

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

Annual Audit Letter 2022

This is our annual audit letter for the Police and Crime Commissioner for Gwent and Chief Constable of Gwent Police.

It summarises the key messages and conclusions arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

The Police and Crime Commissioner's and Chief Constable's responsibilities

It is the Police and Crime Commissioner's (the Commissioner) and Chief Constable's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that their assets are secure;
- maintain proper accounting records;
- prepare Financial Statements in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in their use of resources.

Police bodies in Wales prepare their financial statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

My audit responsibilities and conclusions

Each year the Auditor General audits the Commissioner's and the Chief Constable's financial statements to make sure that public money is being properly accounted for.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the body's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

We continued to recognise the huge strain COVID-19 has placed on public services and aim to work in a way that seeks to reduce the impact on public bodies' response to COVID-19, while still meeting our statutory duties.

The financial statements prepared by the Commissioner and the Chief Constable present a true and fair view of their financial position and transactions

The quality of the draft statements presented for audit on 31 May was good.

A number of changes were made to the financial statements arising from our audit work. The key matters arising from the accounts audit were reported to members of the Joint Audit Committee in my Audit of Financial Statements Report on 28 July 2022.

On 29 July 2022 I issued an unqualified audit opinion on the financial statements for both the Commissioner and Chief Constable confirming that they present a true and fair view of each body's financial position and transactions. My report is contained within the Financial Statements.

The Joint Annual Governance Statement and Narrative Reports accompanying the annual accounts were prepared in line with the CIPFA Code and relevant guidance. They were consistent with the financial statements and with our knowledge of Gwent Police.

I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in their use of resources

My consideration of the body's arrangements to secure economy, efficiency and effectiveness has been based on:

- the audit work undertaken on the Financial Statements;
- the results of the audit work undertaken on the Commissioner's and the Chief Constable's systems of internal control, as reported in the Annual Governance Statement;
- the results of other work carried out by the Auditor General including our review of collaboration of emergency services in Wales and between the four Welsh forces;
- the results of the work of other external review bodies, eg His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), where relevant to my responsibilities; and
- any other work, including from Internal Audit, that I considered necessary to discharge my responsibilities.

For the purposes of my work, I evaluated the Commissioner's and the Chief Constable's systems against a number of questions. This approach is set out in detail in **Appendix 1** to this letter. For each question, I consider whether there are gaps in the arrangements expected to be in place, and the significance of those gaps. Based on the work I have undertaken, I am satisfied that the Commissioner and the Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in their use of resources.

I issued a certificate confirming that the audit of the accounts of the Commissioner and Chief Constable have been completed on 29 July 2022

I received no electors' questions or objections in relation to the 2021-22 audit.

Having given an audit opinion on the financial statements and concluded on the Commissioner's and the Chief Constable's arrangements to secure economy, efficiency and effectiveness in their use of resources, I was able to certify that the audit was complete when I issued my audit opinion.

Financial audit fee

The financial audit fee for 2021-22 is currently being reviewed and is expected to be in line with the agreed fee set out in the Annual Audit Plan 2022.

Yours sincerely



Richard Harries
Engagement Director
For and on behalf of the Auditor General for Wales

cc

Appendix 1

Criteria to assess arrangements for securing economy, efficiency and effectiveness in the use of resources

Exhibit 1: criteria for assessing arrangements

Corporate performance management and financial management arrangements	Questions on arrangements
Establishing objectives determining policy and decision making	Has the Commissioner/Chief Constable put in place arrangements for setting, reviewing and implementing their strategic and operational objectives?
Meeting the needs of users, stakeholders and the local population	Has the Commissioner/Chief Constable put in place channels of communication with the local population, users of the service, and other stakeholders including partners, and are there monitoring arrangements to ensure that key messages about services are taken into account?
Monitoring and reviewing performance	Has the Commissioner/Chief Constable put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary and reporting to the Commissioner/Chief Constable?
Compliance with established policies	Has the Commissioner/Chief Constable put in place arrangements to maintain a sound system of internal control, including those for ensuring compliance with laws and regulations, and internal policies and procedures?
Operational and financial risks	Has the Commissioner/Chief Constable put in place arrangements to manage their significant business risks?

Corporate performance management and financial management arrangements	Questions on arrangements
Managing financial and other resources	Has the Commissioner/Chief Constable put in place arrangements to evaluate and improve the value for money they achieve in their use of resources?
	Has the Commissioner/Chief Constable put in place arrangements to ensure that their spending matches their available resources?
	Has the Commissioner/Chief Constable put in place arrangements for managing and monitoring performance against budgets, taking corrective action where appropriate, and reporting the results to senior management and the Commissioner/Chief Constable?
Proper standards of conduct etc.	Has the Commissioner/Chief Constable put in place arrangements for monitoring and scrutinising performance, to identify potential variances against strategic objectives, standards and targets for taking action?
	Has the Commissioner/Chief Constable put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of their business?

Appendix 1

Have auditors identified any indications that proper arrangements may not be in place from a review of the following sources during the course of their normal audit work?	Findings and conclusion
Audit of accounts	Unqualified opinion issued on 29 July 2022.
Local and national Audit Wales reports	<p>Review of collaboration of emergency services in Wales. Findings from this review were issued in January 2022.</p> <p>The review concluded that that 'blue light' emergency service is slowly growing but requires a step change in activity to maximise impact and make best use of resources.</p>
Internal audit reports (TIAA)	<p>During 2021/22 TIAA undertook 21 audits (including 10 undertaken collaboratively across Welsh Forces), 18 of which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the PCC and CC's objectives. Of the 18, 12 were assessed as providing substantial assurance (10 in 2020/21), 6 with reasonable assurance (12 in 2020/21), zero with limited assurance (zero in 2020/21) and an additional review was advisory with no assessment given.</p> <p>The Head of Internal Audit opinion was: The Office of the Police and Crime Commissioner for Gwent and the Chief Constable of Gwent Police have adequate and effective risk management, control and governance processes in place for the areas reviewed during the year.</p>
Internal audit reports (TCBC) Responsible for providing IA services for the Shared Resource Service of which Gwent police is one of five partners.	During 2021/22 TCBC undertook 9 audits, which included 1 deferred from 2020/21 (IT Governance). The assessments of the 9 audits undertaken confirm that 4 were assessed as providing Full assurance

<p>Have auditors identified any indications that proper arrangements may not be in place from a review of the following sources during the course of their normal audit work?</p>	<p>Findings and conclusion</p> <p>Based on findings below there are no indications that proper arrangements may not be in place.</p>
	<p>(zero in 2020/21), 4 were assessed as providing Substantial assurance (7 in 2020/21), 1 with Moderate assurance (zero in 2020/21) and zero with limited assurance (zero in 2020/21).</p> <p>The Head of Internal Audit's opinion was that they were satisfied that sufficient internal audit work has been undertaken to allow an overall opinion to be given as to the adequacy and effectiveness of governance, risk management and control of the SRS's framework of governance. TCBC's Annual Opinion was generally satisfactory, with some improvement required.</p>
<p>His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspection reports</p>	<p>A joint thematic inspection of the criminal justice journey for individuals with mental health needs and disorders was undertaken and the report was published in November 2021. Recommendations have been issued to all police forces.</p>
<p>Review of key papers e.g. strategies, plans, meeting papers, etc</p>	<p>A review of the key papers is carried out as part of our audit process. We consider if the Financial Statements and the Joint Annual Governance Statement are consistent with the information we have gathered from these sources.</p>
<p>Budget reporting</p>	<p>The Medium-Term Financial Plan 2021-22 outlines budget requirements and spending expectations.</p> <p>The Medium-Term Financial Plan is refreshed annually to ensure forthcoming funding shortfalls are identified early and corrective action taken thus ensuring resources match planned expenditure.</p>

The Auditor General is independent of government, and was appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government & Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

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.

This document is also available in Welsh.