



Internal Audit

FINAL

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

Summary Internal Controls Assurance (SICA)  
Report

**2019/20**

May 2020

## Introduction

1. This summary report provides the Joint Audit Committee (JAC) with an update on the progress of our work for the Police and Crime Commissioner Gwent and the Chief Constable Gwent Police as at 30<sup>th</sup> April 2020.

## Progress against the 19/20 Annual Plan

2. Our progress against the Annual Plan for 2019/2020 is set out in Appendix A. A copy of the Annual Collaborative Plan for the year is included at Annex B and the Gwent Police Annual Plan at Annex C.

## Internal Control Framework

3. The key strategic governance, risk management and control matters identified from the four reviews completed since the previous SICA are summarised below. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

### *Key Strategic Governance, Risk Management and Control Matters*

Review	High level
<b>Collaborative Review – Creditors</b>	<p>Control of creditors' arrangements are generally consistent across each of the four Forces with appropriate segregation of duties, approval and checking arrangements in place for each area of activity.</p> <ul style="list-style-type: none"> <li>• Each Force controls and applies segregation of duties and approval for the payment of invoices through their respective procure-to-pay systems but with differences noted in how the purchase order workflows are configured within North Wales Police and Dyfed Powys Police having specific workflows with additional approvals for certain departments and South Wales Police and Gwent Police having standard workflows.</li> <li>• Each Force utilise the Welsh Procurement Card through Barclaycard, however, the arrangements for administering the cards differ between Forces with some Forces using the Barclays online portal in full to manage and retain copies of invoices (Gwent Police) and others using the Finance system to retain copies of invoices (North Wales Police).</li> <li>• Recommendations have been across each Force relating to data entry errors which each Force will need to address.</li> <li>• The review identified a potential to collaborate between Forces on a common set of accounts payable key performance indicators for benchmarking purposes.</li> <li>• A new supplier set up form needs to be introduced at North Wales Police.</li> <li>• An IR35 check needs to be undertaken of all new 'service' suppliers on the Gov.uk online portal as part of the new supplier set up and verification at Dyfed Powys Police.</li> <li>• Duplicate payments were identified during the internal audit that need to be included on the existing duplicate payments listing and action taken to recover the overpayments at Gwent Police.</li> </ul>

Review	High level
<p><b>Local Policing – Property and Cash</b></p>	<p>Whilst it is acknowledged that the Property Management Project Team have introduced specific measures to reduce evidential property in interim stores, there are still numerous exhibits unaccounted for.</p> <ul style="list-style-type: none"> <li>• Numerous unaccounted for exhibits at Monmouth and Newport Central Stations in the West.</li> <li>• Numerous unaccounted for exhibits at Bargoed, Blackwood and Ystrad Mynach Stations in the East.</li> <li>• Labelling of exhibits not always applied by some Officers.</li> <li>• Continuity forms not always completed by Officers.</li> </ul>
<p><b>Follow Up Quarter 4</b></p>	<p>The key findings were:</p> <ul style="list-style-type: none"> <li>• The Force has made good progress in addressing the recommendations raised. Gwent Police have implemented 19 out of 28 (68%) of the recommendations with 9 recommendations (32%) in the process of being implemented.</li> <li>• The three outstanding recommendations relating to the General Data Protection Regulations review (2018/19) are in the process of being implemented in line with the revised implementation dates (March /April 2020) which were approved by the Joint Audit Committee.</li> <li>• The recommendation from the Fleet Management Report – Single System (2018/19) relating to the use of the functionality to import tyre data onto Tranman has been partly implemented. The sequence of order numbers has been set up in the system but there has been a delay in going live due to staff sickness.</li> <li>• The collection of duplicate payments reported in the 2018/19 Creditors report remains ongoing. A balance of £14k remains to be collected before the revised implementation date of 31st March 2020.</li> <li>• A new Head of Communications was appointed in November 2019 and the Joint Audit Committee approved an extension to the implementation deadline of the two outstanding Corporate Communications recommendations of 31st March 2020.</li> <li>• One action remains outstanding in respect of the Duty Resource Management review. The recommendation has been partly implemented with all the policies updated with the exception of the Absence Management Policy. An extension to 31st March 2020 has been approved by the Joint Audit Committee.</li> <li>• The action relating to the Collaborative Debtors review to clear old reconciling items is in progress and is not due to be completed until 31st July 2020.</li> </ul>
<p><b>Social Media</b></p>	<p>Gwent Police has an appropriate governance framework in place to manage its use of social media channels.</p> <ul style="list-style-type: none"> <li>• It was noted during the review that the majority of uploads to YouTube and all posts to the corporate LinkedIn account had only been posted in English.</li> <li>• There was no evidence available during the review to confirm that supervisors were monitoring the posts to local policing and team Twitter accounts in compliance with the Social Media Policy and Procedures.</li> </ul>

## Emerging Governance, Risk and Internal Control Related Issues

4. The changes imposed on Gwent Police as a result of Covid-19 are likely to impact the governance, risk and internal control framework of the organisation. TIAA has produced a series of Client Briefing Notes highlighting potential issues arising and a suggested approach to gaining assurance from an audit perspective in addition to a number of Fraud Alerts to support our clients during this period (details provided at paragraph 11 and Appendix D).

## Audits Completed since the last report to Joint Audit Committee

5. The table below sets out details of the audits finalised since the previous meeting of the Joint Audit Committee.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
Collaborative Review - Creditors	Reasonable (Gwent only)	12/12/2019	02/03/2020	11/03/2020	0	1	1	1*
Local Policing – Property and Cash	Limited	17/12/2019	28/02/2020	11/03/2020	2	4	1	0
Follow Up – Quarter 4	N/A	19/03/2020	30/03/2020	17/04/2020 & 04/05/2020	n/a	n/a	n/a	n/a
Social Media	Reasonable	13/04/2020	20/04/2020	23/04/2020	0	2	1	0

\*the OEM was a generic point raised for all four Forces.

## Changes to the Annual Plan 2019/20

6. The plan has been completed subject to changes agreed previously by the Joint Audit Committee.

## Changes to the Internal Audit Strategy

7. The 2019/20 Plan has been completed.

## Frauds/Irregularities

8. We have not been advised of any frauds or irregularities in the period since the last summary report was issued.

## Liaison

9. **Liaison with external audit:** We maintain ongoing communication with Audit Wales including attending the Police Practitioner Group meetings.

## Progress actioning Priority 1 recommendations

10. We have been advised that progress of completion of recommendations is monitored internally and not to include within this summary report, following a decision at the February 2016 Joint Audit Committee.

## Other Matters

11. We have issued the following briefing notes and fraud digests since the last Joint Audit Committee, details of which are included in Appendix D:

- Fraud Alert: Coronavirus Phishing Scam;
- Fraud Alert: False Invoice Fraud - Increased Exposure.

## Responsibility/Disclaimer

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

## Progress against the Annual Plan for 2019/20

System	Planned Quarter	Days	Current Status	Comments
Counter Fraud – Whistleblowing	2	7	Final report issued 1 <sup>st</sup> August 2019	September 2019 JAC
Duty Resource Management	2	6	Final report issued 2 <sup>nd</sup> September 2019	December 2019 JAC
Risk Management – Mitigating Controls	2	10	Final report issued 11 <sup>th</sup> September 2019	December 2019 JAC
Fleet Management – Repairs and Maintenance	2	5	Final report issued 14 <sup>th</sup> October 2019	December 2019 JAC
New HQ – Contract Management – (Quarter 2)	2	4	Final report issued 8 <sup>th</sup> November 2019	December 2019 JAC
HR Management – Absence Management	2	7	Final report issued 22 <sup>nd</sup> November 2019	December 2019 JAC
Fixed Assets	3	5	Final report issued 22 <sup>nd</sup> November 2019	December 2019 JAC
Victims’ Hub	3	6	Final report issued 22 <sup>nd</sup> November 2019	December 2019 JAC
Follow Up – Interim (Quarter 2)	2	5	Final report issued 22 <sup>nd</sup> November 2019	December 2019 JAC
Fleet Management – Single System Follow Up	2	5	Final report issued 26 <sup>th</sup> November 2019	December 2019 JAC
Treasury Management	3	5	Final report issued 10 <sup>th</sup> December 2019	March 2020 JAC
Budgetary Control	3	5	Final report issued 10 <sup>th</sup> December 2019	March 2020 JAC
General Ledger	3	5	Final report issued 10 <sup>th</sup> December 2019	March 2020 JAC
New HQ – Contract Management (Quarter 4)	4	4	Final report issued 13 <sup>th</sup> February 2020	March 2020 JAC
Collaborative Change Control	N/A	5*	Final report issued 13 <sup>th</sup> February 2020	March 2020 JAC - * Additional audit not included in plan
Local Policing – Property and Cash	3	6	Final report issued 11 <sup>th</sup> March 2020	June 2020 JAC
Follow Up – Quarter 4	4	5	Final report issued 17 <sup>th</sup> April 2020	June 2020 JAC
Social Media	4	5	Final report issued 23 <sup>rd</sup> April 2020	June 2020 JAC

System	Planned Quarter	Days	Current Status	Comments
Performance Management	4	10	Initial meetings held.	Audit to be deferred to 2020/21
Corporate Communications	4	6	Not undertaken	Audit to be deferred by 6 months (to August 2020)
Contingency	1-4	2	Used for Collaborative Change Control review above	An additional audit of Collaborative Change Control has been undertaken (Budget 5 days)
Liaison with Audit Wales	1-4	2		
Annual Planning	1	4	Final collaborative plan issued 16 <sup>th</sup> June 2019	
Client Portal	1-4			
Annual Report	4	4	Issued 27 <sup>th</sup> April 2020	
Management, Planning & Joint Audit Committee Reporting/Support	1-4	15		
Collaborative Audits				
Estate Management - Delivery Lead Force – North Wales	2	6	Final report issued to Lead Force on 16 <sup>th</sup> January 2020	March 2020 JAC
Collaborative Review – Single Online Home Lead Force – North Wales	3	5	Final report issued to Lead Force on 13 <sup>th</sup> February 2020	March 2020 JAC
Debtors Lead Force – Dyfed Powys	3	5	Final report issued to Lead Force on 18 <sup>th</sup> December 2019	March 2020 JAC
Payroll Lead Force – South Wales	3	6	Final report issued to Lead Force on 28 <sup>th</sup> January 2020	March 2020 JAC
Creditors Lead Force – Gwent Police	3	6	Final report issued – 11 <sup>th</sup> March 2020	June 2020 JAC

**KEY:**

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

## Collaborative Annual Plan 2019/20

Quarter	Audits	Type	Days	Rationale and Scope
2	Estate Management - Delivery Lead Force – North Wales	Assurance	24	<p><u>Rationale</u> Collaborative Review.</p> <p><u>Scope</u> The review will consider how two contracts at each Force are delivered in accordance with the Estates Strategy.</p> <p><u>Leads</u> Lead Force – North Wales</p>
3	Debtors Lead Force – Dyfed Powys	Assurance	20	<p><u>Rationale</u> Financial Risk, Collaborative Review.</p> <p><u>Scope</u> The review considers the raising of debtor accounts, collection of income, receipting, storage and banking of income received by each organisation. The scope of the review does not include identification of the activities giving rise to income for the organisation, the basis of calculating the rates to be charged or that all income receivable has been identified. The number of transactions tested in the sampling will be the same for each organisation.</p> <p><u>Leads</u> Lead Force – Dyfed Powys</p>
3	Payroll Lead Force – South Wales	Assurance	24	<p><u>Rationale</u> Financial Risk, Collaborative Review.</p> <p><u>Scope</u> The review considers the arrangements for: the creation, amendment and deletion of payroll records; payment of allowances and pay awards; and payment of salaries. The scope of the review does not include determination of salary scales, appointment and removal of staff, severance payments or reimbursement of travel and subsistence expenses, or pension arrangements. The number of transactions tested in the sampling will be the same for each organisation.</p> <p><u>Leads</u> Lead Force – South Wales</p>



Quarter	Audits	Type	Days	Rationale and Scope
3	Creditors Lead Force – Gwent Police	Assurance	24	<p><u>Rationale</u> A review to test areas of exposure to fraud has been included in each year of the plan.</p> <p><u>Scope</u> The review considers the arrangements for authorising and paying costs incurred by each organisation and the arrangements for control of the payment methods and devices. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed. The number of transactions tested in the sampling will be the same for each organisation.</p> <p><u>Leads</u> Lead Force – Gwent</p>
3	Collaborative Review – Single Online Home	Appraisal	20	<p><u>Rationale</u> Collaborative Review.</p> <p><u>Scope</u> The review will appraise the effectiveness of the collaboration arrangements for the pan wales Single Online Home Project. The scope of the review will also include the effectiveness of the Project Management arrangements.</p> <p><u>Leads</u> Lead Force – North Wales</p>
1 - 4	Liaison with Wales Audit Office		8	This time is for liaison with the WAO as External Auditor. This will be undertaken jointly for all organisations.
Total Collaborative Days			120	
Contribution from each Police and Crime Commissioner and Chief Constable			30	

## Annual Plan – 2019/20

Quarter	Audit	Type	Days	Rationale and Scope
1	Performance Management	Assurance	10	<p><u>Rationale</u> Key Governance area, reviewed annually.</p> <p><u>Scope</u> The review considered the arrangements for providing assurance through the demand management and performance management framework that are used to measure the Force's effectiveness. The scope of the review did not include consideration of the accuracy or completeness of all reports presented to the Board or the appropriateness of all decisions taken.</p>
1	HR Management – Absence Management	Assurance	7	<p><u>Rationale</u> High risk area.</p> <p><u>Scope</u> The review will provide assurance on implementation of Absence Management policy and systems and processes undertaken by line managers at a service level in relation to management of sickness absence, including both short and long term absence.</p>
1	Local Policing – Property and Cash	Compliance	6	<p><u>Rationale</u> Key fraud risk, loss of property and cash.</p> <p><u>Scope</u> The review will assess compliance with the key corporate procedures for Property and Cash in the operational areas of East and West.</p>
2	Risk Management – Mitigating Controls	Assurance	10	<p><u>Rationale</u> Included in each year of the Strategic Plan to ensure that there are effective controls in place for the most significant risks. Number of days will cover the review of two risks.</p> <p><u>Scope</u> Two risks currently included in the organisation's risk map will be selected and the effectiveness of the identified controls will be reviewed. The scope of the review does not include consideration of all potential mitigating arrangements or their effectiveness in minimising the opportunities for the identified risks to occur.</p>



Quarter	Audit	Type	Days	Rationale and Scope
2	Counter Fraud - Whistleblowing	Appraisal	7	<p><u>Rationale</u> Annual review of Counter Fraud arrangements</p> <p><u>Scope</u> The appraisal will provide details of how the organisation approaches the topic of whistleblowing versus existing policy and procedure, to ensure that its arrangements in place are operating effectively. The scope of the review will cover:</p> <ul style="list-style-type: none"> <li>• Desktop Review of procedural documents.</li> <li>• Reporting mechanisms will be tested for their effectiveness against policy.</li> </ul>
2	New HQ Contract Management	Compliance	8	<p><u>Rationale</u> High area of expenditure and high risk project.</p> <p><u>Scope</u> The review considers the arrangements for monitoring the development contract for the new Headquarters building. The scope of the review does not include consideration of the funding arrangements or the specification of the developments.</p>
2	Fleet Management – Repairs and Maintenance	Compliance	5	<p><u>Rationale</u> Previous Limited Assurance assessment, rolling programme of reviews.</p> <p><u>Scope</u> The review considers the identification of need; sourcing; payment of purchases; procedures to ensure the organisation operates within the requirements of the policies; and the claims procedures. The scope of the review does not include not include verification that the most economic and appropriate vehicles are being used.</p>
2	Internet/Email/Social Media	Appraisal	5	<p><u>Rationale</u> Reputational risk.</p> <p><u>Scope</u> The review will consider the extent to which the use of social media exposes the Force to data confidentiality risks by examining the content being placed on the various social media platforms.</p>
2	Duty Resource Management	Appraisal	6	<p><u>Rationale</u> Service delivery risk.</p> <p><u>Scope</u> The review will appraise the effectiveness of the duty resource management system.</p>

Quarter	Audit	Type	Days	Rationale and Scope
2	Corporate Communications	Appraisal	6	<p><u>Rationale</u> Staying Ahead 8 themes, included at the request of the Assistant Chief Officer of the force due to previous audit findings and ongoing changes in the department.</p> <p><u>Scope</u> The scope of the review will appraise the effectiveness of the corporate communication strategy.</p>
2	Fleet Management – Single System	Follow Up	3	<p><u>Rationale</u> A review of an aspect of Fleet Management has been included in each year of the Audit Strategy. Limited Assurance assessment in 2018/19.</p> <p><u>Scope</u> The review will follow up the recommendations for Gwent from the Single system review in 2018/19.</p>
3	Budgetary Control	Assurance	5	<p><u>Rationale</u> Key Audit risk area completed annually. Particularly important due to the continued cuts in funding.</p> <p><u>Scope</u> The review considers the budget preparation process, the monitoring arrangements, and reporting to the Strategy and Performance Board. The scope of the review does not include consideration of the assumptions used in preparing the budgets; depreciation policies; apportionment of central costs; or financial information included in tenders prepared by the organisation.</p>
3	Treasury Management	Assurance	5	<p><u>Rationale</u></p> <p><u>Scope</u> The review considers the arrangements for controlling the investment and borrowing arrangements; compliance with the organisation's overall treasury management policy; reconciliations; and treasury management reporting to committee. The scope of the review does not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the Organisation.</p>
3	General Ledger	Assurance	5	<p><u>Rationale</u> Key financial risk area completed annually.</p> <p><u>Scope</u> The review considers the arrangements for providing an effective audit trail for data entered onto the general ledger and the appropriateness of the reports generated. The scope of the review does not extend to the budgetary control arrangements and bank reconciliations.</p>

Quarter	Audit	Type	Days	Rationale and Scope
3	Fixed Assets	Assurance	5	<p><u>Rationale</u> New system.</p> <p><u>Scope</u> The review will examine the adequacy and accuracy of the organisation's Fixed Asset Register, taking into account the processes to add and remove items from the register.</p>
3	Victims Hub	Appraisal	6	<p><u>Rationale</u> Commissioner's Project.</p> <p><u>Scope</u> The review will consider the arrangements for the implementation of the strategy, policy and procedures for delivering the projects which tie in with the PCC's Police and Crime Plan objectives. The review will also consider the arrangements for monitoring and reporting compliance with the Strategy, Policy and Procedures designed to meet the objectives.</p>
1 - 4	Collaborative approach and Single Home Online project	Assurance	30	Joint contract for 19/20 onwards. Collaborative approach and projects listed in Collaborative Plan in Annex C.
4	Follow-up	Follow up	10	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the organisation is implementing recommendations, and providing reports to the Audit and Risk Committee.
1-4	Liaison with Wales Audit Office (WAO)		2	This time is for liaison with the WAO as External Auditor.
1 - 4	Contingency		2	Contingency allowance to be used as required.
1	Annual Planning	Management	4	Assessing the Organisation's annual audit needs – requirement of Internal Audit Standards.
4	Annual Report	Management	4	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1-4	Client Portal			The client portal provides a one stop shop of internal audit reports, progress and recommendation tracker as well as briefings, fraud alerts, fraud updates and committee briefings.
1-4	Management, Planning & Joint Audit and Committee Reporting/Support	Management	15	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Audit and Risk Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
		<b>Total days</b>	<b>166</b>	

## Briefings on Developments in Governance, Risk and Control

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control and Counter Fraud which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs issued since the last Joint Audit Committee which may be of relevance to Gwent Police is given below. Copies of any CBNs are available on request from your local TIAA team

Date Issued	CBN Ref	Subject	Status	TIAA Comments
February 2020	Fraud Alert	Coronavirus Phishing Scam		<p><b>Action Required</b></p> <p>This alert provides information and advice to staff about fraud and economic crime, and the risks associated with it. If you or your organisation has fallen victim to fraud you should report it to Action Fraud by calling 0300 123 2040, or visiting the Action Fraud website. Additionally, you should notify your usual counter fraud contact.</p>
March 2020	Fraud Alert	False Invoice Fraud - Increased Exposure		<p><b>Action Required</b></p> <p>This alert provides information and advice to staff about fraud and economic crime that may occur during the COVID-19 emergency, and the risks associated with it. If you or your organisation has fallen victim to fraud you should report it to your Local Counter Fraud Specialist.</p>