

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

## Annual Audit Letter 2023

This is our annual audit letter for the Police and Crime Commissioner for Gwent and Chief Constable of Gwent Police.

It summarises the key messages and conclusions arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

## The Police and Crime Commissioner's and Chief Constable's responsibilities

It is the Police and Crime Commissioner's (the Commissioner) and Chief Constable's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that their assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in their use of resources.

Police bodies in Wales prepare their financial statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

## My audit responsibilities and conclusions

Each year the Auditor General audits the Commissioner's and Chief Constable's financial statements to make sure that public money is being properly accounted for.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the body's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

## **The financial statements prepared by the Commissioner and Chief Constable present a true and fair view of their financial position and transactions**

The draft statements were presented for audit on 29 June 2023. This was before the deadline of 31 July 2023 set by Welsh Government.

The draft statements presented for audit were of good quality.

The Auditor General gave unqualified opinions on the financial statements on 29 November 2023, before the deadline agreed with Welsh Government of 30 November 2023. The audit was delivered later than in previous years mainly due to the impact of new auditing standard requirements. These were covered in our audit plan considered by the Joint Audit Committee on 27 July 2023.

There were a small number of changes made to the financial statements arising from our audit work, which were reported to the Joint Audit Committee in our Audit of Financial Statements Report at the meeting held on 27 November 2023.

The Annual Governance Statements and Narrative Reports accompanying the annual accounts were prepared in line with the CIPFA Code and relevant guidance. They were consistent with the financial statements and with our knowledge of Gwent Police.

## **I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in their use of resources**

My consideration of the body's arrangements to secure economy, efficiency and effectiveness has been based on:

- the audit work undertaken on the statement of accounts;
- the results of the audit work undertaken on the Commissioner's and Chief Constable's systems of internal control, as reported in the Annual Governance Statement;
- the results of other work carried out by the Auditor General including our review of collaboration of emergency services in Wales and between the four Welsh forces;
- the results of the work of other external review bodies, e.g. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), where relevant to my responsibilities; and
- any other work, including from Internal Audit, that I considered necessary to discharge my responsibilities.

For the purposes of my work, I evaluated the Commissioner's and Chief Constable's systems against a number of questions. This approach is set out in detail in **Appendix 1** to this letter. For each question, I consider whether there are gaps in the arrangements expected to be in place, and the significance of those gaps.

Based on the work I have undertaken, I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency, and effectiveness in their use of resources.

## **I issued a certificate confirming that the audit of the accounts of the Commissioner and Chief Constable have been completed on 30 November 2023**

I received no electors' questions or objections in relation to the 2022-23 audit.

Having given an audit opinion on the financial statements and concluded on the Commissioner's and Chief Constable's arrangements to secure economy, efficiency and effectiveness in its use of resources, I was able to certify that the audit was complete when I issued my audit opinion.

### **Financial audit fee**

The financial audit fee for 2022-23 is currently being reviewed and is expected to be in line with the agreed fee set out in the Detailed Audit Plan 2023.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R Harries', is positioned below the text 'Yours sincerely'.

Richard Harries  
Engagement Director  
For and on behalf of the Auditor General for Wales

# Appendix 1

## Criteria to assess arrangements for securing economy, efficiency and effectiveness in the use of resources

Exhibit 1: criteria for assessing arrangements

<b>Corporate performance management and financial management arrangements</b>	<b>Questions on arrangements</b>
<b>Establishing objectives determining policy and decision making</b>	Has the Commissioner/Chief Constable put in place arrangements for setting, reviewing and implementing their strategic and operational objectives?
<b>Meeting the needs of users, stakeholders and the local population</b>	Has the Commissioner/Chief Constable put in place channels of communication with the local population, users of the service, and other stakeholders including partners, and are there monitoring arrangements to ensure that key messages about services are taken into account?
<b>Monitoring and reviewing performance</b>	Has the Commissioner/Chief Constable put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary and reporting to the Commissioner/Chief Constable?
<b>Compliance with established policies</b>	Has the Commissioner/Chief Constable put in place arrangements to maintain a sound system of internal control, including those for ensuring compliance with laws and regulations, and internal policies and procedures?
<b>Operational and financial risks</b>	Has the Commissioner/Chief Constable put in place arrangements to manage their significant business risks?

Corporate performance management and financial management arrangements	Questions on arrangements
Managing financial and other resources	Has the Commissioner/Chief Constable put in place arrangements to evaluate and improve the value for money they achieve in their use of resources?
	Has the Commissioner/Chief Constable put in place arrangements to ensure that their spending matches their available resources?
	Has the Commissioner/Chief Constable put in place arrangements for managing and monitoring performance against budgets, taking corrective action where appropriate, and reporting the results to senior management and the Commissioner/Chief Constable?
Proper standards of conduct etc.	Has the Commissioner/Chief Constable put in place arrangements for monitoring and scrutinising performance, to identify potential variances against strategic objectives, standards and targets for taking action?
	Has the Commissioner/Chief Constable put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of their business?

# Appendix 1

<p><b>Have auditors identified any indications that proper arrangements may not be in place from a review of the following sources during the course of their normal audit work?</b></p>	<p><b>Findings and conclusion</b></p> <p><b>Based on findings below there are no indications that proper arrangements may not be in places this.</b></p>
<p><b>Audit of accounts</b></p>	<p>Unqualified opinion issued on 30 November 2023.</p>
<p><b>Internal Audit Reports - TIAA</b></p>	<p>During 2022-23 TIAA carried out 17 reviews (21 in 2021-22) which were designed to ascertain the extent to which internal controls in the system are adequate. 12 reviews (12 in 2021-22) were awarded a substantial assurance rating and one review (6 in 2021-22) were awarded a reasonable assurance rating. One review (0 in 2021-22) was awarded a limited assurance rating. Three reviews were undertaken that were advisory and did not provide an audit opinion.</p> <p>The Head of Internal Audit opinion was:</p> <ul style="list-style-type: none"><li>• The Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives.</li></ul>

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<p><b>Internal Audit Reports - Torfaen County Borough Council (TCBC)</b> Responsible for providing IA services for the Shared Resource Service (SRS) of which Gwent Police is one of five partners.</p>	<p>During 2022-23 TCBC carried out 12 reviews (9 in 2021-22). These comprised 6 system reviews (2 in 2021-22), 1 of which was assessed as substantial assurance and 5 as full assurance. 5 follow up reviews (5 in 2021-22), all assessed as full assurance and 1 consultancy review (2 in 2021-22) for which no opinion was given. These reviews led to the identification of 4 findings, 2 medium and 2 low (25 medium and 8 low in 2021-22) to improve weaknesses in the design of controls and/or operating effectiveness.</p> <p>The Head of Internal Audit's opinion was that they were satisfied that sufficient internal audit work has been undertaken to allow an overall opinion to be given as to the adequacy and effectiveness of governance, risk management and control.</p> <p>The overall opinion for 2022-23 was satisfactory, which is defined as:</p> <ul style="list-style-type: none"> <li>• A limited number of medium risk rated weaknesses may have been identified but generally only low risk rated weaknesses have been found in individual assignments; and</li> <li>• none of the individual assignment reports have been an overall report classification of either high or critical risk.</li> </ul>
<p><b>His Majesty's Inspectorate of Constabulary and Fire &amp; Rescue Services (HMICFRS) Inspection reports</b></p>	<p>In April 2023 HMICFRS issued their 2021/22 PEEL Inspection Report. The inspection assessed for how good Gwent Police is in nine areas of policing. The report sets out detailed findings about things the force is doing well and where the force should improve.</p>

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<p><b>Review of key papers e.g. strategies, plans, meeting papers, etc</b></p>	<p>A review of the key papers is carried out as part of our audit process. We consider if the Financial Statements and the Annual Governance Statement are consistent with the information we have gathered from these sources.</p>
<p><b>Budget reporting</b></p>	<p>The Medium-Term Financial Strategy 2022/23 - 2026/27 outlines budget requirements and spending expectations. This strategy is (four-year forward view) refreshed annually to ensure forthcoming funding shortfalls are identified early and corrective action taken, thus ensuring resources match planned expenditure.</p>



The Auditor General is independent of government, and was appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.