



Police and Crime Commissioner for Gwent and Chief Constable
Gwent Police

Indicative Audit Strategy 2022/25 and Annual Plan 2022/23

2022/23

May 2022

FINAL



OVERVIEW

Introduction

The Audit Plan for 2022/23 has been informed by a risk assessment carried out across our police clients and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Emerging Themes

This year will continue to be another challenging year for police forces in terms of funding, managing additional recruitment and technological advancement. There are a number of operational issues that have also come to prominence; we have identified a number of key areas which require consideration when planning internal audit coverage.

Vetting: Recent events have highlighted some significant gaps in the vetting of police officers and has led to calls for the urgent re-vetting of all serving police officers. HMICFRS is reviewing whether police forces have implemented previous recommendations on vetting as part of its current round of routine inspections, as well as undertaking a thematic inspection of vetting and counter-corruption procedures. ('Substantial Assurance' in 2021/22)

Firearms Licensing: New statutory guidance aims to standardise the licensing procedures in police forces. The guidance requires background checks on every applicant and a home visit to be carried out for first-time applicants. Any applicant will have to arrange for information about their medical suitability to carry a gun to be provided by their GP. (To be completed in March 2022 as a change to the 2021/22 Annual Plan)

Recruitment: The continued implementation of Operation Uplift, the Government's three-year national campaign to recruit 20,000 police officers, will require significant Human Resources, Training and Development and Workforce Planning input. (Recruitment included in the 2021/22 Annual Audit Plan and will be expanded in 2022/23 to consider the use of the recruitment platform Oleo and recruitment and uplift strategy.)

Social Media: Social media can be a very effective tool for communicating with the public and helping in fighting crime, however, its use needs to be carefully considered and managed to ensure compliance with professional standards and the Code of Ethics on both a professional and private basis. (Included in the 2022/23 Annual Audit Plan.)

Providing Assurance during the COVID-19 pandemic

From the outset, we successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. We continue to consider any gaps in control or exposures that have arisen as a result of this. Whilst many measures have largely been relaxed, it is not inconceivable that further measures might be implemented to stem any increases in cases. We continue to adopt a hybrid approach with a mix of remote and on-site working and tailor this approach to client requirements and the nature of each assignment.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2022/23 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the PCC (Police and Crime Commissioner) and the Chief Constable's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

INTERNAL AUDIT PLAN

Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2022/23, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the PCC (Police and Crime Commissioner) and the Chief Constable and those within the sector and has been developed with senior management and Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS).

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing the PCC and the Chief Constable. We take in to account any emerging or heightened risks that are facing the sector and/or the Com and the Force specifically, to ensure that the work of internal audit remains appropriately focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix A), the Collaborative Annual Plan (Appendix B) and the Annual Plan (Appendix C) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Joint Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The days included for each audit in the Annual Plan are provided on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and the PCC and the Chief Constable. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where the PCC and the Chief Constable agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Chief Finance Officer and the Director of Finance and Resources and will be clearly set out in the terms of reference for the additional review(s).

Release of Report

The table below sets out the history of this plan.

Date plan issued:	22 nd February 2022
Date revised plan issued:	24 th February 2022
Date final plan issued:	25 th May 2022

APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	Type	2022/23	2023/24	2024/25
Governance				
Business Continuity Recovery Planning	Assurance			10
Data Quality	Assurance	*		
Strategic Planning	Assurance		8	
Risk Management	Compliance	*	5	5
ICT reviews are carried out by Torfaen County Borough Council				
Finance				
Budgetary Control	Assurance		5	
General Ledger	Assurance	5		5
Payroll	Assurance	*	6	6
Creditors	Assurance	*	6	6
Debtors	Assurance		6	6
Pensions - All Wales Pension Board	Assurance			5
Pensions	Assurance		5	
Expenses and Additional Payments	Assurance	*	5	5
Treasury Management	Assurance		5	
Fixed Assets	Assurance	*	5	5
Capital Programme	Assurance	*		4
Counter-Fraud	Compliance	*	10	10
Operational Review				
Estates Management – Strategy	Compliance	7		7
Estates Management - Delivery			7	

Review Area	Type	2022/23	2023/24	2024/25
Fleet Management	Compliance	*		5
Fleet Management – Repairs and Maintenance	Assurance	*	5	
Contract Management	Assurance	6	6	6
Local Policing – Property and Cash	Compliance	6	6	6
Vetting	Compliance			6
Service Improvement Board	Appraisal	8	10	10
Social Media	Assurance	7		
Organisation Review				
HR Management – Recruitment and Training	Assurance	*		7
HR Management – Absence Management	Assurance			7
HR Management – Strategy	Assurance		6	
Collaborative Reviews				
Data Quality (Lead Force: Gwent)	Assurance	7		
Risk Management (Lead Force: North Wales)	Compliance	5		
Fixed Assets (Lead Force: Dyfed-Powys)	Compliance	5		
Payroll (Lead Force: Dyfed-Powys)	Assurance	7		
Creditors (Lead Force: Dyfed-Powys)	Assurance	5		
Counter Fraud Procurement (Lead Force: South Wales)	Assurance	7		
Capital Programme (Lead Force: North Wales)	Assurance	6		
Fleet Management (Lead Force: South Wales)	Assurance	4		
Fleet Management – Repairs and Maintenance (Lead Force: South Wales)	Assurance	4		
Expenses (Lead Force: Gwent)	Assurance	5		
HR – Use of OLEEO (Lead Force: North Wales)	Assurance	5		

Review Area	Type	2022/23	2023/24	2024/25
Management and Planning				
Follow Up	Follow Up	10	10	10
Liaison with Audit Wales		2	2	2
Contingency		1	5	12
Annual Planning	-	4	4	4
Annual Report	-	4	4	4
Audit Management	-	15	15	15
Total Days		135	146	168

APPENDIX B: COLLABORATIVE ANNUAL PLAN – 2022/23

Quarter	Review	Type	Days	High-level Scope
1	Data Quality	Assurance	7	The review considers the arrangements for providing assurance over the quality of data in the main systems used by the Chief Constable. The review will consider the establishment of and O365 and SharePoint and the information and filing structures adopted. (Lead Force: Gwent)
2	Uncertainty Management – Mitigating Risk	Assurance	5	Two uncertainties which are included in the organisation’s Uncertainties Register will be selected and the effectiveness of the identified controls will be reviewed. The review will also consider the effectiveness of mitigating actions on outcomes. The scope of the review does not include consideration of all potential mitigating arrangements. (Lead Force: North Wales)
2	Expenses and Additional Payments	Compliance	5	The review will check compliance with the expenses and additional payments policy and procedure. The scope will also look at the effectiveness of the automated process, especially in light of the changes to mileage expenses in Gwent and South Wales in respect to the mileage allowance for commuting. The scope of the review will not include any other aspect of the Payroll arrangements. (Lead Force: Gwent)
2	Payroll	Assurance	7	The review considers the arrangements for: the creation, amendment and deletion of payroll records accurately and on a timely basis; payment of allowances and pay awards; collection of overpayments; and payment of salaries. The review will also consider the arrangements for reviewing the payroll prior to authorisation including the review of exception reports and pay variations. The scope of the review does not include determination of salary scales, the HR arrangements for appointment and removal of staff, severance payments or reimbursement of travel and subsistence expenses, or pension arrangements. (Lead Force: Dyfed-Powys)
2	Creditors	Assurance	5	The review considers the arrangements for reviewing and authorising and paying costs incurred by the organisation and the arrangement for control of the organisation’s cheques and automated payments. The review will consider the management of amendments to supplier standing data, including the verification of requests for change of bank details. The allocation and use of procurement cards will also be considered including the month end reconciliation to statements. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed. (Lead Force: Dyfed-Powys)

Quarter	Review	Type	Days	High-level Scope
2	Fixed Assets	Assurance	5	<p>The review considers the identification of assets that need to be recorded in the asset register, the identification, locating and recording of assets including labelling and the appropriate useful life in line with stated policy; inventories; and the disposal of assets including identification of any surplus on disposal where sold and ensuring securely destroyed where necessary. A sample of assets will be verified as part of the review. The review will focus on ICT assets.</p> <p>The scope of the review does not include consideration of the purchasing, depreciation policies or insurance arrangements.</p> <p>(Lead Force: Dyfed-Powys)</p>
3	HR – Use of OLEEO	Assurance	5	<p>The review will consider the work being led by North Wales Police on the benefits realised from the use of the OLEEO HR Recruitment System particularly in regard to recruiting to key or specialist posts.</p> <p>(Lead Force: North Wales)</p>
3	Capital Programme	Assurance	6	<p>The review considers the arrangements for accounting for the capital programme including the approval of the capital budget and priorities, the management of capital expenditure and variations, the adequacy of reporting and arrangements for dealing with slippage in projects or notification of additional funding. The scope of the review does not include consideration of the funding arrangements or the specification of the projects.</p> <p>(Lead Force: North Wales)</p>
3	Counter-Fraud (Anti-Fraud Procurement)	Assurance	7	<p>The review considers the robustness of the organisation’s internal Anti-Fraud policy and associated policies in providing mitigation against fraud and/or the impact of fraud. In addition, the review will test for potential significant fraud exposures due to non-compliance with the Force’s procurement arrangements and/or inadequate or ineffective segregation of duties. The scope of the review will not include identification of all potential fraudulent transactions.</p> <p>(Lead Force: South Wales)</p>
3	Fleet Management – Strategy	Assurance	4	<p>The review considers the effectiveness of the arrangement for the management and replacement of the fleet of vehicles used by the Force and the Police and Crime Commissioner’s Office.</p> <p>(Lead Force: South Wales)</p>
3	Fleet Management: Repairs and Maintenance	Assurance	4	<p>The review will consider the use and effectiveness of IR3 – Police Fleet Management System including the reporting of performance. The review will not comment on the accuracy of reported efficiencies obtained through use of the system. (SWP, GWP and DPP only).</p> <p>(Lead Force: South Wales)</p>
Total days			60	

APPENDIX C: ANNUAL PLAN – 2022/23

Quarter	Review	Type	Days	High-level Scope
1	Contract Management	Assurance	6	The review will consider the effectiveness of the controls in place for managing a selected contract. This should include financial and administrative controls, governance and risk management including quality of service and monitoring of delivery and performance.
2	Social Media	Assurance	7	The review will consider the controls in place and the effectiveness of the operation of the social media desk (incoming enquiries from the public) and social media communications (outgoing to the public).
2	General Ledger	Assurance	5	The review considers the arrangements for providing an effective audit trail for data entered onto the general ledger and the appropriateness of the reports generated. The scope of the review does not extend to the budgetary control arrangements and bank reconciliations.
2	Service Improvement Board	Assurance	8	The review will consider the project management arrangements in place in respect of a change management project (to be agreed) and will consider the governance arrangements; the project initiation and rationale; the development and management of the project plan including the monitoring and reporting of progress, the analysis of the impact of the change (including any Equality Impact Assessment required), the implementation of proposed changes and the measurement of the benefits realised.
2	Follow Up – Mid Year	Follow Up	5	Follow-up of implementation of all recommendations (Priority 1, 2 and 3) from audit reports, ensuring the Force is implementing recommendations, and providing reports to the Joint Audit Committee.
3	Estates – Strategy	Assurance	7	The review will consider the governance arrangements for the delivery of the outcomes in the Estate Strategy. The scope will include how the Strategy is developed, compiled, configured and monitored.
3	Local Policing – Property and Cash	Assurance	6	The review considers the arrangements for managing seized proceeds of crime (property and cash). The review will include visits to two hubs to assess the adequacy of the local arrangements.
4	Follow Up – Year End	Follow Up	5	Follow-up of implementation of all recommendations (Priority 1, 2 and 3) from audit reports, ensuring the Force is implementing recommendations, and providing reports to the Joint Audit Committee.
1-4	Collaborative Audits	Appendix B	60	Details provided in Appendix B.
1-4	Liaison with Audit Wales	Management	2	This time is for liaison with Audit Wales as External Auditor.
1-4	Contingency	N/A	1	Days for allocation to collaborative audits or for use as required during the year.
1	Annual Planning	Management	4	Assessing the Police and Crime Commissioner and the Chief Constable’s annual audit needs.
4	Annual Report	Management	4	Reporting on the overall conclusions and opinion based on the year’s audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	15	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Joint Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
Total days			135	

APPENDIX D: INTERNAL AUDIT CHARTER

The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within Gwent Police and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Joint Audit Committee.

The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to Gwent Police's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

Scope

All Gwent Police activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that Gwent Police management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the board, Joint Audit Committee or the nominated officer (being the post responsible for the day-to-day liaison with TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of Gwent Police and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within Gwent Police and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Joint Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with Gwent Police management.

Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the PSIAS/IIA standards and Gwent Police's requirements.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes

and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of Gwent Police and additional time will be required to carry out such testing. Gwent Police is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Liaison with the External Auditor

We will liaise with Gwent Police’s External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA’s audit charter and PSIAS/IIA standards.

Progress Reports: Progress reports will be prepared for each Joint Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Follow-Up Reports: We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA’s audit charter and PSIAS/IIA standards. The Annual Report will include a summary opinion of the effectiveness of Gwent Police’s governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

Joint Audit Committee Responsibility

It is the responsibility of the Gwent Police to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee’s requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

By approving this document, the Gwent Police is also approving the Internal Audit Charter.

Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management’s use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA’s audit charter and PSIAS/IIA Standards.	100%