



Internal Audit

FINAL

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

Summary Internal Controls Assurance (SICA) Report

2020/21

February 2021

Summary Internal Controls Assurance

Introduction

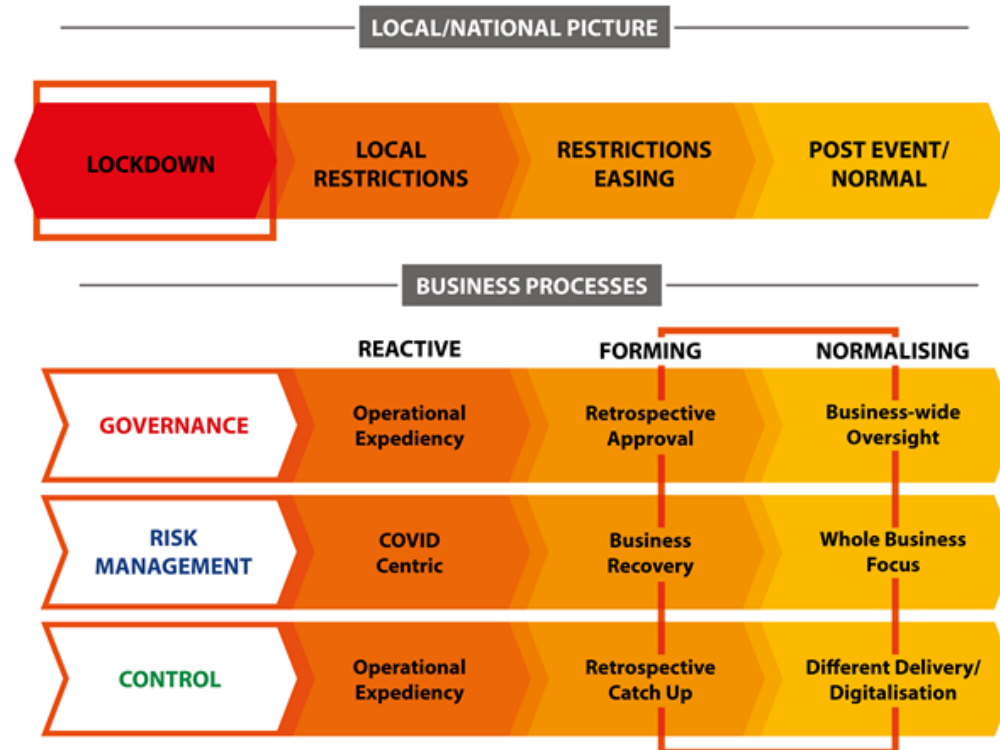
1. This summary report provides the Joint Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at the Police and Crime Commissioner for Gwent and the Chief Constable Gwent Police as at 17th February 2021. The period covered by this summary controls assurance report was significantly impacted by the COVID 19 pandemic.

Emerging Governance, Risk and Internal Control Related Issues

2. COVID 19 is the most significant recent event to impact both strategically and operationally upon modern day Governance, Risk and Internal Control arrangements. It is clear that there has been and will continue to be a number of phases in relation to the move through the pandemic, and that the local and national picture can worsen as well as improve. Each phase has different implications for Governance, Risk and Internal Control arrangements, however, the way in which organisations have transitioned to revised ways of working is not necessarily directly linked to the local or national picture.

The diagrams in the table below signify the assessment of the current local and/or national picture, but also assesses how the organisation has adapted to new ways of working (the 'new normal') at least for the foreseeable future.

Impact on COVID 19 on strategic focus during business interruption



3. There are a range of operational matters arising from the COVID 19 pandemic which impact upon the Governance, Risk and Internal Control arrangements and examples of such have been summarised in Appendix A. During the COVID 19 period it would be prudent for the Police and Crime Commissioner for Gwent and the Chief Constable Gwent Police to compare the policies, procedures and internal control processes in effect during the pandemic against the policies, procedures and internal control processes in effect prior to the onset of the pandemic. The matters identified should be risk assessed so as to gain awareness about where the undetected vulnerabilities that may exist so that an informed decision can be made around acceptance of such risks.

Internal Control Framework

Audits completed since the last SICA report to the Audit Committee

4. The table below sets out details of the seven audit reports issued as final since the previous meeting of the Joint Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Capital Programme	Substantial	8 th December 2020	8 th December 2020	9 th December 2020	0	0	0	0
Collaborative – Risk Management – Mitigating Controls	Reasonable	21 st October 2020 & 15 th December 2020	11 th December 2020 & 29 th December 2020	7 th January 2021	0	1	2	0
Collaborative – Fleet Management – Fuel Usage	Reasonable	16 th November 2020	8 th January 2021	11 th January 2021	0	2	2	0
Collaborative - Debtors	Reasonable	7 th December 2020	26 th January 2021	27 th January 2021	0	2	0	0
Collaborative - Payroll	Substantial	13 th January 2021	26 th January 2021	28 th January 2021	0	0	1	0
Local Policing – Property and Cash (Visit 1)	Reasonable	21 st December 2020	8 th February 2021	9 th February 2021	0	5	2	1
Collaborative Project – Office 365	Reasonable	18 th November 2020	16 th February 2021	17 th February 2021	0	5	1	0

5. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress in actioning priority 1 recommendations

6. 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.

Root Cause Indicators

7. The Root Cause Indicators (RCI) have been developed by TIAA to provide a strategic rolling direction of travel governance, risk and control assessment for Gwent Police. Each recommendation made is analysed to establish the underlying cause of the issue giving rise to the recommendation (RCI). The analysis needs to be considered over a sustained period, rather than on an individual quarter basis. Percentages, rather than actual number of reviews/recommendations made permits more effective identification of the direction of travel, however number of recommendations has been included in brackets for information. Recommendations have been categorised according to the planned quarter as shown in Appendix C.

RCI – Direction of Travel Assessment

Root Cause Indicator	Qtr. 1 (2020/21)	Qtr. 2 (2020/21)	Qtr. 3 (2020/21)	Qtr. 4 (2020/21)	Medium term Direction of Travel	Audit Observation
Directed						
Governance Framework	-	62% (5)	50% (2)	9% (2)	↓	
Risk Mitigation	-	-	-	4.5% (1)	↑	
Control Compliance	50% (1)	25% (2)	50% (2)	82% (18)	↑	Large number of recommendations relating to compliance in this quarter to date.
Delivery						
Performance Monitoring	-	13% (1)	-	-	↔	
Financial Constraint	-	-	-	4.5% (1)	↑	
Resilience	50% (1)	-	-	-	↔	
TOTAL	100% (2)	100% (8)	100% (4)	100% (22)		

Progress against the 2020/21 Annual Plan

8. **COVID 19:** The progress against the planned work for the quarter has been disrupted by the COVID pandemic. In mid-March 2020, when the potential scale and impact of COVID 19 was becoming evident it was agreed with the Police and Crime Commissioner for Gwent and the Chief Constable Gwent Police that the delivery of the internal audit service would be carried out remotely thereby minimising the need to physically access Gwent Police's offices/premises and to hold face to face meetings. Following discussions with the senior management at Gwent Police it has been agreed that some work may be undertaken on site as required and subject to the appropriate risk assessments.
9. Our progress against the Annual Plan for 2020/21 is set out in Appendix C.

Changes to the Annual Plan 2020/21

10. There are currently no changes to the plan.

Frauds/Irregularities

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

Other Matters

12. We have issued a number of briefing notes and fraud digests, shown in Appendix D, since the previous SICA report. The actions taken by Gwent Police are summarised below:

Action taken by Gwent Police in response to Alerts issued by TIAA

Briefing Note	Management Response
No new briefing notes issued since previous JAC	N/A
Fraud Alert	
Fake NHS COVID-19 Vaccination Alert	
Parking Machine Scam	

13. We have reviewed recent guidance issued by the Internal Audit Standards Advisory Board (IASAB) in relation to internal auditing during the COVID-19 pandemic. The guidance aims to support heads of internal audit and individual internal auditors in continuing to meet their personal and professional responsibilities for conforming the UK Public Sector Internal Audit Standards (PSIAS). We can confirm continued conformance with the professional standards during this period.

Responsibility/Disclaimer

14. 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.

Covid 19 – Governance, Risk and Control considerations during ‘lockdown’ phase

Area	Possible assurance from internal audit
<p>Governance: The speed of the need to respond to COVID 19 has significantly impacted on the strategic governance infrastructure:</p> <ul style="list-style-type: none"> • Urgent decisions taken for urgent operational reasons which would normally have gone through Board review and approval • Extension and rollover of procurement contracts • Disruption to management information received by the Board • Operational necessity for management dispensation to scheme of delegation and financial regulations • Move to remote working for reactive operational expediency reasons, rather than as part of a pre-planned strategy 	<p>Covid-19 Financial Governance: A review of financial governance and decision making following the business interruption caused by Covid-19, including assessing the accountability for additional spend on Covid-19 related activity.</p>
<p>Risk Management: The markers which differentiate COVID 19 pandemic from most business resilience/recovery plans are:</p> <ul style="list-style-type: none"> • Speed of major disruption to business as usual did not permit normal level of preparation • International as well UK-wide, not local • Level of government intervention • Duration and severity • Move to medium term remote working arrangements by staff and suppliers • Consequential impact upon all the previous strategic risks 	<p>Business as Usual Resumption Arrangements: Targeted post-event risk mitigation assessment to identify any unintentional gaps in the risk management framework</p>
<p>Internal Control: COVID 19 has provided the perfect storm both in a positive as well as negative manner. The positive aspects are the expeditious embracing of digital business delivery. It is recognised that a number of government and/or regulatory guidance requirements were issued at short notice and many of these were without the normal consultation and similar. On a negative basis the following need to be recognised:</p> <ul style="list-style-type: none"> • Suppliers and contractors being unable to deliver contracted services • Increased digitalisation introduced at very short notice increases information governance risks • Temporary compromise of effective segregation of duties due to staff absences and/or remote working etc • Fraudsters seeking to take advantage of COVID disruption • Deferment and/or reprioritisation of services • Sudden and significant change in demand patterns for services 	<p>COVID-19 Business Interruption Controls Framework: To review the control environment in relation to policy and process design or temporary re-design, taking into account the heightened risk of fraud and changes to ways of working.</p> <p>Accountability for Additional COVID-19 Funding: Revisiting the control framework for when emergency payments shift into longer term services – especially where large sums are invested.</p>

Executive Summaries and Management Action Plans

The following reports have been completed. Full copies of the reports are available to the Joint Audit Committee.

Review	Evaluation
Capital programme	Substantial
Collaborative Review - Risk Management – Mitigating Controls	Reasonable
Collaborative Review – Fleet Management – Fuel Usage	Reasonable
Collaborative Review - Payroll	Substantial
Collaborative Review - Debtors	Reasonable
Local Policing – Property and Cash (Visit 1)	Reasonable
Collaborative Project – Office 365	Reasonable

Progress against Annual Plan

System	Planned Quarter	Days	Current Status	Comments
Gwent specific				
Estates Management – Strategy	2	7	Final report issued 3 rd September 2020	Presented to October JAC
HR Management – Wellbeing	3	5	Final report issued 21 st October 2020	Presented to December JAC
Counter Fraud - Procurement	2	5	Final report issued 23 rd October 2020	Presented to December JAC
Corporate Communications	3	6	Final report issued 27 th November 2020	Presented to December JAC
Follow Up – Interim (Quarter 2)	3	5	Final report issued 27 th October 2020	Presented to December JAC
Expenses and additional payments	2	5	Final report issued 3 rd December 2020	Presented to December JAC
Capital Programme	3	4	Final report issued 9 th December 2020	
Local Policing – Property and Cash (Visit 1)	3	3	Final report issued 9 th February 2021	
Service Improvement Board themes	3	4	Draft report issued 4 th February 2021	
Contract Management	3	6	Fieldwork ongoing	Scoping meeting held 12 th October 2020 (cleaning service contract selected)
Performance Management	4	8	Fieldwork completed	
Local Policing – Property and Cash (Visit 2)	4	3	Deferred from March 2021 to June 2021	This will be undertaken in June 2021 as requested by management – days are being taken from Contingency.
Collaborative approach	1-4	71	N/A	See collaborative elements below
Follow up - Final (Quarter 4)	4	5	Planned 1 st February 2021	Ongoing this week
Contingency	1-4	4		Three days for Local Policing Audit (two audits undertaken)
Liaison with Audit Wales		2		
Annual Planning	1	4		

System	Planned Quarter	Days	Current Status	Comments
Annual Report	4	4		
Client Portal	1-4			
Management, Planning & Joint Audit Committee Reporting/Support	1-4	15		
Collaborative Audits – Pan Wales				
Vetting of Contractors	1	3	Final report issued 4 th September 2020	Presented to October JAC
Risk Management – Mitigating Controls	1	7	Final report issued 7 th January 2021	
Collaborative Project Review – Office 365 (part of National Enabling programme)	2	6	Final report issued 17 th February 2021	
Strategic Resource Planning	3	8	Planned 15 th March 2021	NWP – lead force
Procurement – Strategic Lead	3	4	Draft report issued 14 th January 2021	SWP – lead force
Collaborative Budgetary Control	3	6	Final report issued 22 nd January 2021	SWP – lead force
Collaborative Project Review – Early Action Together (Adverse Childhood Experiences ACE Project)	4	6	Fieldwork commenced 15 th February 2021	SWP – lead force
Collaborative Audits - Dyfed Powys, South Wales and Gwent Only:				
Fleet Management – Fuel Usage	3	6	Final report issued 28 th January 2021	
Collaborative Audits - South Wales and Gwent Only:				
General Ledger	3	5	Final report issued 27 th November 2020	Presented to December JAC
Creditors	3	6	Draft report issued 14 th December 2020	SWP is Lead Force
Debtors	3	6	Final report issued 28 th January 2021	
Payroll	3	6	Final report issued 28 th January 2021	

KEY:

To be commenced

Site work commenced

Draft report issued

Final report issued

Briefings on developments in Governance, Risk and Control

TIAA produces 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 and Fraud Alerts issued in the last three months which may be of relevance to Police and Crime Commissioner for Gwent and Chief Constable Gwent Police is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
No new Briefing Notes since previous meeting			

Summary of recent Fraud Alerts

Ref	Subject	Status	TIAA Comments
January 2021	Fake NHS COVID-19 Vaccination Alert		Action Required The alert provides information and advice to employees about fraud and economic crime, and the risks associated with it. If you have fallen victim to fraud or cyber-crime you should report it to Action Fraud by calling 0300 123 2040, or visit: https:// reporting.actionfraud. police.uk/ If you have given your bank details and think you may have lost money, contact your bank immediately.
January 2021	Parking Machine Scam		Action Required The alert provides information and advice about fraud and economic crime and the risks associated with it. If you have fallen victim to fraud or cyber-crime you should report it to Action Fraud by calling 0300 123 2040, or visit: https:// reporting.actionfraud. police.uk/ If your bank details have been compromised and you think you may have lost money, contact your bank immediately. The bank can also arrange for your card to be cancelled