



Internal Audit

DRAFT

Police and Crime Commissioner Gwent and Chief Constable Gwent Police

Audit Strategy and Annual Internal Audit Plan

2020/21

January 2020

Overview

Introduction

The Audit Plan for 2020/21 has been informed by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Emerging Themes

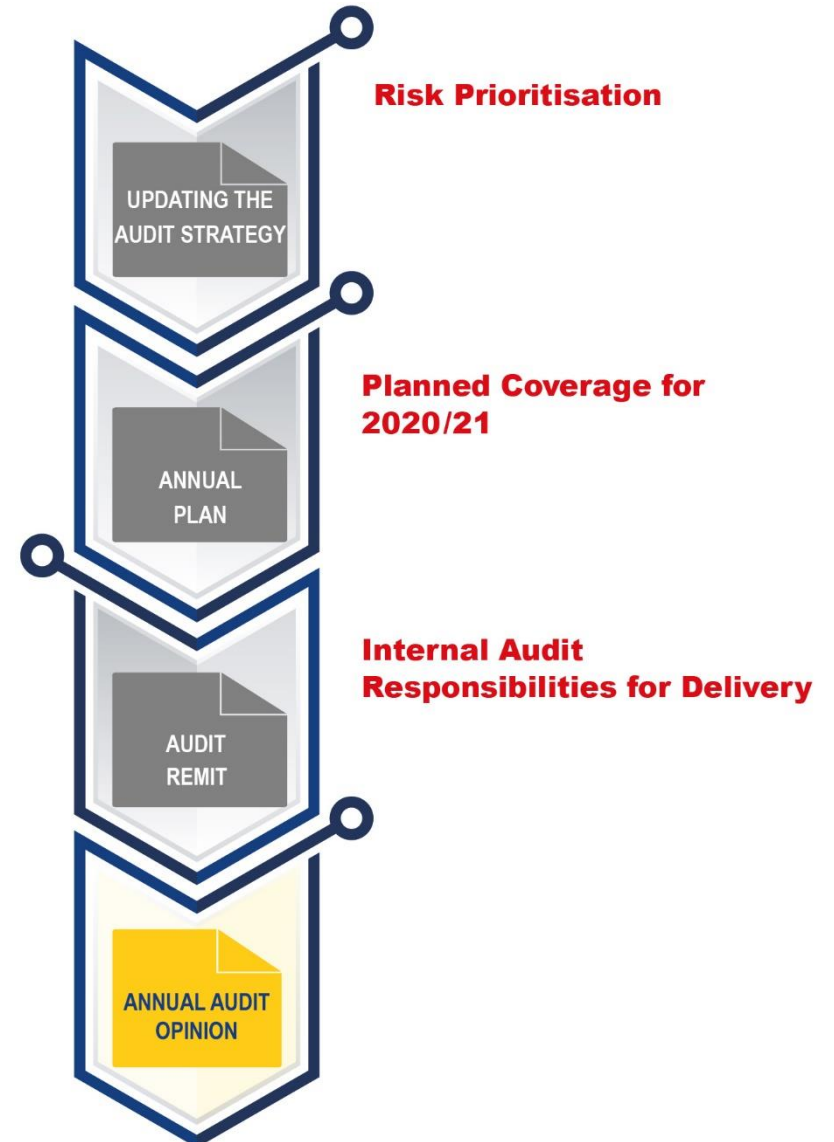
This year will be another challenging year for police forces in terms of income, regulation and pressures on service delivery. We have identified a number of key areas, which require consideration when planning internal audit coverage.

- EU Exit - There is continuing uncertainty in relation to legislation which need to be created following the UK's departure from the European Union.
- Value for Money - The requirement to achieve efficiency and effectiveness through collaborations and potential reforms.
- Health and Wellbeing - Studies have showed that work pressures and the dramatic rise in assaults on police officers are affecting the health and wellbeing of the workforce.
- Professional Standards - HMICFRS inspections have identified issues in relation to the resourcing of counter-corruption units and vetting backlogs, with Forces continuing to have problems in ensuring their workforce is properly vetted.
- Service Pressures - Potential pressures on recruitment and training services due to the government's recruitment drive for Police Officers.
- IT Security – Cybercrime continues to increase in scale and complexity.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2020/21 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

2020/21 Audit planning process



Internal Audit Plan

Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2020/21 we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the Police and Crime Commissioner Gwent and Chief Constable Gwent Police and those within the sector and has been developed with senior management and Committee. We adopt a proprietary risk based approach (GUARD) to determining your audit needs each year which includes reviewing your risk register and risk management framework, the Regulatory Framework and assessment of the Police and Crime Commissioner Gwent and Chief Constable Gwent Police. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the Police and Crime Commissioner Gwent and Chief Constable Gwent Police and those within the sector and has been developed with senior management and Committee. Our approach is based on the guidance stipulated in the Public Sector Internal Audit Standards (PSIAS).

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing the Police and Crime Commissioner Gwent and Chief Constable Gwent Police. Annex A contains the GUARD assessment of key risks which has been completed, to identify those that are most relevant to the organisation and where internal audit assurance would be best focussed.

Internal Audit Strategy Plan

Following the risk prioritisation review, the Audit Strategy has been updated (Annex B) and the Collaborative Annual Plan (Annex C) sets out the collaborative reviews and the planned reviews that will be carried out (Annex D), the planned times and the scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Joint Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of the Annual Plan includes: research, preparation and issue of terms of reference, site work, production and review of working papers and reports. The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and the Police and Crime Commissioner Gwent and Chief Constable Gwent Police. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where the Police and Crime Commissioner Gwent and Chief Constable Gwent Police agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Head of Finance and will be clearly set out in the terms of reference for the additional review(s).

Audit Remit/Charter

The Audit Remit/Charter (Annex E) formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within the Police and Crime Commissioner Gwent and Chief Constable Gwent Police and defines the scope of internal audit activities.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA's audit charter and the Public Sector Internal Audit Standards (PSIAS).

Progress Reports: Progress reports will be prepared for each Joint Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA's audit charter and the Public Sector Internal Audit Standards (PSIAS). The Annual Report will include a summary opinion of the effectiveness of the Police and Crime Commissioner Gwent and Chief Constable Gwent Police's governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

Providing Assurance

For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks will be provided. The assurance assessment process is set out in Annex F.

Liaison with the External Auditor

We will liaise with the Police and Crime Commissioner Gwent and Chief Constable Gwent Police's External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Performance

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

| Area | Performance Measure | Target |
|-------------------------|--|--------|
| Achievement of the plan | Completion of planned audits. | 100% |
| | Audits completed in time allocation. | 100% |
| Reports Issued | Draft report issued within 10 working days of exit meeting. | 95% |
| | Final report issued within 10 working days of receipt of responses. | 95% |
| Professional Standards | Compliance with TIAA's audit charter and the Public Sector Internal Audit Standards (PSIAS). | 100% |

Conflict of Interest

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and the Public Sector Internal Audit Standards (PSIAS), the Police and

Crime Commissioner Gwent and Chief Constable Gwent Police's requirements and TIAA's internal policies.

Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of the Police and Crime Commissioner Gwent and Chief Constable Gwent Police and additional time will be required to carry out such testing. The Police and Crime Commissioner Gwent and Chief Constable Gwent Police is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Joint Audit Committee Responsibility

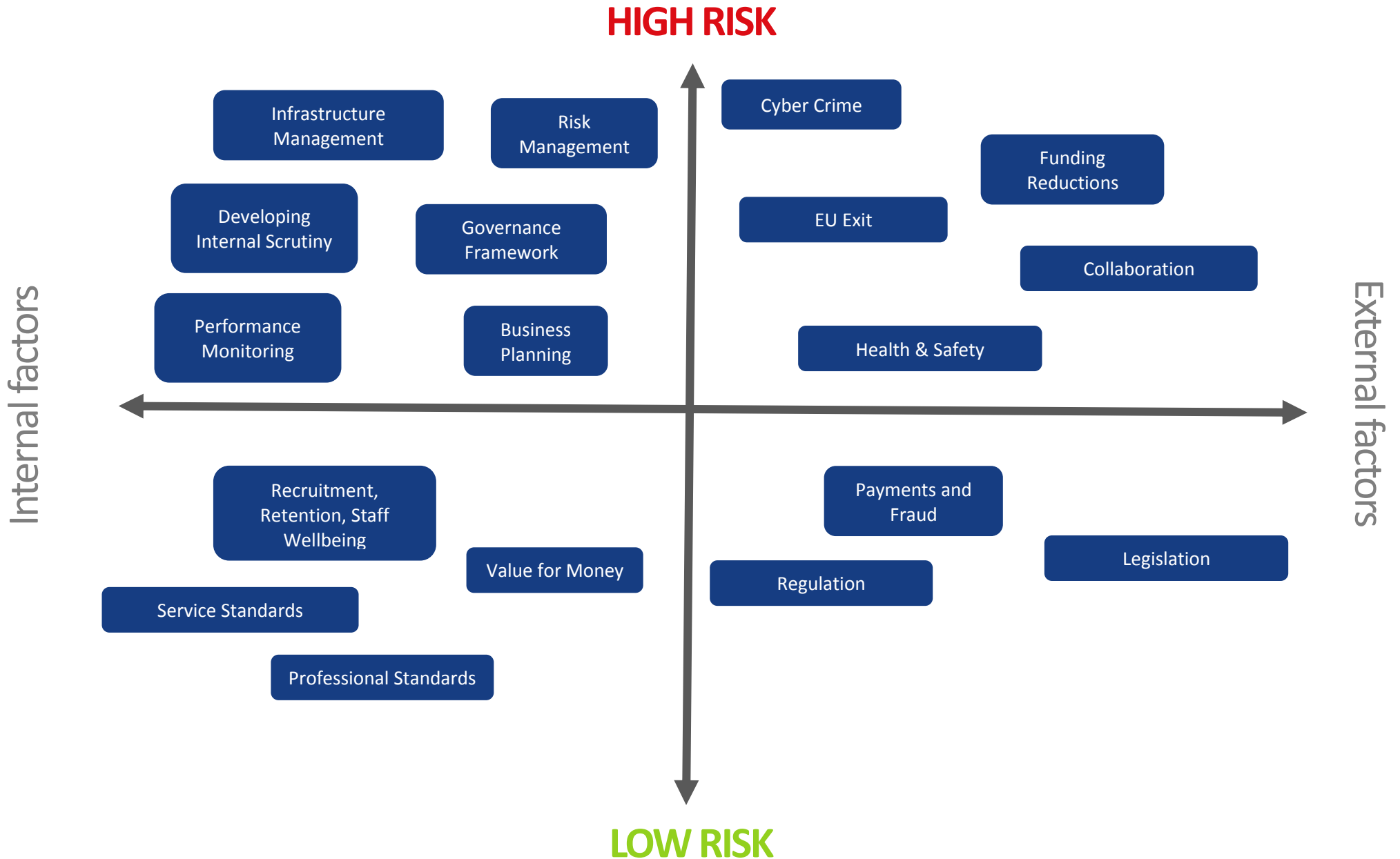
It is the responsibility of the Joint Audit Committee to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee's

requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

Release of Report

The table below sets out the history of this plan.

| | |
|--------------------------|-------------------------------------|
| Date plan issued: | 21st January 2020 |
|--------------------------|-------------------------------------|



| Review Area | Type | 2020/21 | 2021/22 | 2022/23 |
|--|------------------------|---------|---------|---------|
| Governance | | | | |
| Key governance areas will be reviewed on a rotational basis each year such as strategic planning, strategic control, regulatory compliance, performance management, board assurance framework, partnership working, management of conflicts, health and safety, subsidiary governance and third party assurances. | Assurance | ✓ | ✓ | ✓ |
| Strategic Planning | Assurance | * | | |
| Business Continuity Planning | Assurance | | 10 | |
| Governance – Data Quality | Assurance | | | 10 |
| Risk | | | | |
| A robust risk management framework is critical to all organisations to ensure risks are effectively management and emerging risks identified our cyclical annual reviews will cover embedding risk, risk identification, risk mitigation and risk workshops. | Compliance / Appraisal | ✓ | ✓ | ✓ |
| Risk Management – Mitigating Controls | Appraisal | * | 10 | 10 |
| Financial systems - Cost Control and Income Maximisation | | | | |
| Cost control, income maximisation and robust financial systems are essential to financial well-being of any organisation. Our reviews of key financial systems are designed to ensure compliance with PSIAS and help protect against potential frauds. We will carry out a high level review of key financial systems each year supported by a rolling programme of financial system reviews such as payments health check, income, payroll, budgetary control/management reporting, cost improvement planning and nominal ledger. | Assurance | ✓ | ✓ | ✓ |
| Budgetary Control | Assurance | * | 5 | 5 |
| General Ledger | Assurance | * | 5 | 5 |
| Payroll | Assurance | * | 6 | 6 |
| Creditors | Assurance | * | 6 | 6 |
| Debtors | Compliance | * | 6 | 6 |
| Pensions | Assurance | | 5 | |
| Expenses and additional payments | Assurance | 5 | | 5 |
| Treasury Management | Assurance | | 5 | |
| Fixed Assets | Appraisal | | 5 | |

| Review Area | Type | 2020/21 | 2021/22 | 2022/23 |
|--|------------------------------------|---------|---------|---------|
| Capital Programme | Assurance | 4 | | 4 |
| Counter Fraud | Assurance | 5 | 7 | 7 |
| Estate Management | | | | |
| A strong health and safety culture and need to deliver value for money requires organisations to have effective processes and controls over legislative and regulatory compliance relating to Estate Management and Health and Safety functions including water hygiene, gas safety, fire risk assessments, asbestos management and electrical safety. | Assurance | ✓ | ✓ | ✓ |
| Estate Management – Strategy | Assurance | 7 | | |
| Estate Management Delivery | Assurance | | 7 | 7 |
| Operational Performance | | | | |
| Robust management systems are key to quality service delivery and therefore our reviews will ensure there are effective controls relating to the regulatory standards. | Assurance / Compliance / Appraisal | ✓ | ✓ | ✓ |
| Fleet Management – Fuel | Compliance | * | | |
| Fleet Management – Single System | Compliance | | 5 | |
| Fleet Management – Repairs and Maintenance | Compliance | | | 5 |
| Contract Management | Assurance | 6 | 6 | 6 |
| Local Policing – Property and Cash | Compliance | 6 | 6 | 6 |
| Corporate Communications | Assurance | 6 | 6 | 6 |
| Vetting | Compliance | * | 6 | |
| Staying Ahead 8 themes | Appraisal | 4 | 10 | 10 |
| Collaborative Projects | Appraisal | * | * | * |
| Workforce | | | | |
| The largest area of expenditure of the Force responsible for the delivery of the Police and Crime Plan and the Chief Constable’s delivery plan. Audit work will include the HR Strategy; Organisational Development and the Wellbeing Strategy. | Assurance | ✓ | ✓ | ✓ |
| HR Management – Wellbeing | Assurance | 5 | | |
| HR Management – Recruitment and Training | Assurance | | 7 | |
| HR Management – Absence Management | Compliance | | | 7 |

| Review Area | Type | 2020/21 | 2021/22 | 2022/23 |
|---|-------------------------------|------------|------------|------------|
| ICT | | | | |
| ICT reviews are completed by Torfaen County Borough Council Internal Audit Services. | | X | X | X |
| Collaborative Reviews | | | | |
| See collaborative plan for details | Approach to work to be agreed | 71 | TBA | TBA |
| Follow Up | | | | |
| We will carry out a continuous follow up of internal audit recommendations utilising TIAA's client portal and recommendation tracker. Updates will be provided to each Committee. | Follow Up | 10 | 10 | 10 |
| Data Analytics & Benchmarking | | | | |
| Collaborative Approach | | ✓ | ✓ | ✓ |
| Benchmarking Topic to be agreed | - | ✓ | ✓ | ✓ |
| Management and Planning | | | | |
| Contingency | | 2 | 1 | 4 |
| Liaison with Wales Audit Office | | 2 | 2 | 2 |
| Briefings | | ✓ | ✓ | ✓ |
| Planning | - | 4 | 4 | 4 |
| Annual Report | - | 4 | 4 | 4 |
| Management | - | 15 | 15 | 15 |
| Total Days | | 156 | 159 | 150 |

*included in Collaborative Reviews

| Quarter | Audits | Type | Days | Rationale and Scope |
|---------|---------------------------------------|------------|------|---|
| 1 | Risk Management – Mitigating Controls | Compliance | 28 | <p><u>Risk</u> Selected risks.</p> <p><u>Rationale</u> Included in all Strategic Plan for 2020/21. The number of days will be split equally for this review.</p> <p><u>Scope</u> Two risks/uncertainties which are included in each the organisation’s risk registers will be selected and the effectiveness of the identified controls will be reviewed. A comparison of the listed controls and assurance in each organisation will be undertaken. 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> <p><u>Leads</u> Lead Force – South Wales</p> |
| 1 | Vetting of Contractors | Compliance | 12 | <p><u>Risk</u> Reputational and Fraud risk.</p> <p><u>Rationale</u> Inherent risk area identified. Potential for further collaboration. The number of days will be split equally for this review.</p> <p><u>Scope</u> The review will consider the contractor vetting arrangements across all four welsh forces and police and crime commissioners. The scope of the review will assess the arrangements in place, check compliance with the arrangements and compare across the organisations and identify areas for collaboration. The scope of the review does not include any other aspect of the vetting arrangements.</p> <p><u>Leads</u> Lead Force – North Wales</p> |

| Quarter | Audits | Type | Days | Rationale and Scope |
|---------|---|-----------|------|---|
| 2 | Collaborative Project Review – Office 365 (part of National Enabling programme) | Appraisal | 30 | <p><u>Risk</u> Financial and Reputational risk.</p> <p><u>Rationale</u> Pan Wales Project – Collaborative project review. The time allocation will be split according to the agreed apportionment.</p> <p><u>Scope</u> The review will appraise the effectiveness of the collaboration arrangements for the Office 365 Project. The scope of the review will also include the effectiveness of the Project Management arrangements.</p> <p><u>Leads</u> Lead Force – Gwent Police</p> |
| 2 | Collaborative Project Review – Early Action Together (Adverse Childhood Experiences ACES Project) | Appraisal | 30 | <p><u>Risk</u> Reputational risk.</p> <p><u>Rationale</u> Pan Wales Project – Collaborative project review. The time allocation will be split according to the agreed apportionment.</p> <p><u>Scope</u> The review will appraise the effectiveness of the collaboration arrangements for the Early Action Together 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> |

| Quarter | Audits | Type | Days | Rationale and Scope |
|---------|---------------------------------|-----------|------|--|
| 3 | Collaborative Budgetary Control | Assurance | 30 | <p><u>Risk</u> Financial risk.</p> <p><u>Rationale</u> Financial Risk, Collaborative Review included in each plan for 2020/21. The time allocation will be split according to the agreed apportionment.</p> <p><u>Scope</u> The review will consider the arrangements for financial control over the collaborative budget and project financial arrangements. The scope of the review will include consideration of the apportionment of collaborative costs, income generation and recharges apportionment.</p> <p><u>Leads</u> Lead Force – Dyfed Powys</p> |
| 3 | Procurement – Strategic Lead | Appraisal | 20 | <p><u>Risk</u> Financial and reputational risk</p> <p><u>Rationale</u> New collaborative area, financial risk. The time allocation will be split according to the agreed apportionment.</p> <p><u>Scope</u> The review will appraise the effectiveness of the new arrangements for delivery of a strategic lead for procurement across the Welsh Police organisations. The detailed scope for the review will be agreed at the next Joint Finance and Resources Group meeting and will include the consistency of approach across the organisations, working links with other public sector bodies, social values and learning from each other. The scope of the review will not include any aspect of the local procurement arrangements in place and will not include compliance testing.</p> <p><u>Leads</u> Lead Force – South Wales</p> |

| Quarter | Audits | Type | Days | Rationale and Scope |
|---------|---|------------|------|--|
| 3 | Strategic Resource Planning | Appraisal | 40 | <p><u>Risk</u> Reputational risk.</p> <p><u>Rationale</u> Identified as collaborative area for all organisations at the Joint Finance and Resources Group. The time allocation will be split according to the agreed apportionment.</p> <p><u>Scope</u> The review will appraise the arrangements in place at each force for strategic resource planning, considering the national initiative for recruitment of additional Police Officers. The detailed scope of the review will be agreed at the next Joint Finance and Resources Group meeting. The scope of the review will not include the overall strategic planning and the links to the Police and Crime Plan.</p> <p><u>Leads</u> Lead Force – North Wales</p> |
| 1 - 4 | Liaison with Wales Audit Office (WAO) | | 8 | This time is for liaison with the WAO as External Auditor. This will be undertaken jointly for all organisations. |
| | Dyfed Powys/South Wales and Gwent Only: | | | |
| 1 | Fleet Management – Fuel Usage | Compliance | 18 | <p><u>Risk</u> Financial risk</p> <p><u>Rationale</u> Joint fleet management arrangements. In Dyfed Powys, Gwent and South Wales plans for 2020/21. The time allocation will be split equally.</p> <p><u>Scope</u> The review will check compliance with the fuel usage arrangements in place at each organisation. Good practice and benchmarking across the three organisations will be shared as appropriate.</p> <p><u>Leads</u> Lead Force – Gwent</p> |

| Quarter | Audits | Type | Days | Rationale and Scope |
|---------|----------------------------|-----------|------|--|
| | South Wales and Gwent Only | | | |
| 3 | General Ledger | Assurance | 11 | <p><u>Risk</u> Business risk</p> <p><u>Rationale</u> Key financial risk area completed annually. Time allocation: 5 Gwent, 6 South Wales</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> <p><u>Leads</u> Lead Force – Gwent</p> |
| 3 | Payroll | Assurance | 14 | <p><u>Risk</u> Business risk</p> <p><u>Rationale</u> Key financial risk area completed annually. Time allocation: 6 Gwent, 8 South Wales</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.</p> <p><u>Leads</u> Lead Force – South Wales</p> |

| Quarter | Audits | Type | Days | Rationale and Scope |
|-------------------------------|-----------|-----------|------|--|
| 3 | Creditors | Assurance | 12 | <p><u>Risk</u> Business risk.</p> <p><u>Rationale</u> Key financial risk area completed annually. Time allocation: 6 Gwent, 6 South Wales.</p> <p><u>Scope</u> The review considers the arrangements for authorising and paying costs incurred by the organisation and the arrangement for control of the organisation's cheques and automated payments. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed.</p> <p><u>Leads</u> Lead Force – South Wales</p> |
| 3 | Debtors | Assurance | 11 | <p><u>Risk</u> Business risk.</p> <p><u>Rationale</u> Key financial risk area completed annually. Time allocation: 6 Gwent, 5 South Wales.</p> <p><u>Scope</u> The review considers the raising of debtor accounts, collection of income, receipting, storage and banking of income received by the 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.</p> <p><u>Leads</u> Lead Force - Gwent</p> |
| Total Collaborative Days | | | 264 | 198 pan Wales. |
| South Wales Police Allocation | | | 93 | Includes Fleet Usage and Two Force Finance review collaboration |
| North Wales Police Allocation | | | 50 | |
| Dyfed Powys Police Allocation | | | 50 | Includes Fleet Usage |
| Gwent Police Allocation | | | 71 | Includes Fleet Usage and Two Force Finance review collaboration |

| Quarter | Review | Type | Days | Risk, Rationale and Scope |
|---------|----------------------------------|------------|------|---|
| 1 | Counter Fraud | Appraisal | 5 | <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 tests for potential significant fraud exposures due to non-compliance with the organisation’s procurement arrangements and/or inadequate or ineffective segregation of duties. The scope of the review does not include identification of all potential fraudulent transactions.</p> |
| 1 | Capital Programme | Assurance | 4 | <p><u>Rationale</u> Key financial risk area completed bi-annually.</p> <p><u>Scope</u> The review considers the arrangements for accounting for the capital programme. The scope of the review does not include consideration of the funding arrangements or the specification of the projects.</p> |
| 1 | Estates Management – Strategy | Assurance | 7 | <p><u>Rationale</u> High area of spend.</p> <p><u>Scope</u> The review considers the effectiveness of the arrangement for the management of the fleet of vehicles used by the Force and the Police and Crime Commissioners Office.</p> |
| 1 | Contract Management | Assurance | 6 | <p><u>Rationale</u> Key risk area, a contract management review is included in each year of the plan.</p> <p><u>Scope</u> The review will consider the effectiveness of the Project and Programme management arrangements in relation to a selected contract. This should include consideration of financial viability, quality and monitoring of delivery.</p> |
| 2 | Expenses and additional payments | Compliance | 5 | <p><u>Rationale</u> Key financial risk area completed bi-annually</p> <p><u>Scope</u> The review will check compliance with the expenses and additional payments policy and procedure. The scope of the review will not include any other aspect of the Payroll arrangements.</p> |

| Quarter | Review | Type | Days | Risk, Rationale and Scope |
|---------|------------------------------------|------------|------|--|
| 2 | Local Policing – Property and Cash | Compliance | 6 | <p><u>Rationale</u> Key operational risk area.</p> <p><u>Scope</u> The review considers the arrangements for managing seized proceeds of crime (property and cash) by Financial Investigation Unit. The review will include visits to two hubs to assess the adequacy of the local arrangements.</p> |
| 2 | Corporate Communications | Assurance | 6 | <p><u>Rationale</u> Key risk area.</p> <p><u>Scope</u> The scope of the review will appraise the effectiveness of the corporate communication strategy.</p> |
| 3 | Staying Ahead 8 themes | Appraisal | 4 | <p><u>Rationale</u> Project risk, key transformational changes.</p> <p><u>Scope</u> The review will appraise the arrangements for the delivery of the Staying Ahead 8 theme project.</p> |
| 3 | HR Management – Wellbeing | Assurance | 5 | <p><u>Rationale</u> Workforce risk area.</p> <p><u>Scope</u> The review appraises the arrangements for ensuring staff wellbeing.</p> |
| 1-4 | Collaborative approach | Various | 71 | Joint contract for 20/21 onwards. Collaborative approach and projects listed in Collaborative Plan in Annex C. |
| | 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 Joint Audit Committee. |
| 1-4 | Contingency | | 2 | Contingency allowance to be used as required. |
| | Liaison with Wales Audit Office | | 2 | This time is for liaison with the WAO as External Auditor, included in Collaborative Review. |
| 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. |

| Quarter | Review | Type | Days | Risk, Rationale and Scope |
|-------------------|--|------------|------------|--|
| 1-4 | Management, Planning & Joint Audit Committee Reporting/Support | Management | 15 | This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Joint Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings). |
| Total days | | | 156 | |

Role

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the Police and Crime Commissioner Gwent and Chief Constable Gwent Police's framework of governance, risk management and control. TIAA is responsible for giving assurance to the Police and Crime Commissioner Gwent and Chief Constable Gwent Police's "Governing Body" (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the Police and Crime Commissioner Gwent and Chief Constable Gwent Police's risk management, control and governance processes.

Scope

All of the Police and Crime Commissioner Gwent and Chief Constable Gwent Police's activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that the Police and Crime Commissioner Gwent and Chief Constable Gwent Police's management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions. However, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the board, Joint Audit Committee or the nominated officer (being the post responsible for the day to day liaison with the TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of the Police and Crime Commissioner Gwent and Chief Constable Gwent Police and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems. However, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day to day administrative purposes only, TIAA reports to a nominated officer within the Police and Crime Commissioner Gwent and Chief Constable Gwent Police and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Joint Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with the Police and Crime Commissioner Gwent and Chief Constable Gwent Police's management.

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Corporate Assurance Risks

We consider four corporate assurance risks; directed; compliance; operational and reputational, and tailor the type of audit accordingly. For all types of audit we also taken into account value for money considerations and any linkages to the organisational Assurance Framework. The outcomes of our work on these corporate assurance risks informs both the individual assignment assurance assessment and also the annual assurance opinion statement. Detailed explanations of these assurance assessments are set out in full in each audit report.

Assurance Assessment Gradings

We use four levels of assurance assessment: substantial; reasonable, limited and no. Detailed explanations of these assurance assessments are set out in full in each audit report.

LEVELS OF ASSURANCE PROVIDED



Benchmarking

Where a similar review is carried out at a number of our clients we will subsequent to the completion of the review at each of the clients we will where relevant provide a benchmarking and lessons learned digest. This digest will include Operational Effectiveness Matters for the Police and Crime Commissioner Gwent and Chief Constable Gwent Police to consider.

Types of Audit Review

The Annual Plan includes a range of types of audit review. The different types of review focus on one or more of the corporate assurance risks. This approach enables more in-depth work to be carried out in the individual assignments than would be possible if all four assurance risks were considered in every review. The suite of audit reviews and how they individually and collectively enable us to inform our overall opinion on the adequacy and effectiveness of the governance, risk and control arrangements is set out in the assurance mapping diagram.

