

Audit of Accounts Report – Police and Crime Commissioner for Gwent and Chief Constable for Gwent

Audit year: 2022-23

Date issued: November 2023

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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We intend to issue an unqualified audit report on your Accounts There are some issues to report to you prior to their approval.

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2022-23 statement of accounts in this report.
- 2 We have already shared these issues with the Chief Finance Officer for the Police and Crime Commissioner and the Assistant Chief Officer – Resources for the Chief Constable.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set the levels for this year's audit as follows:

Exhibit 1: levels of materiality for this year's audit

	Police & Crime Commissioner Group	Police & Crime Commissioner	Chief Constable	Police Pension Fund
Gross Expenditure¹	£252.008 million	£247.341 million	£244.611 million	£42.875 million
Materiality Percentage	1%	1%	1%	2%
Materiality Level	£2.520 million	£2.473 million	£2.446 million	£0.429 million

- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - Remuneration report / senior pay disclosure and exit packages £1,000
 - Related parties - individuals £10,000

¹ Please note, these materiality levels were calculated based on the draft financial statements for 2022-23, therefore the Gross Expenditure figures cited may vary from the final financial statements.

- 6 We have almost completed this year's audit. At the time of drafting this report some areas of work remaining outstanding, we have yet to complete:
- our queries on the annual leave accrual;
 - our review of the Annual Governance Statement;
 - our final review of the revised 2022-23 financial statements; and
 - our second stage review of the audit file.
- 7 A verbal update will be given to the Joint Audit Committee on our progress at the meeting scheduled for 27 November 2023.
- 8 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way.
- 9 There are no other relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Proposed audit opinion

- 10 Subject to the satisfactory completion of the work outstanding as detailed in **paragraph 6** above, we intend to issue an **unqualified** audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendices 1 and 2**.
- 11 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise, we issue an unqualified opinion.
- 12 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 13 Our proposed audit report for both the Commissioner and the Chief Constable are set out in **Appendices 3 and 4**.

Significant issues arising from the audit

Uncorrected misstatements

- 14 There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

- 15 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 5**.

Other significant issues arising from the audit

- 16 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no issues arising in these areas this year.

Recommendations

- 17 There are no recommendations arising from our financial audit work. However, we will be making some additional recommendations which we will discuss with management in our post project learning session and in planning for our 2023-24 audit.
- 18 We will present our Audit of Accounts Addendum Report (formerly known as our Management Letter), containing the recommendations and managements responses to a future Joint Audit Committee. We will also provide an update on progress against recommendations made in previous years.

Appendix 1

Final Letter of Representation – Police and Crime Commissioner for Gwent

[Audited body's letterhead]

Auditor General for Wales
Wales Audit Office
1 Capita Quarter
Cardiff
CF10 4BZ

[Date]

Representations regarding the 2022-23 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of the Police and Crime Commissioner for Gwent for the year ended 31 March 2023 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Police and Crime Commissioner for Gwent and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by the Police and Crime Commissioner for Gwent

I acknowledge that the representations made by management, above, have been discussed with me.

I acknowledge my responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. I approved the financial statements on [\[insert date\]](#).

I confirm that I have taken all the steps that I ought to have taken in order to make myself aware of any relevant audit information and to establish that it has been communicated to you. I confirm that, as far as I am aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Chief Finance Officer to the Police and
Crime Commissioner for Gwent

Police and Crime Commissioner for
Gwent

Date:

Date:

Appendix 2

Final Letter of Representation – Chief Constable for Gwent

[Audited body's letterhead]

Auditor General for Wales
Wales Audit Office
1 Capita Quarter
Cardiff
CF10 4BZ

[Date]

Representations regarding the 2022-23 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of the Chief Constable for Gwent for the year ended 31 March 2023 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting; in particular the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Chief Constable for Gwent and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware;

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by the Chief Constable for Gwent

I acknowledge that the representations made by management, above, have been discussed with me.

I acknowledge my responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. I approved the financial statements on [\[insert date\]](#).

I confirm that I have taken all the steps that I ought to have taken in order to make myself aware of any relevant audit information and to establish that it has been communicated to you. I confirm that, as far as I am aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Assistant Chief Officer – Resources for the
Chief Constable of Gwent Police

Chief Constable for Gwent

Date:

Date:

Appendix 3

Proposed Audit Report of the Auditor General to the Police and Crime Commissioner for Gwent

The report of the Auditor General for Wales to the Police and Crime Commissioner for Gwent

Opinion on financial statements

I have audited the financial statements of:

- Police and Crime Commissioner for Gwent;
- Police and Crime Commissioner for Gwent Group which comprises the Police and Crime Commissioner for Gwent and the Chief Constable for Gwent; and
- Gwent Police Pension Fund

for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

The Police and Crime Commissioner for Gwent financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including the significant accounting policies.

The Police and Crime Commissioner for Gwent Group financial statements comprise the Group Expenditure and Funding Analysis, the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes, including the significant accounting policies.

The Gwent Police Pension Fund comprise the Fund Account and Net Assets Statement and related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group, and the Gwent Police Pension Fund as at 31 March 2023 and of their income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards

are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Police and Crime Commissioner for Gwent and the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group, and the Gwent Police Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23; and

- The information given in the joint Annual Governance Statement of the Police and Crime Commissioner for Gwent and the Chief Constable for Gwent for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the joint Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 16, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including the Police and Crime Commissioner for Gwent Group financial statements and the Gwent Police Pension Fund, which give a true and fair view and comply with proper practices;
- maintain proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the Police and Crime Commissioner for Gwent and the group's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and Gwent Police Pension Fund policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and bias when calculating accounting estimates;
- obtaining an understanding of Police and Crime Commissioner for Gwent, Police and Crime Commissioner for Gwent Group and Gwent Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Police and Crime Commissioner for Gwent, Police and Crime Commissioner for Gwent Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and Gwent Police Pension Fund.
- obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Joint Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential

bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and Gwent Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
[Date]

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Appendix 4

Proposed Audit Report of the Auditor General to the Chief Constable for Gwent

The report of the Auditor General for Wales to the Chief Constable for Gwent

Opinion on financial statements

I have audited the financial statements of:

- Chief Constable for Gwent; and
- Gwent Police Pension Fund

for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

The Chief Constable for Gwent' financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, and the related notes, including the significant accounting policies.

The Gwent Police Pension Fund comprise the Fund Account and Net Assets Statement and related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Chief Constable for Gwent and the Gwent Police Pension Fund as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Chief Constable for Gwent in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable for Gwent and the Gwent Police Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23;
- The information given in the joint Annual Governance Statement of the Police and Crime Commissioner for Gwent and the Chief Constable for Gwent for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Chief Constable for Gwent and the Gwent Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the joint Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 15, the responsible financial officer is responsible for:

- the preparation of the statement of accounts and the Gwent Police Pension Fund, which give a true and fair view and comply with proper practices;
- maintain proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the Chief Constable for Gwent and the Gwent Police Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Chief Constable for Gwent and Gwent Police Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Chief Constable for Gwent and the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Chief Constable for Gwent and the Gwent Police Pension Fund policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and bias when calculating accounting estimates;
- Obtaining an understanding of the Chief Constable for Gwent and Gwent Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Chief Constable for Gwent operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Chief Constable for Gwent and Gwent Police Pension Fund.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Joint Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Chief Constable for Gwent and Gwent Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Chief Constable for Gwent and Gwent Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
[Date]

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Appendix 5

Summary of Corrections Made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 2: summary of corrections made – Group Financial Statements

Value of correction	Nature of correction	Reason for correction
£1,368K This correction also impacted Note 24: Revaluation Reserve	Note 13: Property, Plant and Equipment The net book value of Land & Buildings was updated to reflect revaluation increases relating to the new Police Headquarters.	To ensure the disclosure accurately reflects the latest valuation data.
£7,000K (No overall effect on the primary statements)	Note 26: Cash Flow from Investing Activities To update both the purchase of short-term and long-term investments and the proceeds from short term and long-term investments figures.	To ensure that cashflows arising from investment activity are accurately recorded.
£3.4K (No overall effect on the primary statements)	Note 28: Police Officer and Police Staff Remuneration To ensure that figures disclosed include all elements of remuneration required under regulations, agree with the P11Ds issued to staff for taxable benefits.	To ensure that the disclosures accurately reflect the remuneration of senior staff.
£2,651K	Note 36: Defined Benefit Pension Scheme	To ensure that the disclosure complies with

This correction also impacted Note 24: Pension Reserve and Note 39: Intra Group Adjustments	To restrict the net defined benefit asset in the LGPS CC scheme to the lower of the reported surplus and the asset ceiling.	the financial reporting framework.
Various (No overall effect on the primary statements)	A number of minor amendments were made to the financial statements relating to the either revisions to disclosures of information or narrative	To ensure the accuracy of the financial statements.

Exhibit 3: summary of corrections made – Chief Constable’s Financial Statements

Value of correction	Nature of correction	Reason for correction
£3.4K (No overall effect on the primary statements)	Note 13: Police Officer and Police Staff Remuneration To ensure that figures disclosed include all elements of remuneration required under regulations, agree with the P11Ds issued to staff for taxable benefits.	To ensure that the disclosures accurately reflect the remuneration of senior staff.
£2,651K This correction also impacted Note 8: Intra-group Adjustments and Note 11: Other Long-Term Liabilities	Note 17: Defined Benefit Pension Scheme To restrict the net defined benefit asset in the LGPS CC scheme to the lower of the reported surplus and the asset ceiling.	To ensure that the disclosure complies with the financial reporting framework.

Value of correction	Nature of correction	Reason for correction
Various (No overall effect on the primary statements)	A number of minor amendments were made to the financial statements relating to either revisions to disclosures of information or narrative changes.	To ensure the factual accuracy of the financial statements.



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We welcome correspondence and telephone calls in Welsh and English.
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