



Internal Audit

DRAFT

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

Audit Strategy and Annual Internal Audit Plan

2021/22

February 2021

## Overview

### Introduction

The Audit Plan for 2021/22 has been informed by a risk assessment carried out across our public sector clients and 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 continue to be another challenging year for the Police and Crime Commissioner and Chief Constable in terms of funding, balancing budgets, service delivery and dealing with the ongoing impact of the COVID-19 pandemic. We have identified a number of key areas which require consideration when planning internal audit coverage.

**COVID-19:** The impact of the pandemic will carry through into 2021/22, continuing the pressure on policing resources and the knock-on effect of carried-forward leave and sickness absences. Other challenges include a backlog of cases in the criminal justice system, unreported/hidden crime and the potential need to increase the precept to mitigate any shortfall in funding.

**Transition out of the EU:** Whilst the UK and the EU have reached agreement on trade, there will be continued uncertainties around staffing and supply chains. EU, EEA or Swiss citizens will need to apply to continue living in the UK, and those arriving from January may need to apply for a visa. The recognition of professional qualifications also needs to be addressed.

**Recruitment:** The continued implementation of the Government's three-year national campaign to recruit 20,000 police officers will require significant Human Resources, Training and Development and Workforce Planning input.

**Cyber crime:** A continuing theme and Forces need to take steps to assure themselves over the robustness of their overall arrangements. The National Police Chiefs' Council has also recently identified issues of cyber risk for police pension schemes following the results of this year's TPR Annual Governance and Administration Survey.

Further analysis of the risks facing the sector can be found at Appendix A.

### Providing Assurance during the COVID-19 pandemic

We have successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. This may have resulted in gaps in control or exposures that previously didn't exist.

We have carried out extensive research to establish the Root Cause Indicators (RCI) which underpin the reasons for any weaknesses identified by our Internal Audit work in an organisation's governance, risk and control framework.

The RCIs include identifying the extent to which COVID-related factors are the cause of the identified exposure.

Further details in relation to RCIs can be found at Appendix B.

### Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2021/22 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.

## 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 2021/22, 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. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate 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 Police and Crime Commissioner Gwent and Chief Constable Gwent Police. Appendix A contains the GUARD assessment of key risks in the sector and which has been used to identify those that are most relevant to the organisation and where internal audit assurance would be best focussed. Links to specific strategic risks are also contained in the Internal Audit Strategy.

### Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix C) and the Annual Plan (Appendix D) sets out the reviews that will be carried out, the planned times and the high-level 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 reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

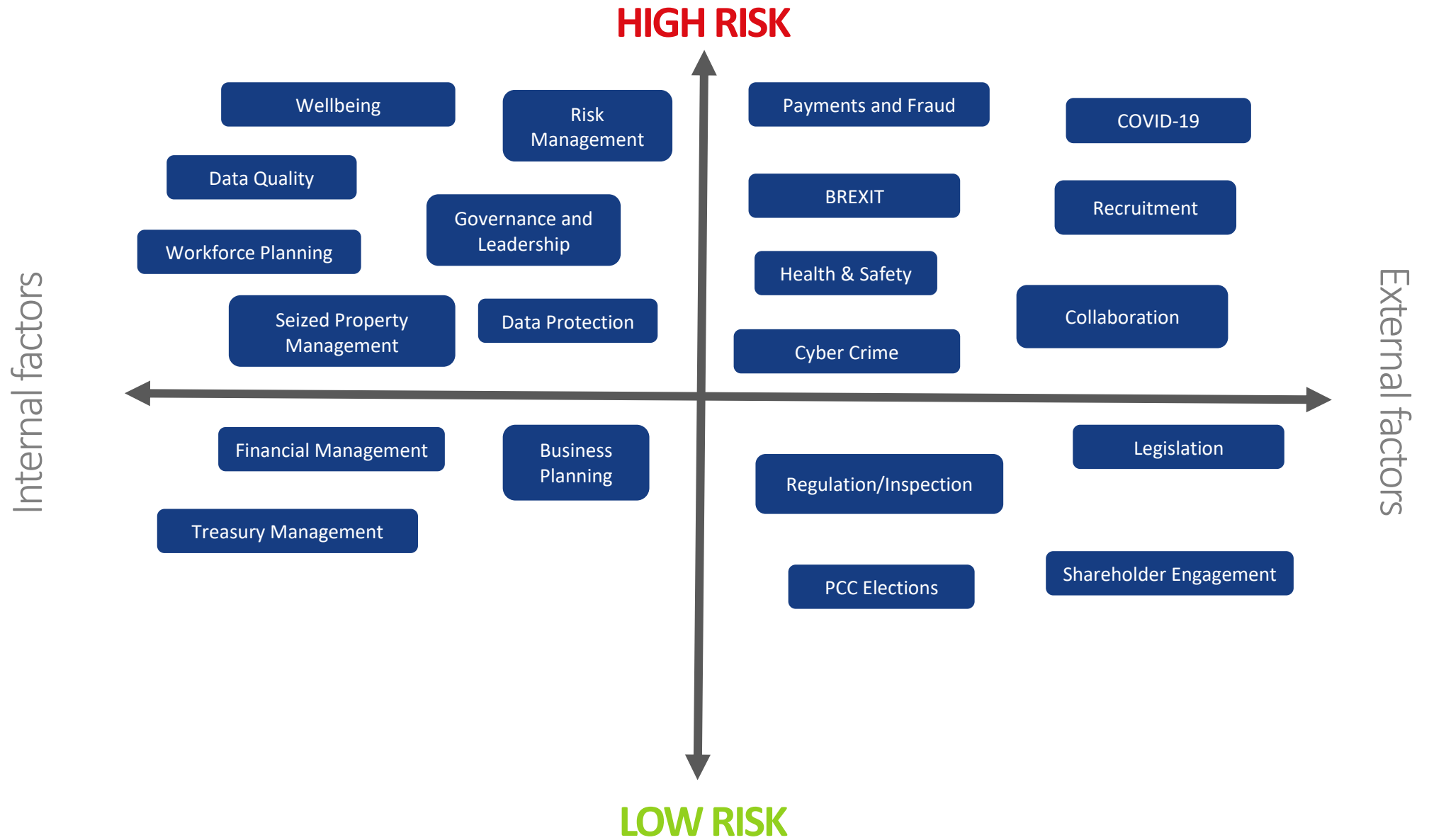
The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and the Police and Crime Commissioner for Gwent and Chief Constable Gwent Police. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where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

### Release of Report

The table below sets out the history of this plan.

<b>Date plan issued:</b>	17 <sup>th</sup> February 2021
--------------------------	--------------------------------

Appendix A: GUARD Risk Analysis



## Appendix B: Providing Assurance

### Corporate Assurance Risks

We consider two corporate assurance risks – Directed and Delivery. Underneath these corporate risks sit six Root Cause Indicators (RCI). We have carried out extensive research to establish the RCI which underpin the reasons for any weaknesses identified by our Internal Audit work in an organisation’s governance, risk and control framework. The benefits of adopting this new approach is that it enables management and Audit Committees to clearly understand and focus on the significant issues arising from our work. For each audit assignment, we will provide a RCI for each of our findings in that area.



**Directed Risk: Failure to properly direct the service to ensure compliance with the requirements of the organisation.**

Root Cause Indicator	<b>Governance Framework</b>	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.
	<b>Risk Mitigation</b>	The documented process aligns with the mitigating arrangements set out in the corporate risk register.
	<b>Compliance</b>	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.



**Delivery Risk: Failure to deliver the service in an effective manner which meets the requirements of the organisation.**

Root Cause Indicator	<b>Performance Monitoring</b>	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.
	<b>Financial Constraint</b>	The process operates within the agreed financial budget for the year.
	<b>Resilience</b>	Good practice to respond to business interruption events and to enhance economic, effective and efficient delivery is adopted.

## Appendix C: Rolling Strategic Plan

Review Area	Type	2021/22	2022/23	2023/24
<b>Governance and Risk Management</b>				
Business Continuity Recovery Planning	Assurance	10		
Data Quality	Assurance		10	
Strategic Planning	Assurance			8
Risk Management	Compliance	10	10	10
<b>ICT reviews are carried out by Torfaen County Borough Council</b>				
<b>Finance</b>				
Budgetary Control *	Assurance	5	5	5
General Ledger *	Assurance	5	5	5
Payroll *	Assurance	6	6	6
Creditors *	Assurance	6	6	6
Debtors *	Assurance	6	6	6
Pensions - All Wales Pension Board	Assurance	*		
Pensions *	Assurance	5		5
Expenses and Additional Payments	Assurance		5	
Treasury Management	Assurance	5		5
Fixed Assets	Assurance	5		5
Capital Programme	Assurance		4	
Counter-Fraud *	Compliance	7	7	7
<b>Operational Review</b>				
Estates Management - Delivery	Compliance	7	7	
Estates Management - Strategy	Assurance			7
Fleet Management – Single system Electric Vehicles *	Assurance	5		

Review Area	Type	2021/22	2022/23	2023/24
Fleet Management – Repairs and Maintenance	Assurance		5	
Fleet Management – Fuel Usage	Compliance			5
Contract Management *	Assurance	6	6	6
Local Policing – Property and Cash	Compliance	6	6	6
Vetting	Compliance	6		
Staying Ahead 8 themes	Appraisal	10	10	10
Collaborate Projects	Appraisal	*	*	*
<b>Organisation Review</b>				
HR Management – Recruitment and Training *	Assurance	7		
HR Management – Absence Management *	Assurance	7		
HR Management – Strategy	Assurance			7
<b>Collaborative Reviews</b>				
To be agreed		*	*	*
<b>Management and Planning</b>				
Follow Up	Follow Up	10	10	10
Liaison with Audit Wales	-	2	2	2
Contingency	-	-	2	2
Annual Planning	-	4	4	4
Annual Report	-	4	4	4
Audit Management	-	15	15	15
<b>Total Days</b>		<b>159</b>	<b>135</b>	<b>146</b>

\* these reviews are the suggestions from Gwent for collaborative reviews – to be agreed.

## Appendix D: Annual Plan – 2021/22

Quarter	Review	Type	Days	Risk, Rationale and Scope
1	Business Continuity Recovery Planning	Assurance	10	<p><u>Rationale</u></p> <p>Periodic review To cover the Force and the Police and Crime Commissioners Office arrangements. Lessons learned from Pandemic response.</p> <p><u>Scope</u></p> <p>The review considers how the organisations are planning to deliver for the back log of postponed work and projects due to the pandemic response across all departments. This includes consideration of the back log plans, delays in processing criminals to the court system, procurement contracts, estates programme, finance and HR and governance arrangements. The scope of the review does not include providing assurance that the business continuity planning covers all the risks faced, or that the arrangements proposed operate continuously and effectively.</p>
1	Risk Management – Reporting Mechanisms	Compliance	10	<p><u>Rationale</u></p> <p>Rolling review of Risk Management arrangements.</p> <p><u>Scope</u></p> <p>The review considers as an overview the effectiveness of the reporting mechanisms for corporate risks. To test the arrangements in place two uncertainties which are included in the organisation’s risk register 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	Review	Type	Days	Risk, Rationale and Scope
1	Counter Fraud (Anti-Fraud Procurement) *	Compliance	7	<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.</p> <p>The scope of the review does not include identification of all potential fraudulent transactions.</p> <p>Gwent Police have suggested that this review could be done on a collaborative basis with South Wales Police.</p>
1	Fleet Management – Single System Electric Vehicles *	Assurance	5	<p><u>Rationale</u> Cyclical review of Fleet Management arrangements</p> <p><u>Scope</u> The review considers the effectiveness of the collaborative arrangements for the electric vehicle programme. The scope of the review includes consideration of the initial procurement arrangements for the fleet and the ongoing running costs.</p> <p>Gwent Police have suggested that this review could be done on a collaborative basis with South Wales and Dyfed Powys Police.</p>
1	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	Pensions – All Wales Pension Board	Assurance	–	<p><u>Rationale</u> This has been suggested by Gwent Police as a four forces collaborative review. No time has yet been allocated from the 2021/22 Audit Plan.</p> <p><u>Scope</u> A new All Wales pension Board is being implemented with a Police Pension Hub. The scope of this review would consider the effectiveness of the arrangements.</p>

Quarter	Review	Type	Days	Risk, Rationale and Scope
2	Estate Management - Delivery	Compliance	7	<p><u>Rationale</u> Large area of spend, annual review.</p> <p><u>Scope</u> The review considers the delivery, monitoring and reporting of the Estate Strategy. The scope of the review will include the key performance measures in place and the delivery of the shared responsibilities of facilities management and Health and Safety.</p>
2	Vetting	Compliance	6	<p><u>Rationale</u> Risk area where efficiency and value for money could be improved.</p> <p><u>Scope</u> The review considers the efficiency and effectiveness of the arrangements in place for vetting. The review will specifically consider how and in what circumstances the vetting from other forces is relied upon for operational, Police staff and contractors.</p>
2	Staying Ahead 8 themes	Appraisal	10	<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	Pensions *	Assurance	5	<p><u>Rationale</u> Key financial risk area completed bi-annually.</p> <p><u>Scope</u> The review considers the arrangements for: the management and control of the administration of pensions. Gwent Police have suggested that this review is undertaken collaboratively with North Wales and South Wales as all organisations are using the same provider from September 2021.</p>
3	HR Management – Absence Management *	Assurance	7	<p><u>Rationale</u> Review of HR Management arrangements included in each year of the plan.</p> <p><u>Scope</u> The review considers the arrangements for: recording, reporting and monitoring absence and the arrangements in place to promote wellbeing and reduce absence. Gwent Police have suggested that this review is undertaken collaboratively with South Wales.</p>

Quarter	Review	Type	Days	Risk, Rationale and Scope
3	Budgetary Control *	Assurance	5	<p><u>Rationale</u></p> <p>Key financial risk area completed annually.</p> <p><u>Scope</u></p> <p>The review considers the budget preparation process, the monitoring arrangements, and reporting to the board.</p> <p>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> <p>Gwent Police have suggested that this review be undertaken collaboratively with South Wales Police.</p>
3	General Ledger *	Assurance	5	<p><u>Rationale</u></p> <p>Key financial risk area completed annually.</p> <p><u>Scope</u></p> <p>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>Gwent Police have suggested that this review be undertaken collaboratively with South Wales Police.</p>
3	Payroll *	Assurance	6	<p><u>Rationale</u></p> <p>Key financial risk area completed annually.</p> <p><u>Scope</u></p> <p>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>Gwent Police have suggested that this review be undertaken collaboratively with South Wales Police.</p>

Quarter	Review	Type	Days	Risk, Rationale and Scope
3	Creditors *	Assurance	6	<p><u>Rationale</u> Key financial risk area completed annually.</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>Gwent Police have suggested that this review be undertaken collaboratively with South Wales Police.</p>
3	Debtors *	Assurance	6	<p><u>Rationale</u> Key financial risk area completed annually.</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>Gwent Police have suggested that this review be undertaken collaboratively with South Wales Police.</p>
3	Treasury Management *	Assurance	5	<p><u>Rationale</u> Key Audit risk area, completed every three years.</p> <p><u>Scope</u> The review considers the arrangements for controlling the investment and borrowing arrangements; compliance with the organisation's overall policy; banking arrangements; reconciliations and the 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> <p>Gwent Police have suggested that this review be undertaken collaboratively with South Wales Police.</p>

Quarter	Review	Type	Days	Risk, Rationale and Scope
3	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 considers 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> <p>Gwent Police have suggested that this review should focus on the Joint Procurement hub commencing in September 2020 with all four forces by selecting the same type of contract for review.</p>
3	Fixed Assets *	Assurance	5	<p><u>Rationale</u> Key financial risk area completed annually.</p> <p><u>Scope</u> The review considers the identification of assets that need to be recorded in the asset register, the identification, locating and recording of assets, inventories and the disposal of assets. The review also includes consideration of departmental asset registers and the processes for reconciling these back to finance asset registers. The scope of the review does not include consideration of the purchasing, depreciation policies or insurance arrangements.</p> <p>Gwent Police have suggested that this review be undertaken collaboratively with South Wales Police.</p>
3	HR Management – Recruitment and Training*	Assurance	7	<p><u>Rationale</u> Workforce risk area.</p> <p><u>Scope</u> The review considers the arrangement for recruitment and training.</p> <p>Gwent Police have suggested that this is undertaken as a four force collaborative review.</p>
4	Follow-up	Follow up	10	<p>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.</p> <p>The work will be undertaken in in Q2 and Q4.</p>
	Liaison with Audit Wales	Management	2	This time is for liaison with Audit Wales as External Auditor.

Quarter	Review	Type	Days	Risk, Rationale and Scope
	Contingency	TBC	-	Contingency allowance to be used as required.
1	Annual Planning	Management	4	Assessing the organisation's annual audit needs.
4	Annual Report	Planning/Reporting	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	Audit Management	Planning/Reporting	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).
<b>Total days</b>			<b>159</b>	

## Appendix E: Internal Audit Charter

---

### The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within the Police and Crime Commissioner for Gwent and Chief Constable Gwent Police and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Joint Audit Committee.

### The Role of Internal Audit

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 framework of governance, risk management and control. TIAA is responsible for providing assurance to the Police and Crime Commissioner for 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 risk management, control and governance processes.

### Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

### Scope

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

### 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 for 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 for Gwent and Chief Constable Gwent Police management.

## Conflict of Interest

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.

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 internal policies, the PSIAS/IIA standards and the Police and Crime Commissioner for Gwent and Chief Constable Gwent Police's requirements.

## 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.

## 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 for Gwent and Chief Constable Gwent Police and additional time will be required to carry out such testing. The Police and Crime Commissioner for 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.

## Liaison with the External Auditor

We will liaise with the Police and Crime Commissioner for 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.



## 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 PSIAS/IIA standards.

**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.

**Follow Up Reports:** We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

**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 Global IIA standards. The Annual Report will include a summary opinion of the effectiveness of the Police and Crime Commissioner for 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.

## Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

## Performance Standards

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.	100%
	Final report issued within 10 working days of receipt of responses.	100%
Professional Standards	Compliance with TIAA’s audit charter and PSIAS/IIA Standards.	100%

## Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

## Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

## Joint Audit Committee Responsibility

It is the responsibility of the Police and Crime Commissioner for Gwent and Chief Constable Gwent Police 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.

By approving this document, the Joint Audit Committee is also approving the Internal Audit Charter.

## Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. 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. 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.