

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

Audit year: 2023-24

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About Audit Wales

Our aims and ambitions

Assure



the people of
Wales that public
money is well
managed

Explain



how public
money is being
used to meet
people's needs

Inspire



and empower
the Welsh
public sector to
improve



Fully exploit
our unique
perspective,
expertise and
depth of insight



Strengthen our
position as an
authoritative,
trusted and
independent
voice



Increase our
visibility,
influence and
relevance



Be a model
organisation for
the public sector
in Wales and
beyond

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Introduction

I have now largely completed my audit in line with my Detailed Audit Plan 2024 dated July 2024 except for the following:

- our review of the revised 2023-24 Annual Governance Statement; and
- the completion of some areas of our internal review arrangements to be undertaken by the Audit Manager and the Engagement Lead.

A verbal update will be given to the Joint Audit Committee (JAC) on our progress at the meeting scheduled for 30 January 2025. We expect that all outstanding items will be resolved prior to the JAC meeting, so that JAC can receive the final audit position.

This Audit of Accounts Report summarises the main findings from my audit of your 2023-24 annual report and accounts. My team have already discussed these issues with the Chief Finance Officer for the Police and Crime Commissioner and the Chief Finance Officer for the Chief Constable.

I am very grateful to your officers for their support in undertaking this audit.



Adrian Crompton
Auditor General for
Wales

Your audit at a glance



Audit opinions

We are proposing to give an unqualified opinion on the accounts.

We have nothing to report under the other sections of my report, ie those relating to going concern; other information; other matters; or matters I report by exception.



Significant issues

There are no misstatements or significant issues to report.

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention. These are set out in **Appendix 5**.

Other than the corrected misstatements identified during the audit there are no other significant issues we wish to report to you.

However, there is one matter that we wish to bring to your attention:

- **Audit and accounts deadlines for 2024-25** We intend to hold a post project learning exercise with key staff to identify an action plan to further improve the accounts production and audit process for the coming year.



Financial statements' materiality



Materiality for the Police and Crime Commissioner Group and the Chief Constable £2.344 million

Materiality for the Police Pension Fund £0.960 million

My aim is to identify and correct material misstatements, ie those that might otherwise cause the user of the accounts to be misled.

For practical testing purposes, the basis of materiality has been set using the lower of the Police and Crime Commissioner Group gross expenditure and the Chief Constable gross expenditure. I apply a materiality percentage to gross expenditure to calculate materiality.

Exhibit 1: materiality levels for this year's audit

	Police and Crime Commissioner Group	Police and Crime Commissioner	Chief Constable	Police Pension Fund
Gross expenditure	£242.521 million	£234.396 million	£235.400 million	£48.000 million
Materiality Percentage	1%	1%	1%	2%
Materiality Level	£2.425 million	£2.344 million	£2.354 million	£0.960 million
Trivial Level	£0.121 million	£0.117 million	£0.118 million	£0.048 million

Materiality is calculated using:

- 2023-24 Police and Crime Commissioner revised gross expenditure of £234.396 million
- Materiality percentage of 1%

A separate materiality is applied to the Police Pension Fund and is calculated using:

- 2023-24 Police Pension Fund benefits payable of £48.000 million
- Materiality percentage of 2% (to reflect the less complex nature of the transactions)

I apply a materiality percentage to gross expenditure/benefits payable to calculate materiality.

I will report to you any misstatements above £0.117 million (Police and Crime Commissioner and Chief Constable) and £0.048 million (Police Pension Fund) calculated as 5% of materiality (called the 'trivial level').



Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts. We set lower materiality levels for these as follows:

- Remuneration report/senior pay disclosure and exit packages £1,000
- Related party disclosures for individuals £10,000

Ethical compliance



Compliance with ethical standards

We believe that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of ourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

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Proposed audit opinion



Audit opinion

We issue a qualified opinion where we have material concerns about some aspects of your accounts; otherwise, we issue an unqualified opinion.

We intend to issue an unqualified audit opinion on this year's financial statements once you have provided us with Letters of Representation (see below).

Our proposed audit report is set out in **Appendix 1 and 2**.



Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is specified as being necessary by auditing standards; other information may relate specifically to your audit.

The letters we are requesting the Police and Crime Commissioner for Gwent and Chief Constable of Gwent Police to sign are included in **Appendix 3 and Appendix 4**.

Issues arising during the audit



Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

Uncorrected misstatements

There are no uncorrected misstatements above our trivial level but lower than our materiality levels that we need to report to you.

Corrected misstatements

During our audit, we identified a large number of misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 5**.





Other significant issues

In the addition to misstatements identified during the audit we also report other significant issues to you.

Other than the corrected misstatements identified during the audit there are no other significant issues we wish to report to you.

However, there is one matter we wish to draw to your attention:

Audit and Accounts deadlines for 2024-25

To manage and deliver the audit, Audit Wales and the Gwent Police finance team worked collaboratively again this year. In this respect, we would like to thank the finance team for their hard work in both the preparation of the Statement of Accounts and the supporting working papers.

The audit and accounts deadlines for 2024-25 will move forward to a 31 October 2025 certification date. To meet this new deadline, it will be imperative that good quality sets of draft Statements of Accounts are prepared, supported by comprehensive working papers which have been subject to vigorous internal quality checks, available at the commencement of the audit, in line with the 30 June submission deadline.

We intend to hold a post project learning exercise with key finance staff to identify an action plan to further improve the accounts production and audit process for the coming year.



Appendix 1

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 of Gwent Police; and
- Gwent Police Pension Fund.

for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

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

The Police and Crime Commissioner for Gwent's Police Pension Fund comprises the Fund Account and Net Assets Statement and related notes including the material 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 2023-24.

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 2024, 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 2023-24.

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 group 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 and the Group and the Police Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least 12 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 2023-24; and
- the information given in the Annual Governance Statement 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 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; and
- 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, 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 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 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 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 posting of unusual journals.
- obtaining an understanding of name of the Police and Crime Commissioner for Gwent and 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 and the Police and Crime Commissioner for Gwent Group operate 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; and
- 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 of Gwent, the Police and Crime Commissioner of Gwent Group, 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
31 January 2025

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

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Appendix 2

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 of Gwent Police; and
- Gwent Police Pension Fund

for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

The Chief Constable of Gwent Police's financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet and the related notes, including the material accounting policies.

Gwent Police Pension Fund comprises the Fund Account and Net Assets Statement and related notes including the material 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 2023-24.

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

- give a true and fair view of the financial position of the Chief Constable of Gwent and Gwent Police Pension Fund as at 31 March 2024 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 2023-24.

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 of Gwent Police 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 of Gwent Police and the Gwent Police Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least 12 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 2023-24;
- the information given in the joint Governance Statement of the Police and Crime Commissioner for Gwent and the Chief Constable of Gwent Police 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 Chief Constable of Gwent Police 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 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; and
- 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, 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; and
- assessing the Chief Constable of Gwent Police 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 of Gwent Police 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 of Gwent Police and the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Chief Constable of Gwent Police 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 posting of unusual journals;
- obtaining an understanding of the Chief Constable of Gwent Police and Gwent Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Chief Constable of Gwent Police 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 of Gwent Police 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; and
- 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 of Gwent Police 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 Chief Constable of Gwent Police 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
31 January 2025

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Appendix 3

Final Letter of Representation – Police and Crime Commissioner for Gwent

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

30 January 2025

Representations regarding the 2023-24 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 Police and Crime Commissioner for Gwent for the year ended 31 March 2024 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 the United Kingdom 2023/24; 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;
- 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 30 January 2025.

I confirm that we 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 we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Chief Financial Officer to the Police and
Crime Commissioner

Police and Crime Commissioner for
Gwent

Date: 30 January 2025

Date: 30 January 2025

Appendix 4

Final Letter of Representation – Chief Constable of Gwent Police

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

30 January 2025

Representations regarding the 2023-24 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 of Gwent Police for the year ended 31 March 2024 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 the United Kingdom 2023/24; 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 Chief Constable of Gwent Police 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 Chief Constable of Gwent Police

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 30 January 2025.

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 we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Chief Financial Officer to the Chief
Constable of Gwent Police

Chief Constable of Gwent Police

Date: 30 January 2025

Date: 30 January 2025

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.

Exhibit 2: summary of corrections made – Group Financial Statements

Value of correction	Accounts areas	Explanation
£145K	Expenditure and Funding Analysis and Note 7 – Note to the Expenditure and Funding Analysis The net cost of services has been amended to fully reflect amendments made to the CIES.	To ensure the disclosure accurately reflects the underlying transactions.
£195K	Comprehensive Income and Expenditure Statement (CIES) To reflect the capitalisation of costs relating to the Joint Firearms Range within supplies and services.	To ensure that the financial statements accurately reflect the underlying transactions.
£323K	Comprehensive Income and Expenditure Statement (CIES) To reflect the impact of updated figures for Collaboration arrangements impacting the fair value adjustment of collaboration costs within suppliers and services.	To ensure that the financial statements accurately reflect the underlying transactions.

Value of correction	Accounts areas	Explanation
£178K	<p>Comprehensive Income and Expenditure Statement (CIES) and CIES – OPCC</p> <p>To reflect the impact of updated figures for Collaboration arrangements impacting the fair value adjustment of collaboration costs on other income.</p>	To ensure that the financial statements accurately reflect the underlying transactions.
£323K	<p>Movement in Reserves Statement for the PCC Group</p> <p>To reflect the impact of updated figures for Collaboration arrangements impacting the fair value adjustment of collaboration costs on the surplus or deficit on the provision of services.</p>	To ensure that the financial statements accurately reflect the underlying transactions.
£146K	<p>Note 7 – Note to the Expenditure and Funding Analysis</p> <p>The net cost of services has been amended to fully reflect amendments made to the CIES.</p>	To ensure the disclosure accurately reflects the underlying transactions.
£195K	<p>Note 13 – Property, Plant and Equipment</p> <p>To correct the figure for additions to Assets under construction to reflect the capitalisation of costs relating to the Joint Firearms Range.</p>	To ensure the disclosure accurately reflects the NBV of assets held at 31 March 2024.

Value of correction	Accounts areas	Explanation
£(4,345)K	<p>Note 13 – Property Plan and Equipment: Capital Commitments</p> <p>To correct the value of contractual commitments relating to the development of Abergavenny Police Station at 31 March 2024.</p>	To ensure the disclosure accurately records the contractual commitments at 31 March 2024.
£3,600K	<p>Note 13 – Property Plan and Equipment: Capital Commitments</p> <p>To correct the value of contractual commitments relating to the development of the Command and Control System at 31 March 2024.</p>	To ensure the disclosure accurately records the contractual commitments at 31 March 2024.
£880K	<p>Note 13 – Property Plan and Equipment: Capital Commitments</p> <p>To correct the value of contractual commitments relating to the development of the Joint Firearms Range at 31 March 2024.</p>	To ensure the disclosure accurately records the contractual commitments at 31 March 2024.
£1,100K	<p>Note 19 – Cash and Cash Equivalents <u>and</u> Note 21 Creditors</p> <p>Disclosure added to reflect that cash balances disclosed include seized cash and seized non-cash items.</p>	To ensure that the disclosure accurately reflects the nature of cash balances held at 31 March 2024.

Value of correction	Accounts areas	Explanation
£2,051K	<p>Note 22 – Provisions</p> <p>To correctly reflect the in-year movements in the provisions balance during the year. There was no impact on the closing provisions balance at 31 March 2024.</p>	To ensure that the disclosure accurately reflects the movements in the balance.
£340K	<p>Note 25 – Cash Flow from Operating Activities</p> <p>The disclosure has been amended to reflect the impact of the audit adjustments to the cashflow generated from operating activities.</p>	To ensure the disclosure accurately reflects the underlying movements in the cashflow position.
£195K	<p>Note 25 – Cash Flow from Investing Activities</p> <p>The disclosure has been amended to reflect the impact of the audit adjustments to the cashflow generated from investing activities.</p>	To ensure the disclosure accurately reflects the underlying movements in the cashflow position.
Narrative	<p>Note 28 – Police and Police Staff Remuneration: Police and Police Staff Numbers Group</p> <p>The disclosure has been updated to include the correct number of full and part-time police staff.</p>	To ensure that the disclosure accurately reflects the number of police staff employed at 31 March 2024.

Value of correction	Accounts areas	Explanation
£359K	<p>Note 32 – Related Parties</p> <p>The disclosure has been updated to correct the amount paid to and received from SRS during 2023-24.</p>	To ensure that the disclosure is complete and accurate for all related party relationships.
£196K	<p>Note 33 – Capital Expenditure and Capital Financing</p> <p>To correct the figure for additions to Assets under construction to reflect the capitalisation of costs relating to the Joint Firearms Range.</p>	To ensure the disclosure accurately reflects the capital expenditure incurred in the year.
£677K	<p>Note 34 – Leases PCC: Premises Leases</p> <p>To correct the figures for future current minimum lease payments owed for premises by removing estates and building service charges.</p>	To ensure the disclosure accurately reflects the leases payments owed for premises.
£2,542K	<p>Note 35 – Collaboration</p> <p>The disclosure has been amended to reflect the revised figures for this note received from South Wales Police for the costs of the various collaborative services split across the four forces.</p>	To ensure that the disclosure accurately reflects the underlying cost-sharing arrangements.

Value of correction	Accounts areas	Explanation
Narrative	Note 36 – Defined Benefit Pension Scheme Disclosure added to reflect the Virgin Media Ruling and the potential liability.	To ensure that users of the financial statements fully understand the potential future liability.
Various (no overall impact 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 accuracy of the financial statements.

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

Value of correction	Accounts areas	Explanation
£195K	Comprehensive Income and Expenditure Statement (CIES) To reflect the capitalisation of costs relating to the Joint Firearms Range within supplies and services.	To ensure that the financial statements accurately reflect the underlying transactions.
£322K	Comprehensive Income and Expenditure Statement (CIES) To reflect the impact of updated figures for Collaboration arrangements impacting the fair value adjustment of collaboration costs within suppliers and services.	To ensure that the financial statements accurately reflect the underlying transactions.

Value of correction	Accounts areas	Explanation
£322K	<p>Note 8 – Intra group adjustments</p> <p>To reflect the impact of updated figures for Collaboration arrangements impacting the fair value adjustment of collaboration costs within the net cost of services.</p>	To ensure that the disclosure reflects the underlying transactions.
£2,497.89	<p>Note 13 – Police Officer and Police Staff Remuneration</p> <p>To correct the figures disclosed within the relevant senior officers and staff remuneration table for one post holder in 2023-24.</p>	To ensure that the disclosure accurately reflects the remuneration of senior staff.
Narrative	<p>Note 17 – Defined Benefit Pension Scheme</p> <p>Disclosure added to reflect the Virgin Media Ruling and the potential liability.</p>	To ensure that users of the financial statements fully understand the potential future liability.
£2,542K	<p>Note 19 – Collaboration</p> <p>The disclosure has been amended to reflect the revised figures for this note received from South Wales Police for the costs of the various collaborative services split across the four forces.</p>	To ensure that the disclosure accurately reflects the underlying cost-sharing arrangements.

Value of correction	Accounts areas	Explanation
Various (no overall impact 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 accuracy of the financial statements.

DRAFT

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD*, and our Chair acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.



- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

* QAD is the quality monitoring arm of ICAEW.

Supporting you

Audit Wales has developed a range of resources to support the scrutiny of Welsh public bodies and to support those bodies in continuing to improve the services they provide to the people of Wales.

Visit our website to find:

	our Good Practice work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our newsletter which provides you with regular updates on our public service audit work, good practice, and events.
	our publications which cover our audit work completed at public bodies.
	information on our forward performance audit work programme 2023-2026 which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various data tools and infographics to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.