £0.5 million in 2026/27 to support the revenue budget. An additional £2.1 million will be used over two years for one-off investments in infrastructure to enable future savings and efficiencies.

These allocations are intended to help balance the revenue budget over the medium term, indicating a reliance on reserves to manage financial pressures.

A significant £27.228 million in capital slippage is being carried forward from 2024/25 to 2025/26, which may affect the timing and delivery of capital projects.

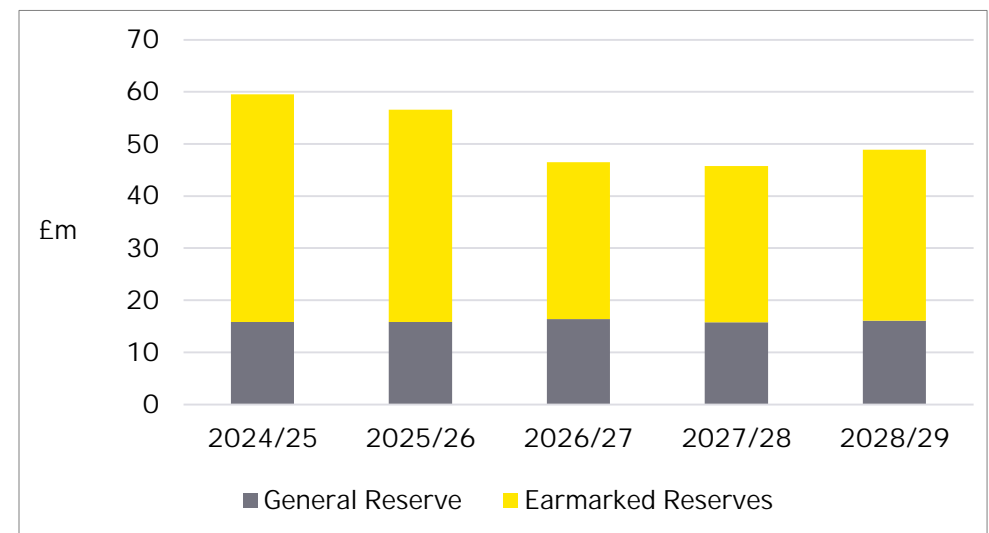
The PCC is aware that by using reserves to help finance the capital programme, it could impact the sustainability of reserves if not managed carefully.

The exhibit below demonstrates the estimated general reserve and earmarked reserves over the coming years.

## Exhibit [4]: The PCC's General Reserve and Earmarked Reserves per the MTFP

### Summary of General & Earmarked Reserves

Reserve	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
General Reserve	15,787	15,787	16,341	15,776	16,064
% of NRE	2.72%	2.70%	2.71%	2.54%	2.52%
Useable Reserves	25,378	19,563	8,958	8,803	11,628
Other Reserves	18,389	21,201	21,201	21,201	21,201
	<u>43,767</u>	<u>40,764</u>	<u>30,159</u>	<u>30,004</u>	<u>32,829</u>





# VFM commentary: Governance

## Governance: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Governance sub-criteria set out in AGN03:

- How the body monitors and assesses risk and how the body gains assurance over the effective operations of internal controls, including arrangements to prevent and detect fraud;
- How the body approaches and carries out its annual budget setting process;
- 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, including in relation to significant partnerships;
- 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; and
- How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer and member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

## Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the PCC and CC's governance arrangements. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The PCC and CC's underlying arrangements in relation to governance are not significantly different in 2024/25.

## Overview of our conclusions

Based on the work performed, the PCC and CC had proper arrangements in place in 2024/25 to make informed decisions and properly manage its risks.



# Governance considerations

## Annual Governance Statement

The Annual Governance Statement (AGS) was presented to the JIAC in draft form at the meeting on the 21 March 2025 and in its final form on the 13 June 2025.

The Governance Advisory Group (GAG) meets on a regular basis to review and update the Corporate Governance Framework as well as to draft the AGS. The GAG comprises the PCC Chief Executive, Chief Financial Officer and Head of Governance & Compliance, as well as the CC Finance Director, Head of Legal Services and Head of Strategic Governance who, between them, have oversight and knowledge of the whole organisation. A draft is presented to JIAC in March. An updated, near final version, is sent to JIAC members by email before the Statement of Accounts is sent to EY for audit. JIAC provides an independent assessment.

In the AGS, the Governance Advisory Group confirms that, to the best of its knowledge, no material breaches of governance arrangements occurred during 2024/25. There are currently no significant actual or potential governance issues identified in relation to activities for 2024/25. Furthermore, there are no notable weaknesses in the internal control or governance environment.

## Informed decision making and member challenge

The PCC's Decision Making Policy is on the PCC website, and it outlines the decision making process together with providing information on how decisions will be recorded and publicised.

Budget monitoring reports are presented to both the Chief Constable's Management Team (CCMT) and the PCC's public Performance and Accountability Meetings (or the PCC's monthly Liaison meeting with the Chief Constable).

All agenda items in the minutes are published on the PCC's website. Decisions taken at CCMT are documented in the minutes. Formal PCC decision reports (e.g. contacts and tenders) are published on the PCC's website.

The JIAC have the responsibility for overseeing the governance of the PCC and CC. The PCC and CC's Code of Corporate Governance is revised and reported to the JIAC in March each year.

## Failure to prevent fraud

The offence of failing to prevent fraud, as introduced by the Economic Crime and Corporate Transparency Act 2023, became effective on 1 September 2025. The Home Office has published statutory guidance (most recently updated in October 2025) which organisations must consider. This guidance outlines the core principles for establishing, reviewing, or enhancing anti-fraud procedures.

It is recommended that authorities review existing fraud policy and procedures against the latest Home Office guidance. If this review has not yet taken place, it should be prioritised to ensure compliance with the Act and to mitigate the risk of enforcement action.



# Governance considerations

## Internal audit arrangements

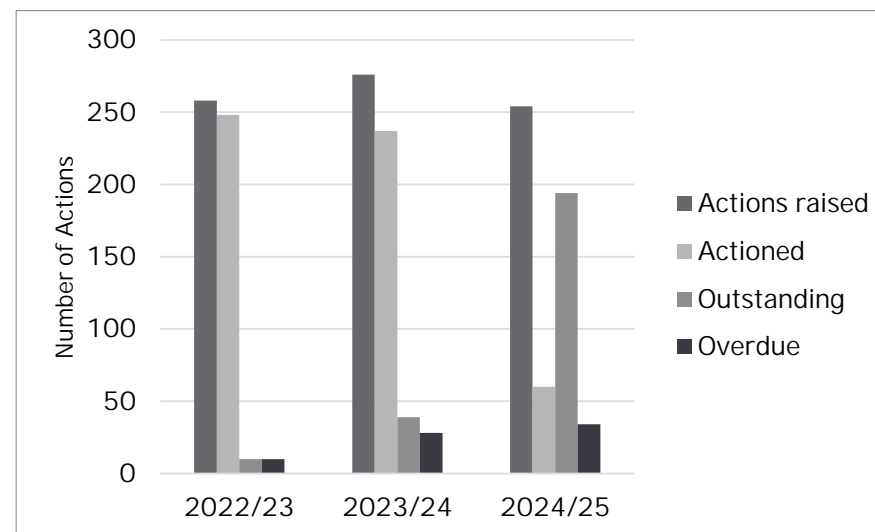
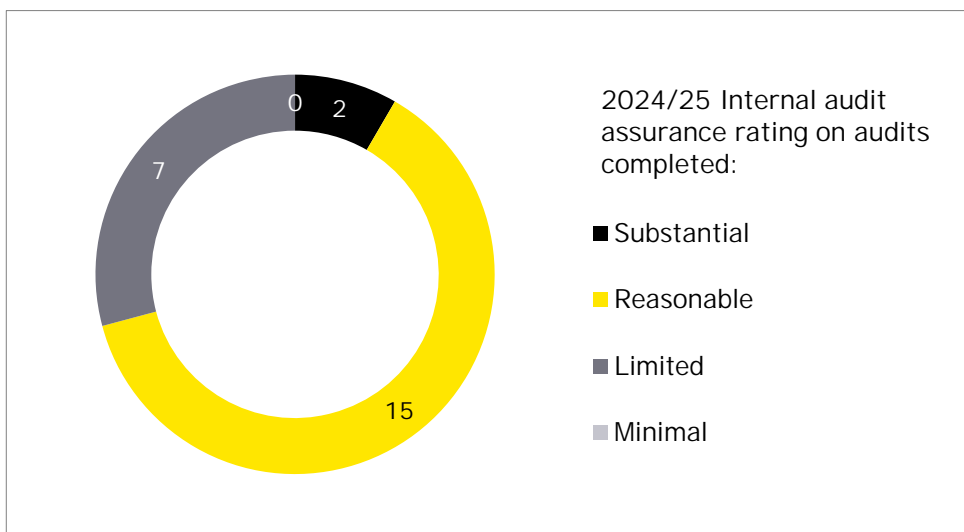
The PCC and CC have a joint internal audit team that has a comprehensive risk based annual audit plan. Internal audit identify areas that provide challenge to the organisations' risk environment.

The Chief Internal auditor provides regular updates to JIAC and his annual audit opinion is incorporated within the Annual Governance Statement. The PCC and CC have achieved a reasonable assurance rating from Internal Audit in 2024/25, consistent with 2023/24.

Internal audit completed 24 audits during 2024/25, and as can be see by the diagram below, none were given a minimal rating. Actions raised by Internal Audit are agreed with managers and JIAC review actions and outstanding actions as part of their regular agenda items.

All overdue and outstanding actions are reported to the JIAC on a quarterly basis. As of the end of the 2024/25 period, there were 194 outstanding actions. This represents a significant portion of the total actions raised during the year. The Internal Audit annual report goes on to explain, although the trend of outstanding actions has increased during the year, there has been positive engagement from both organisations and steps are being taken to address the increasing number of overdue actions.

## Exhibit [5]: Internal audit's assurance opinions and actions raised





# VFM commentary: Improving economy, efficiency and effectiveness

## Improving economy, efficiency and effectiveness: Our audit procedures

Our audit procedures include:

- How financial and performance information has been used to assess performance to identify areas for improvement;
- How the body evaluates the service it provides to assess performance and identify areas for improvement;
- How the body ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess where it is meeting its objectives; and
- Where the body commissions or procures services, how it assesses whether it is realising the expected benefits.

## Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the PCC and CC's arrangements for improving economy, efficiency and effectiveness. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The PCC and CC's underlying arrangements in relation to improving economy, efficiency and effectiveness are not significantly different in 2024/25.

## Overview of our conclusions

Based on the work performed, the PCC and CC had proper arrangements in place in 202x/2x in how it uses information about its costs and performance to improve the way it manages and delivers its services.



# Improving economy, efficiency and effectiveness considerations

## Financial and performance information

The PCC and CC uses a combination of financial planning, performance data, and independent assessments to evaluate its effectiveness and identify areas for improvement.

Financial data is linked to strategic priorities in the Police and Crime Plan, ensuring resources are directed toward reducing crime, improving victim services, and enhancing public safety. For instance, investments in CCTV partnerships and neighbourhood policing were justified through performance outcomes and crime reduction metrics.

The Police and Crime Commissioner (PCC) holds quarterly Performance and Accountability Meetings with the Chief Constable (CC). These sessions review crime statistics, victim satisfaction, and progress against national priorities (e.g., reducing serious violence, tackling cybercrime). Data from the Thames Valley Data Hub and public surveys inform these discussions, highlighting areas needing improvement such as domestic abuse victim support or anti-social behaviour.

PEEL Assessments (Police Effectiveness, Efficiency, and Legitimacy) by HMICFRS provide an external view of TVP's performance. This PEEL 2023-25 report (published Dec 2023) graded TVP across nine areas, identifying strengths (e.g., crime prevention) and areas for improvement (e.g., protecting vulnerable people and workforce planning). These findings guide internal reforms and resource prioritization.

JIAC and risk management reviews also monitor whether financial controls and performance targets are aligned, ensuring accountability and transparency.

## Procurement and commissioning of services

The Commercial Governance Board, chaired by the Director of Finance and attended by the PCC Chief Finance Officer, 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 CC's Director of Finance and PCC's Chief Finance Officer (depending on value), with those contracts over £1m also requiring approval from the PCC themselves. VFM is embedded in all procurement documents, and all procurement staff are fully aware 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.

# Improving economy, efficiency and effectiveness considerations

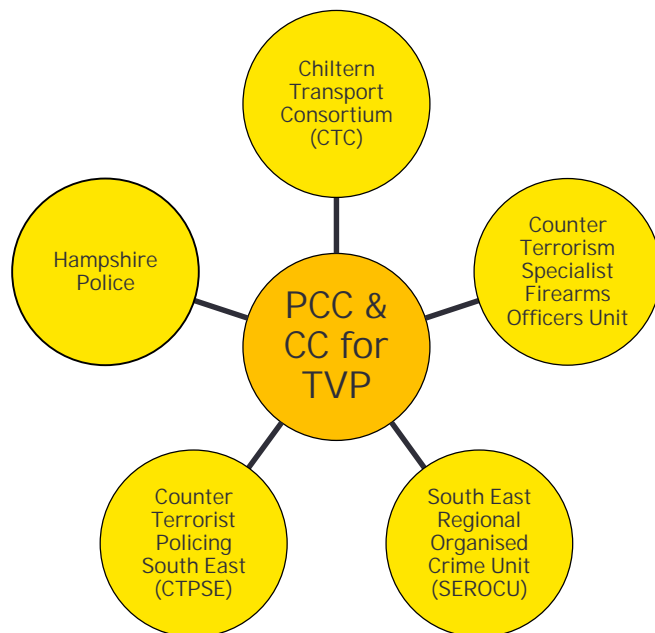
## Partnership working

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. Formal scrutiny by PCCs and CCs is undertaken at the Bilateral Governance Board.

The South East Collaboration Board meets quarterly to scrutinise those services delivered at regional level (ROCU, CTPSE). The Authority 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 Boards to reduce crime and reoffending.

At all governance boards, relevant heads of service (e.g. SEROCU) 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.

## Exhibit [6]: Partnership working within the PCC and CC of Thames Valley Police



## EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

**All in to shape the future with confidence.**

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

Ernst & Young LLP

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

© 2025 Ernst & Young LLP. Published in the UK.  
All Rights Reserved.

UKC-038566 (UK) 03/25. Creative UK.  
ED None

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

[ey.com/uk](https://ey.com/uk)