



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

**Summary Internal Controls Assurance (SICA) Report
2016/17**

INTRODUCTION

1. This summary report provides the Joint Audit Committee with an update on the progress of our work at Gwent Police as at 18th May 2017 and concludes the work for 2016/17.

PROGRESS AGAINST THE 2016/17 ANNUAL PLAN

2. Our progress against the Annual Plan for 2016/17 is set out in Appendix A. A copy of the agreed plan is included at Appendix B. Final reports have now been issued for all reviews in 2016/17.

INTERNAL CONTROL FRAMEWORK

3. The key strategic governance, risk management and control matters identified from the four reviews completed since the previous SICA are summarised in figure 1 below. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Figure 1 - Key Strategic Governance, Risk Management and Control Matters

Review	High level
Collaborative Project - Joint Legal Services	<ul style="list-style-type: none"> • The Joint Legal Service (JLS) commenced on 1st April 2010, comprising South Wales Police and Gwent Police. • A review of the service was undertaken following a five year period, the Head of Joint Legal Services confirmed that a revised collaboration agreement is being developed in light of the changes that have taken place since 2010, which primarily incorporates the revised management structure and the co-location to one office. Greater consideration is also being given to the financial arrangements within the agreement. • The collaborative service is overseen by a Joint Legal Services Board, which meet at least twice a year. • Both Forces are moving to more agile ways of working and reduced office space, which will require consideration of how hard copy paper files are to be addressed.
Follow Up	<ul style="list-style-type: none"> • The review established the management actions that have been taken in respect of the priority 1, 2 and 3 recommendations arising from internal audit reviews completed by TIAA during 2015/16 and 2016/17. The outstanding and in progress recommendations will be uploaded into the Client Portal for ongoing monitoring.

Review	High level
First Point of Contact	<ul style="list-style-type: none"> • Although performance information was being produced and analysed, an established performance framework was yet to be defined and embedded; • A formal and consistent process for disseminating performance information to operators is not in place; • The service has not been able to maintain the level of quality assurance checks anticipated, therefore plans need to be put in place to ensure that these take place. • There is a risk to the service should it lose the resource to perform the key functions and roles currently undertaken by the Quality Mentors. • The expectations of the mentoring role performed by omni-competent operators needs to be formally determined to ensure appropriate training for the role so that the guidance and support provided to operators is consistent. • Redeployment of operators to meet demand within the suite is currently not being achieved as consistently as anticipated at the outset of the project, further guidance and support needs to be provided to supervisors to enable effective demand management.
Information Management	<ul style="list-style-type: none"> • There is currently no process in place for the review and deletion of Niche data in accordance with Management of Police Information (MoPI) guidelines. • Data protection training completion levels is not being reported in accordance with the recommendations arising from the Information Commissioner’s Office review. • There are no processes in place to ensure that data held within personal and departmental drives is reviewed and deleted in accordance with MoPI and Data Protection principals. • Information Sharing Protocols need to be reviewed to determine which expired Protocols need to be renewed.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

4. At this stage we have identified no emerging strategic risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation and adversely impact our annual opinion.
5. A summary of recent briefings on developments on which TIAA have issued client briefing notes in risk/governance is given at Appendix C.

AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

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

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
Collaborative Project - Joint Legal Services	Substantial	14/02/2017	16/03/2017	16/03/2017	0	0	0	3
Follow Up	n/a	13/04/2017	13/04/2017	25/04/2017	-	-	-	-
First Point of Contact	Reasonable	12/04/2017	25/04/2017	02/05/2017	0	6	6	0
Information Management	Reasonable	26/04/2017	11/05/2017	18/05/2017	0	3	1	3

CHANGES TO THE ANNUAL PLAN 2016/17

6. The Assistant Chief Officer – Resources requested that the review of Information Management be added to the plan. There are no other changes to the plan other than changes to the timing of the reviews due to operational issues as noted in Appendix A.

FRAUDS/IRREGULARITIES

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

LIAISON

8. **Liaison with external audit:** We have ongoing liaison meetings with Wales Audit Office as required.

PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

9. 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.

RESPONSIBILITY/DISCLAIMER

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

Progress against the Annual Plan for 2016/17

System	Planned Quarter	Days	Revised Quarter	Current Status	Comments
Governance – Performance Management	1	10	3	Final report issued	
Risk Management – Board Assurance	1	10	1	Final report issued	
Risk Management – Mitigating Controls	1	2	1	Final report issued	
ICT – Internet/Email/Social Networking	1	10	-	Will not be completed	Revised to 5 days as covering Marketing and HR only. All ICT work to be completed for the Shared Business Unit by Torfaen CBC.
Internet/Email/Social Media	1	5	1	Final report issued	
Collaborative Projects - Legal	2	4	4	Final report issued	
Corporate Communications	2	3	3	Final report issued	
Counter Fraud – Learning from cases	2	7	2	Final report issued	
Budgetary Control	2	5	2	Final report issued	
Estate Management Strategy	2	7	2	Final report issued	
Fleet Management - Strategy	2	5	2	Final report issued	
HR Absence Management	2	7	2	Final report issued	
Fixed Assets	3	5	3	Final report issued	
General Ledger	3	5	3	Final report issued	
Payroll	3	5	3	Final report issued	

System	Planned Quarter	Days	Revised Quarter	Current Status	Comments
Creditors	3	5	3	Final report issued	
Debtors	3	4	3	Final report issued	
Pensions	3	5	3	Final report issued	
Expenses and other additional payments	3	5	3	Final report issued	
Finance and Resource System Implementation	3	8	3	Final report issued	
First Point of Contact	3	15	4	Final report issued	
Information Management	-	10	4	Final report issued	
Follow Up	4	10	4	Final report issued	
2016/17 Strategic Plan	1	4	1	Final report issued	
Annual Plan	1	2	1	Final report issued	
Annual Report	4	2	-	Final report issued	
Audit Protocol and liaison with WAO	1 - 4	3	-	-	
Audit Management	1-4	15	-	-	

KEY:

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

Annual Plan – 2016/17

Quarter	Audit	Type	Days	Scope and Rationale
1	Governance – Performance Management	Assurance	10	<p><u>Scope</u> The review considers the arrangements for providing assurance to the Chief Officer Groups, senior management and relevant panel and Board through the use of Key Performance Indicators and the systems that are used to track and manage the attainment of the Police and Crime Plan targets. The scope of the review does not include consideration of the accuracy or completeness of all reports presented to the committees/groups or the appropriateness of all decisions taken.</p> <p><u>Rationale</u> Key area of Governance included in each year of the Strategy.</p> <p><u>Executive Lead</u> DCC Guildford</p> <p><u>Departmental Lead</u> Ch Supt Kirk</p>
1	Risk Management – Board Assurance	Assurance	10	<p><u>Scope</u> The review considers the actions taken by the organisation to put in place and effective process for mapping the assurance received against the risks associated with the achievement of the corporate plan objectives to provide a structured internal control assurance environment including the appropriateness of the monitoring arrangements. The scope of the review does not include providing assurance that the arrangements cover all the risks facing the organisation or that the controls and/or monitors identified by the organisation are operating continuously and effectively.</p> <p><u>Rationale</u> To provide a key link between, risk, assurance, performance and the Police and Crime Plan objectives.</p>

Quarter	Audit	Type	Days	Scope and Rationale
				<p><u>Executive Lead</u> DCC Guildford</p> <p><u>Departmental Lead</u> Ch Supt Kirk</p>
1	Risk Management – Mitigating Controls	Assurance	2	<p><u>Scope</u> The review considers the organisation’s arrangements for identifying and monitoring the mitigating controls with regards to the organisation’s business significant risk map. One risk currently included in the organisation’s business significant risk map will be selected and the effectiveness of the identified controls will be reviewed. The scope of the review does not include consideration of all potential mitigating arrangements or their effectiveness in minimising the opportunities for the identified risks to occur.</p> <p><u>Rationale</u> Included in each year of the Strategic Plan to ensure that there are effective controls in place for the most significant risks. This risk selected is to be advised.</p> <p><u>Executive Lead</u> DCC Craig Guildford Chief Executive OPCC</p> <p><u>Departmental Lead</u> Chief Supt Rhiannon Kirk - Strategic Lead Staying Ahead 8</p>
1	ICT – Internet/Email/Social Networking	Assurance	10	<p><u>Scope</u> The review considers the arrangements for internet, website, social networking and e-mail security, meeting business needs, operational responsibilities, change management and physical and logical security. The scope of the review does not include consideration of e-commerce. The review will also appraise the strategy for Social Networking from a marketing and HR perspective.</p> <p><u>Rationale</u> Previous Internal Audit ICT reviews have resulted in a “Limited Assurance” assessment.</p>

Quarter	Audit	Type	Days	Scope and Rationale
				<u>Executive Lead</u> ACO-R Stephens <u>Departmental Lead</u> Paul Higgs
2	Collaborative Projects	Assurance	4	<u>Scope</u> The review will consider the arrangements for providing effective governance arrangements in a collaborative project delivered joint across Gwent, South Wales and Dyfed Powys Police. (With a total 12 days). The project to be reviewed is yet to be agreed. <u>Rationale</u> Included in the plan annually, due to the increasing number of collaborative projects. <u>Executive Lead</u> ACC Julian Williams <u>Departmental Lead</u> To be advised (Supt Tony Brown – SWP)
2	Corporate Communications	Appraisal	3	<u>Scope</u> The scope of the review will appraise the effectiveness of the corporate communication strategy. This has been brought forward from 2015/16 due to changes within the Force Communication team. The review in 2015/16 focussed on the impact of the changes in the Force on the Police and Crime Commissioner’s Office only. <u>Rationale</u> Staying Ahead 8 themes, included at the request of the ACOR. To review links to the Press Officer in the OPCC. <u>Executive Lead</u> DCC Craig Guildford <u>Departmental Lead</u> Stuart John - Head of Corporate Communications Oswyn Hughes, Communications Manager

Quarter	Audit	Type	Days	Scope and Rationale
2	Counter Fraud – Learning from cases	Compliance	7	<u>Scope</u> The review will appraise how effective the organisation is in learning from cases of internal and external fraud in the business environment. The scope of the review does not include identification of any potential fraudulent transactions.
				<u>Rationale</u> A review to test areas of exposure to fraud has been included in each year of the plan. The area for 2016/17 was requested by the Assistant Chief Officer Resources.
				<u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources <u>Departmental Lead</u> Supt Ruth Price
2	Budgetary Control	Assurance	5	<u>Scope</u> The review considers the budget preparation process, the monitoring arrangements, and reporting to the Strategy and Performance Board. The scope of the review does not include consideration of the assumptions used in preparing the budgets; depreciation policies; apportionment of central costs; or financial information included in tenders prepared by the organisation.
				<u>Rationale</u> Key Audit risk area completed annually. Particularly important due to the continued cuts in funding and preparation for new finance system.
				<u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources Darren Garwood – CFO (PCC) <u>Departmental Lead</u> Ken Chedzey – Principal Management Accountant
2	Estate Management Strategy	Appraisal	7	<u>Scope</u> The review will consider the arrangements for the preparation and development of the Estates Strategy.
				<u>Rationale</u> Limited Internal Audit coverage previously. Newly developed Estates Strategy.

Quarter	Audit	Type	Days	Scope and Rationale
				<p><u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources</p> <p><u>Departmental Lead</u> Kieran McHugh</p>
2	Fleet Management - Strategy	Appraisal	5	<p><u>Scope</u> The review will consider the arrangements for the preparation and development of the Fleet Management Strategy.</p> <p><u>Rationale</u> Significant area of spend.</p> <p><u>Executive lead</u> ACO-R Stephens</p> <p><u>Departmental Lead</u> Julie Reynolds</p>
2	HR Absence Management	Appraisal	7	<p><u>Scope</u> The review will appraise the effectiveness of the HR absence management system.</p> <p><u>Rationale</u> Key area of HR risk and loss of resources through absence.</p> <p><u>Executive Lead</u> DCC Guildford</p> <p><u>Departmental Lead</u> Neil Lewis, People Services</p>
3	Fixed Assets	Assurance	5	<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 scope of the review does not include consideration of the purchasing, depreciation policies or insurance arrangements.</p> <p><u>Rationale</u> Key financial risk area - completed on 3 year cycle.</p>

Quarter	Audit	Type	Days	Scope and Rationale
				<p><u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources</p> <p><u>Departmental Lead</u> Senior Finance Accountant – tba</p>
3	General Ledger	Assurance	5	<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>Rationale</u> Key Audit risk area completed annually. Particularly important due to the continued cuts in funding and preparation for new finance system.</p> <p><u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources Darren Garwood-Pask - CFO</p> <p><u>Departmental Lead</u> Senior Finance Accountant – tba</p>
3	Payroll	Assurance	5	<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>Rationale</u> Key Audit risk area completed annually due to large percentage of overall budget. Particularly important due to the continued cuts in funding and preparation for new finance system.</p>

Quarter	Audit	Type	Days	Scope and Rationale
				<p><u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources Darren Garwood-Pask - CFO</p> <p><u>Departmental Lead</u> Christine Wells-West - Integrated Resource Service Centre Manager</p>
3	Creditors	Assurance	5	<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>Rationale</u> Key Audit risk area completed bi-annually. Included in this year’s plan due to timing and the preparation for new finance system.</p> <p><u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources Darren Garwood-Pask - CFO</p> <p><u>Departmental Lead</u> Senior Finance Accountant – tba</p>
3	Debtors	Assurance	4	<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>Rationale</u> Key Audit risk area completed bi-annually. Included in this year’s plan due to timing and the preparation for new finance system.</p>

Quarter	Audit	Type	Days	Scope and Rationale
				<p><u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources Darren Garwood-Pask - CFO</p> <p><u>Departmental Lead</u> Senior Finance Accountant – tba</p>
3	Pensions	Assurance	5	<p><u>Scope</u> The review considers the arrangements for: the management and control of the administration of pensions.</p> <p><u>Rationale</u> Key Audit risk area completed bi-annually.</p> <p><u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources</p> <p><u>Departmental Lead</u> Senior Finance Accountant – tba</p>
3	Expenses and other additional payments	Appraisal	5	<p><u>Scope</u> The review considers the arrangements for authorising and paying allowable expenses and additional payments incurred by staff working on behalf of the organisation. 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>Rationale</u> Key Audit risk area completed bi-annually.</p> <p><u>Executive Lead</u> ACO-R Stephens</p> <p><u>Departmental Lead</u> Chris Wells-West</p>

Quarter	Audit	Type	Days	Scope and Rationale
3	Finance and Resource System Implementation	Appraisal	8	<u>Scope</u> This review has been deferred from 2015/16. Advice and guidance on the controls in the new finance system being implemented with South Wales Police will be provided throughout the year as required.
				<u>Rationale</u> Proactive review to provide advice and guidance during the new system implementation.
				<u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources <u>Departmental Lead</u> Steph Bradly, FIRMs Project Manager
3	First Point of Contact	Appraisal	15	<u>Scope</u> The review will consider the arrangements for the implementation of the First Point of Contact project. The exact scope of the review will be determined in further discussions with the Assistant Chief Officer Resources.
				<u>Rationale</u> Large Force Project and area of spend.
				<u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources
	Follow Up	F/UP	10	The review ascertains whether management action has been taken to address the Priority 1 & 2 recommendations arising from selected internal audit work carried out in the previous financial year.
1	2016/17 Strategic Plan		4	
1	Annual Plan		2	
4	Annual Report		2	
1 - 4	Audit Protocol and liaison with WAO		3	
1-4	Audit Management		15	This time includes attendance at Audit Committee meetings and overall contract management.
		Total days	163	

Briefings on Developments in Governance, Risk and Control

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

Date Issued	CBN Ref	Subject	Status	TIAA Comments
None to report to conclude 2016/17 – see 2017/18 SICA.				