



Internal Audit

**FINAL**

# Police and Crime Commissioner for Gwent and Chief Constable Gwent Police

Compliance Review of Local Policing – Property and Cash (Part 1)

**2020/21**

February 2021

# Executive Summary

**OVERALL ASSESSMENT**





**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

Strategic Risk Register - Risk 1 "Evidential Storage Non Compliance".  
 Operational risks - "Evidential Storage Volumes", "Bettws Property store location and requirements" and "Human Tissue Retention".



**SCOPE**

Initial scope - The review considered the arrangements for managing seized proceeds of crime (property and cash) by Financial Investigation Unit. The review included visits to two hubs to assess the adequacy of the local arrangements.  
 Revised scope - Local Policing – Property and Cash Part 1  
 The review considered the actions that are being undertaken to address the issues previously identified with the holding stores and the proposals for the new property store.

**KEY STRATEGIC FINDINGS**

-  The Evidential Property Management Team have made positive progress with the introduction of the Pilot Project. There has been a significant reduction in missing exhibits, improved controls and security.
-  The missing exhibits at Monmouth, Abergavenny, Chepstow and Caldicot need to be investigated and the Evidential Property system appropriately updated to reflect the outcome.

**GOOD PRACTICE IDENTIFIED**

-  The Evidential Property Management Team is in the process of procuring removable stickers that are to be placed on 'Rejected' exhibits to make the Officer in the Case aware of why it has been rejected in order that they can learn from the error and address the issue quickly and efficiently.
-  The Evidential Property Management Team have introduced a new process with regards the Seven Day shelf, whereby on the eighth day the item is automatically added to the courier's collection sheet to be collected and sent to Bettws.

**ACTION POINTS**

Urgent	Important	Routine	Operational
0	5	2	1

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	At the time of the visit to Monmouth Police Station there were 42 exhibits recorded as being held in the interim property store. Testing revealed that 41 out of the 42 exhibits were present and only one exhibit unaccounted for which was Property Parent Reference Number P179824 with a description of a "small clear bag of white powder". The Inspector - Evidential Property Management was aware of the missing exhibit and had already emailed the Geographical Inspector to investigate the missing exhibit with the Officer in the Case and is waiting for a response.	The Evidential Property system be appropriately updated to reflect the outcome of the investigation into missing exhibit Property Reference number P179824 at Monmouth Police Station.	2	<p>Report provided to Geographical Inspector to investigate items that could not be located to establish reasons with OIC.</p> <p>OIC to address non-compliance with processes.</p> <p>Findings to be provided to property team and property system to be updated.</p>	01/04/21	Inspector, Property Project
4	Directed	At the time of the visit to Abergavenny Police Station there were only five exhibits recorded as being held in the interim property store. Testing revealed that only two of the five were present. The Inspector - Evidential Property Management was aware of the missing exhibits Property Reference numbers P178914, P179750 C367706 and P179750 C367707 and had already emailed the Geographical Inspector to investigate the missing exhibits with the Officer in the Case.	The Evidential Property system be appropriately updated to reflect the outcome of the investigation into missing exhibits Property Reference numbers P178914, P179750 C367706 and P179750 C367707 at Abergavenny interim store.	2	<p>Report provided to Geographical Inspector to investigate items that could not be located to establish reasons with OIC.</p> <p>OIC to address non-compliance with processes.</p> <p>Findings to be provided to property team and property system to be updated.</p>	01/04/21	Inspector Property

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	<p>At the time of the visit to Chepstow Police Station there were 35 exhibits recorded as being held in the interim property store. Testing revealed that 30 out of the 35 were present and five exhibits unaccounted for which were as follows:</p> <ul style="list-style-type: none"> <li>Property Parent Reference Number P180499 with a description of a "1 x CCTV disc One stop Shop";</li> <li>Property Parent Reference Number P179087 C365684 with a description of a "Passport XXXXXX";</li> <li>Property Parent Reference Number P179087 C365685 with a description of a "Passport XXXXXX";</li> <li>Property Parent Reference Number P179065 with a description of a "1x Black mobile phone in leather case no damage"; and</li> <li>Property Parent Reference Number P179464 with a description of a "1 x Samsung mobile telephone in black and brown flipcase".</li> </ul> <p>The Inspector - Evidential Property Management was aware of the missing exhibit P179464 and had already emailed the Officer in the Case to investigate the missing exhibit.</p>	The Evidential Property system be appropriately updated to reflect the outcome of the investigation into missing exhibits Property Reference Numbered P180499, P179087 C365684, P179087 C365685, P179065 and P179464 at Chepstow Store.	2	<p>Report provided to Geographical Inspector to investigate items that could not be located to establish reasons with OIC.</p> <p>OIC to address non-compliance with processes.</p> <p>Findings to be provided to property team and property system to be updated.</p>	01/04/21	Inspector Property

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Directed	At the time of the visit to Caldicot Police Station revealed that there were only five exhibits recorded as being held in the interim property store. Testing revealed that only three of the five were present. The Inspector - Evidential Property Management was aware of the two missing exhibits Property Reference numbers P180413 and P180414, both of which related to "green vegetable matter" and had already emailed the Special to ascertain the whereabouts of the exhibits but the Special was on sick leave and had not responded to the Inspector.	The Evidential Property system be appropriately updated to reflect the outcome of the investigation into missing exhibits Property Reference Numbered P180499, P179087 C365684, P179087 C365685, P179065 and P179464 at Caldicot interim store.	2	<p><i>Report provided to Geographical Inspector to investigate items that could not be located to establish reasons with OIC.</i></p> <p><i>OIC to address non-compliance with processes.</i></p> <p><i>Findings to be provided to property team and property system to be updated.</i></p>	01/04/21	Inspector Property

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Delivery	<p>The Project Team has developed an Interim Stores Programme of Works which sets out the timeframes for the commencement and completion of the project roll-out in each interim store within Gwent Police. It was noted that Newport Central was due to commence week commencing 16<sup>th</sup> November for three weeks but as at the time of the review, week commencing 14<sup>th</sup> December this had not started. Also Cwmbran was due to start on 7<sup>th</sup> December for two weeks and again this has not commenced. The reason for the delay is due to resources as the project team has lost three members of the project team which have not been replaced since the project commenced. There is a risk that if the works programme is not completed by the time Niche is rolled out then this could cause various issues with two systems being maintained and increased administration burden.</p> <p>It was noted that at the time of the review there were 2,489 exhibits at Newport Central and if many of these are unaccounted for then this could also impact on the existing delay.</p>	Careful consideration be given by the Force to review the resource situation to ensure the Interim Stores programme of works can be completed before the roll out of the Niche system to avoid property being on two systems and increased administration.	2	<i>Mr Broadway has submitted a request to the Workforce Resourcing Meeting for replacement resources.</i>	08/03/21	Head of Criminal Justice & Information Services

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The testing highlighted that a potential duplicate exhibit. Property Reference Parent Number P180646 has two Child reference numbers, 370281 and 370282 with the same exhibit number and the same exhibit description. This was confirmed as a duplication by the Inspector during the visit.	The duplicate records held under Parent Property Reference 180646 be corrected on the Evidential Property system.	3	<i>Confirmed duplicate entry was corrected on the property system.</i>	Complete	Inspector Property
3	Directed	The testing at Monmouth also revealed that four exhibits were not labelled in accordance with procedures as no label was present. These were for Property Reference numbers P179553 C367150, P180919 C379780, P180919 C379781 and P180646 C370282-C370285 held at Monmouth Police Station be rejected and returned to the Officer in the Case in accordance with the Pilot Project Procedures.	Exhibits under Property Reference numbers P179553 C367150, P180919 C379780, P180919 C379781 and P180646 C370282-C370285 held at Monmouth Police Station be rejected and returned to the Officer in the Case in accordance with the Pilot Project Procedures.	3	<i>All exhibits were left on the rejection shelf by the Force Couriers, in line with the new process. These have now been rectified by the OIC's and property transferred to Bettws.</i>	Complete	Inspector Property

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

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## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	<p>There are refrigerators and freezers at Monmouth and Chepstow interim stores to retain exhibits that have to be kept at low temperatures or frozen to protect the integrity of the exhibit. The appliances are domestic appliances and are not alarmed or temperature checked daily. The Inspector - Evidential Property Management has taken advice from the Joint Scientific Investigation Unit that the appliances are adequate due to the fact that the exhibits should only be there for seven days at most.</p> <p>There is a risk of the integrity of the exhibits if there is a power cut and given the minimum amount of Officers present at these stations, that it may be overlooked. Also if the Force is planning on going for an accreditation then UKAS (United Kingdom Accreditation Service) may believe that the current arrangements are not adequate.</p>	<p>Consideration be given to review the current arrangements for exhibits that need to be retained in a refrigerator or freezer at the interim stores especially taking into account any accreditation process.</p>	<p><i>Fridge &amp; Freezers were implemented in consultation with JSIU and deemed to be sufficient. They are only located in Monmouth, Chepstow and Tredegar due to their geography and will only be stored at these locations for a maximum of 48hrs. All other officers will store their exhibits in the biometric fridges and freezers available at both custody units which have temperature monitoring and are alarmed. We will continue to review these arrangements in consultation with JSIU to ensure ISO measures are met.</i></p>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.



## Findings



### Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	<b>Governance Framework</b> There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	<b>Risk Mitigation</b> The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	<b>Compliance</b> Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1, 2, 3, 4, 5, & 6	1

### Other Findings





The Property Policy – Evidential & Seized Property Management was last reviewed and updated in December 2018 and was due for review in December 2020. The Policy has been put on hold due to two issues; one is the utilisation of printing off bar codes within the new Niche Property Module hosted by South Wales Police whereby the ICT Department are in the process of developing a solution for Gwent Police; and secondly the Home Office are due to publish a new National Guidance on retention of evidential property.





The Force Property Manager provided a detailed presentation to the Joint Audit Committee in October 2020 on Evidential Property – Risk Management in which TIAA were present.


## Other Findings


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Gwent Police set up an Evidential Property Management Project in April 2019. One of the objectives of the project was setting up of a pilot scheme to manage evidential property more effectively and efficiently at the interim stores. The Project commenced at Monmouthshire LPA (Local Policing Area) which consisted of four interim stores at Monmouth, Abergavenny, Chepstow and Caldicot. Each interim store was visited as part of the scope of this agreed two part audit review. At the time of the review the interim property store at Abergavenny was based out of a portakabin at the rear of Abergavenny Fire Station and no high risk exhibits such as drugs and firearms are being held there and must be taken to Monmouth Police Station. Caldicot interim store was closed but has reopened temporarily due the Covid-19 pandemic to reduce the number of Officers taking exhibits to nearby Chepstow.
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The Property Management Process and initial Project was re-established under leadership of a Chief Superintendent who is currently acting up as a Temporary Assistant Chief Constable. The Project Team initially consisted of a Project Sponsor Chief Inspector East LPA, Chief Inspector West LPA, Detective Chief Inspector - HQ CID (Criminal Investigation Department), a Property System Developer, NICHE system developers, Training Lead, Project Manager, Inspector - Operational Lead, Central Property Store Manager, Temporary Property Team Supervisor, five Police Officers and eight Police Staff.
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The governance of Property Management is headed by the Niche Implementation Project Board, which is chaired by Head of Criminal Justice Department (CJD). Property Management also reports into the Performance Board.
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The Project at each Interim Store includes the setting up of four main locations termed as Courier Collection Shelf, Officer Return Shelf (exhibits for interview), Seven Day Shelf and a Rejection shelf all within a locked store room. These locations are supported by a Drop Safe, Gun Safe a refrigerator and a freezer.
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The Project involves eight key objectives, one of which was to clear down the interim stores. A new 'Sweep' process has been developed to for all exhibits greater than seven days to be taken to the main store in Bettws by the couriers. The process also entails investigating numerous exhibits shown as present in the interim stores that are not physically present.
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The Force has identified one risk within the Strategic Risk Register in relation to Property Management which is Risk 1 "Evidential Storage Non Compliance". A series of controls are in place to reduce the risk from a critical inherent risk assessment to a high residual risk assessment.
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The Property Management Board have identified three key operational risks. These are "Evidential Storage Volumes", "Bettws Property store location and requirements" and "Human Tissue Retention". Each risk has a series of "Mitigations Required" to minimise the risks which are being monitored and regularly updated.
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At each interim store visited the new storage layout of Courier Collection Shelf, Officer Return Shelf (exhibits for interview), Seven Day Shelf and a Rejection shelf was in place. However it was noted that in Abergavenny the four shelves were in a locked steel cabinet and in a locked steel cabinet with drawers at Caldicot. This is due to the temporary nature of the locations in place.

## Other Findings



One of the other objectives of the Evidential Property Management Project was to review the security arrangements. Access to the location store rooms is now via swipe system involving the Officer's ID card. The keys for drop safe and the Firearms safe are retained in a key safe which is only accessible by the Evidential Project Management Team which includes the couriers. CCTV is also present in each main interim store except the temporary stores.



Each shelf has its own relevance:

- Courier Collection Shelf - This is where exhibits are placed by Officers to be taken by the couriers to the main store in Bettws;
- Officer Return Shelf - This is where exhibits which have been requested from Bettws are placed ready for interview or return to owners;
- Seven Day Shelf - This is where exhibits are retained once seized for interview or further interview ;and
- Rejection shelf - This is where couriers place exhibits that are not packaged or labelled properly and the Officer in the Case (OIC) is emailed accordingly. The Project Team are in the process of developing removable stickers which will advise the OIC why it has been rejected so the OIC can address the issue quickly and efficiently.



Two exhibits, one of which was a knife did not have appropriate labels and therefore were on the Rejection Shelf which is in accordance with procedures.



The visit to each Interim store within the Monmouthshire LPA revealed that no cash exhibits were present and that all had been taken to Vantage Point in accordance with procedures.





**Delivery Risk:**

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	<b>Performance Monitoring</b> There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Out of scope	-	-
FC	<b>Financial Constraint</b> The process operates within the agreed financial budget for the year.	Partially in place	7	-
R	<b>Resilience</b> Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

**Other Findings**

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The Evidential Property Management Team is in the process of procuring removable stickers that are to be placed on 'Rejected' exhibits to make the Officer in the Case aware of why it has been rejected in order that they can learn from the error and address the issue quickly and efficiently.
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The Evidential Property Management Team have introduced a new process with regards the Seven Day shelf, if an item has been on the seven day shelf for the full seven days, on the eighth day the item is automatically added to the courier's collection sheet to be collected and sent to Bettws. The couriers collect the item from the seven day shelf.

## EXPLANATORY INFORMATION

## Appendix A

### Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

### Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, 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.

### Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

<b>In place</b>	The control arrangements in place mitigate the risk from arising.
<b>Partially in place</b>	The control arrangements in place only partially mitigate the risk from arising.
<b>Not in place</b>	The control arrangements in place do not effectively mitigate the risk from arising.

### Assurance Assessment

4. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

### Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	26 <sup>th</sup> November 2020	26 <sup>th</sup> November 2020
<b>Draft Report:</b>	21 <sup>st</sup> December 2020	8 <sup>th</sup> February 2021
<b>Final Report:</b>	9 <sup>th</sup> February 2021	

# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Police and Crime Commissioner for Gwent and Chief Constable Gwent Police		
<b>Review:</b>	Local Policing – Property and Cash Part 1		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Audit and Fraud Manager

<b>Outline scope (per Annual Plan):</b>	<p>Initial scope - The review considers the arrangements for managing seized proceeds of crime (property and cash) by Financial Investigation Unit. The review will include visits to two hubs to assess the adequacy of the local arrangements.</p> <p>Revised scope - Local Policing – Property and Cash Part 1</p> <p>The review will consider the actions that are being undertaken to address the issues previously identified with the holding stores and the proposals for the new property store.</p>		
<b>Detailed scope will consider:</b>	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
<b>Requested additions to scope:</b>	As above		
<b>Exclusions from scope:</b>	As above		

<b>Planned Start Date:</b>	14/12/2020	<b>Exit Meeting Date:</b>	17 <sup>th</sup> December 2020	<b>Exit Meeting to be held with:</b>	Inspector - Evidential Property Management
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### SELF ASSESSMENT RESPONSE

<b>Matters over the previous 12 months relating to activity to be reviewed</b>	<b>Y/N (if Y then please provide brief details separately)</b>
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N