

Letter of representations: Audit of Group and Local Authority financial statements



Office of the Police & Crime Commissioner
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Ernst & Young LLP
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Dear Andrew

This letter of representations is provided in connection with your audit of the consolidated and single entity financial statements of Police and Crime Commissioner for Thames Valley (“the PCC and Group”) for the year ended 31 March 2024. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and PCC financial statements give a true and fair view of the financial position of the PCC and Group as of 31 March 2024 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the PCC and Group, CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We understand that the purpose of your audit of our consolidated and PCC financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the PCC and Group, the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.
2. We acknowledge, as members of management of the Group and Authority, our responsibility for the fair presentation of the consolidated and parent Authority financial statements. We believe the consolidated and parent Authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and parent Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, and are free of material misstatements, including omissions. We have approved the financial statements.

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3. The significant accounting policies adopted in the preparation of the PCC and Group financial statements are appropriately described in the PCC and Group financial statements.
4. As members of management of the PCC and Group, we believe that the PCC and Group have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 for the PCC and Group that are free from material misstatement, whether due to fraud or error.
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated and parent Authority financial statements taken as a whole. We have not corrected these differences because they are not material.
6. We confirm the PCC and Group does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the PCC and Group's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
3. We have disclosed to you the results of our assessment of the risk that the consolidated and PCC financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud, that may have affected the PCC or Group (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
 - Involving financial improprieties
 - Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated and PCC financial statements
 - Related to laws or regulations that have an indirect effect on amounts and disclosures in the consolidated and PCC financial statements, but compliance with which may be fundamental to the operations of the PCC and Group's business, its ability to continue in business, or to avoid material penalties
 - Involving management, or employees who have significant roles in internal control, or others
 - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

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C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the consolidated and PCC financial statements.
3. We have disclosed to you the use of all applications or tools using artificial intelligence, including generative artificial intelligence, that are reasonably likely to have a direct or indirect material effect in the consolidated and parent Authority financial statements.
4. We have made available to you all minutes of the meetings of the PCC and Group and the following committees: Joint Independent Audit Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: *20th December 2024*
5. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the PCC and Group's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and parent Authority financial statements.
6. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.
7. We have disclosed to you, and the PCC and Group has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and PCC financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
8. From 2nd May 2024 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the consolidated and PCC financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether

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written or oral, have been disclosed to you and are appropriately reflected in the consolidated and PCC financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. The Allard case is still in the process of being fully settled. This has been properly accrued in the financial statements. The Hibbert case has been finalised on 1st May 2024 for the sum of £1,176k and has been properly accrued in the financial statements. No other claims in connection with litigation have been or are expected to be received.

E. Going Concern

1. Group general accounting policies, note a. General principles to the consolidated and PCC financial statements discloses all the matters of which we are aware that are relevant to the PCC and Group's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. There have been no events subsequent to period end which require adjustment of or disclosure in the consolidated and PCC financial statements or notes thereto.

G. Group audits

1. There are no significant restrictions on our ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.
2. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst the PCC, subsidiary undertakings and associated undertakings.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Statement of Accounts, the Narrative Report and Annual Governance Statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.
3. We confirm that the Annual Governance Statement for 2023/24 is a true reflection, in all material respects, of the governance arrangements and the effectiveness of those arrangements in 2023/24 and includes disclosure of all significant governance issues and findings relating to that financial year, through to the date of this letter.

I. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered, including the impact resulting from the commitments made by the PCC and Group, and reflected in the consolidated and parent financial statements.
2. The key assumptions used in preparing the consolidated and PCC financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of

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Practice on Local Authority Accounting in the United Kingdom 2023/24, aligned with the statements we have made in the other information or other public communications made by us (see section H).

J. Reserves

1. We have properly recorded or disclosed in the consolidated and PCC financial statements the useable and unusable reserves.

K. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated and PCC financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the consolidated and PCC financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except as follows:
 - Matters of routine, normal, recurring nature none of which involves any allegations of noncompliance with laws or regulations that should be considered for disclosure in the consolidated and PCC financial statements or as a basis for recording a loss contingency.

L. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the IAS19 actuarial valuations of pension liabilities and the valuation of operational land and buildings and investment properties and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and PCC financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

M. Pension liability and PPE valuation estimates

1. We confirm that the significant judgments made in making the pension liability and property, plant and equipment valuation have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the pension liability and property, plant and equipment valuation.
3. We confirm that the significant assumptions used in making the pension liability and property, plant and equipment valuation appropriately reflect our intent and ability to carry out the valuations on behalf of the entity.
4. We confirm that the disclosures made in the consolidated and PCC financial statements with respect to the accounting estimates, including those describing estimation uncertainty are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

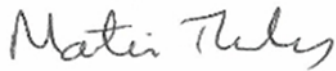
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5. We confirm that appropriate specialized skills or expertise has been applied in making the pension liability and property, plant and equipment valuation.
6. We confirm that no adjustments are required to the accounting estimates and disclosures in the consolidated and PCC financial statements.

N. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,



Martin Thornley Chief Financial Officer

21st February 2025



Matthew Barber Police and Crime Commissioner for Thames Valley

21st February 2025

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Communication schedule for corrected misstatements

Entity: Thames Valley Police

Period ended: 31-Mar-2024

Currency: GBP

Corrected misstatements		Analysis of misstatements Debit/(Credit)									
No.	W/P ref.	Account (misstatements are recorded as journal entries with a description)	Assets	Assets	Liabilities	Liabilities	Equity	Effect on the	Income statement		
			Current	Non-current	Current	Non-current	components	current period OCI	effect of the current period	Non taxable	
			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)		
1	24.TVP.P1.YE.00 IAS19 CC Workbook	CC - Overstatement of assets related to defined benefit plans and understatement of CIES remeasurement £55m, recognition of PV of unfunded obligation - £2,467m		-55,264,000							
		Asset related to defined benefit pension schemes Chief									
		CIES - Remeasurement of net defined liability						55,264,000			
		Liability related to defined benefit pension schemes Chief						-2,467,000			
		CIES - Remeasurement of net defined liability						2,467,000			
2	24.TVP.TG1.07 ABAB&FUR	Manual adjustment of £738k made in PPE Note for depreciation (between CC&PCC) is not updated in ABAB&FUR note.									
		PCC - Reversal of entries in relation to capital expenditure (charged to CAA)							(738,000)		
		CC - Reversal of entries in relation to capital expenditure (charged to CAA)								738,000	
3	24.TVP.UA.YE.02 Specific grant sampling & Testing	Misclassification specific grant was included in Expenditure in error when it was actually PCC Specific Grants - These items should have been classified as specific income and not expenditure, so both understated.									
		Expenditure						2,089,829			
		PCC Specific Grant						(2,089,829)			
Total of corrected misstatements before income tax			0	(55,264,000)	0	(2,467,000)	0	57,731,000	0		
Financial statement amounts			257,050,000	326,299,000	(141,250,000)	(3,524,013,000)	(3,081,914,000)		115,460,000		
Effect of corrected misstatements on F/S amounts			0.0%	-16.9%	0.0%	0.1%	0.0%		0.0%		