

Audit of Accounts Report – Police and Crime Commissioner for Gwent and Chief Constable of Gwent Police

Audit year: 2024-25

Date issued: October 2025



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Introduction



I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of your 2024-25 Statement of Accounts for the Police and Crime Commissioner and the Chief Constable. My team have already discussed these findings with the Chief Finance Officer for the Chief Constable.

Adrian Crompton

Auditor General for
Wales

My team have substantially completed the audit work as set out in my Audit Plan dated May 2025. The remaining tasks involve:

- completion of our testing on IAS19; review of the revised Note 34; responses to our outstanding queries on the Capital

Financing Requirement (CFR) and remuneration - the information for which, was outstanding as at 20 October;

- the receipt of and our review of the revised 2024-25 Statement of Accounts for the Police and Crime Commissioner and the Chief Constable, including checking that all agreed amendments have been made and;
- the review of the revised Joint Annual Governance Statement, including checking that all agreed amendments have been made;
- the continuation of our risk assessment and planning work up to the date of audit certification; and
- final review processes to be undertaken by the Audit Manager and the Engagement Lead

A verbal update will be given to the Joint Audit Committee (JAC) on our progress at the meeting scheduled for 22 October 2025. The remaining tasks will not be resolved before the JAC meeting.

Since my Audit Plan, I have updated materiality to reflect the 2024-25 accounts. I have not identified any new audit risks. My response to previously identified risks is set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared, and give a true and fair view, in all material aspects. My proposed audit opinion and basis for it is outlined in **Appendix 3**.

It is the responsibility of the Police and Crime Commissioner for Gwent and the Chief Constable of Gwent Police to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of Gwent Police for their cooperation throughout the audit process which has been invaluable in completing this audit effectively.

Your audit at a glance



We intend to issue an **unqualified opinion** on the accounts

See [Appendix 4](#)



There is **one other significant matter** to report.

See [Audit findings](#)



There is **one uncorrected misstatement** in the accounts which we wish to draw to your attention

See [Audit findings](#)



We have raised one **recommendation** as a result of our work. The other recommendations arising from our work will be set out in an Accounts Memorandum which will be communicated with in due course.

See [Appendix 5](#)



We are aiming to certify your accounts by **31 October 2025**, which is in line with the deadline of **31 October 2025**.

Materiality

I use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and I include in this report matters that exceed my reporting threshold, as set out below:

Materiality	Reporting threshold (trivial)
Set at 1% of gross expenditure (Group, Commissioner and Chief Constable or 2% of gross expenditure (Police Pension Fund) based upon 2024-25 draft financial statements.	Set at 5% of materiality.
Group £2.551 million	Group £0.121 million
Commissioner £2.467 million	Commissioner £0.123 million
Chief Constable £2.471 million	Chief Constable £0.124 million
Police Pension Fund £1.033 million	Police Pension Fund £0.052 million

There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm lower materiality levels for these:

Remuneration Tables

£1,000

Related Party Disclosures

£10,000 (related to individual
interests)

Audit of Groups

The group accounts contain the results of the Police and Crime Commissioner for Gwent, the Chief Constable of Gwent Police and the Gwent Police Pension Fund.

This year, we were required to implement a revised auditing standard on the audit of groups. The revised standard saw us adopt a more risk-based approach, ensuring that audit procedures were tailored to address specific risks impacting the group accounts.

My team completed the audit of all components of the Group. Any issues identified from my audit of the Group are included in this report.

Audit Findings

Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

Uncorrected misstatements

We set out below the misstatements we identified in the accounts, which have been discussed with management but remain uncorrected. We request that these misstatements be corrected.

Our Letter of Representation in **Appendix 4** includes references to the misstatement and requires management to confirm that the effect of the misstatement is immaterial to the Statement of Accounts.

There is one uncorrected misstatement, above our trivial level but lower than materiality:

- Right-of-Use (ROU) assets brought forward: £1.310 million

Our review of the calculations to support the IFRS 16 transactions within the Statement of Accounts identified several errors. These included the use of incorrect borrowing rates (IBR), incorrect rental payments, the incorrect exclusion of some peppercorn leases and the use of end dates based on break periods within lease clauses for which insufficient evidence was provided to support the judgments made. The impact of these errors was quantified as a £1.310 million understatement of the Right-of-Use asset brought forward balance. This also impacted the split in short-term and long-term creditors due to changes in the lease liabilities.

We are satisfied from the additional work undertaken that we have quantified the error and the value is not material.

Due to the significant time it has taken to resolve some of these issues and the disagreement on the treatment of one lease being calculated to the end of the lease period as well as the additional time required to process the amendments to the 2024-25 Statement of Accounts, the decision was taken by management not to correct this misstatement.

Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 2**.

Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of Police and Crime Commissioner's or the Chief Constable's financial reporting process.

Aside from the one uncorrected misstatement above our trivial level but lower than materiality. The following significant issue was identified during the audit.

Quality and timeliness of audit evidence

The draft Statement of Accounts were received by us on 3 July and whilst some of the working papers were prepared in readiness for the start of the audit process, a number were not. Working papers in support of IFRS 16, provisions and remuneration notes were not received until August. Key audit documentation, like the asset ceiling considerations paper from Hymans Robertson took four weeks to be returned to us from the date of initial request.

When received, the quality of some of the working papers were not at the required standard. For instance, the working papers supporting the IFRS 16 transactions and disclosures in the accounts required several reworkings over a period of weeks yet still did not provide a considered, consistent and detailed documentation of the key judgements taken by management which underpinned the calculation of lease liabilities. A complete version of the Annual Governance Statement was not provided to us until October.

There have also been delays in responding to our audit queries across several areas of the accounts which has extended the time required for the audit and meant that some issues have only been resolved in the days

leading up to the October Joint Audit Committee meeting and some like the IFRS 16 misstatements remain unadjusted.

The additional work required to chase, challenge, review and repeat this cycle for some of this work has resulted in audit inefficiencies and additional audit fees incurred.

We are conscious that when the accounts production and audit window reduce next year, if similar issues are encountered it will prevent us from achieving the deadlines for future years.

Going forward, we will continue to work with the Force and the wider sector to review the ambition of bringing forward the audit deadline to September 2026 as part of the 2025-26 accounts audit process. In order to meet these deadlines, it will be imperative that

- the accounts and the annual governance statement are received on time,
- are of high quality and are fully supported,
- all working papers are available and have been quality assessed at the commencement of the audit and
- staff are available throughout the audit window to ensure audit queries are resolved in a timely manner.

We will pick this up as part of our audit post project learning with the finance team to assess the position for 2025-26.

Proposed audit opinion

Audit opinion

Subject to the satisfactory completion of the outstanding work as detailed in the Introduction on Page 4 we intend to issue unqualified audit opinions on this year's accounts once you have provided us with the Letters of Representation (see below).

Our proposed audit reports are set out in **Appendix 3**.

Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is required by auditing standards; other information may relate specifically to your audit.

The letters we are requesting you to sign are included in **Appendix 4** [the contents of which includes additional representations in the following areas:

- Right-of-Use assets brought forward: £1.310 million

Recommendations

We have made a recommendation during the audit, which is set out in **Appendix 4** along with management's response to the recommendation.

We will monitor progress against the recommendations during next year's audit.

Audit team and ethical compliance

The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

Exhibit 1: my local audit team

Engagement Lead Richard Harries
richard.harries@audit.wales

Audit Manager David Williams
david.williams@audit.wales

Audit Lead Carys Bates
carys.bates@audit.wales

Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

Appendix 1 – Audit risks and outcomes

My Audit Plan set out the risks of material misstatement for the audit of Police and Crime Commissioner for Gwent and Chief Constable of Gwent Police's accounts. **Exhibit 2** lists these audit risks and sets out how they were addressed as part of the audit. No additional audit risks have been identified since that need to be brought to your attention.

Exhibit 2: audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
Risk of management override The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team: <ul style="list-style-type: none">• tested the appropriateness of journal entries and other adjustments made in preparing the financial statements;• reviewed accounting estimates for bias; and• evaluated the rationale for any significant transactions outside the normal course of business.	My audit work did not identify any instances of management override of controls.

Valuation of pension scheme net liability/surplus

The Local Government Pension Scheme (LGPS) and Police Pension Scheme liabilities as reflected in the financial statements are material estimates.

The nature of these estimates mean that they are subject to a high degree of estimation uncertainty as they are sensitive to small adjustments in the assumptions used in its calculation.

The impact of economic conditions, particularly interest rate levels, also has a significant impact on the liability. Additionally, at 31 March 2024, the LGPS liability was in fact a surplus, primarily due to higher interest rates.

There are several legal cases potentially impacting on the valuation of the net liability.

There is a risk therefore that the liability surplus could be materially misstated.

The audit team:

- evaluated the instructions issued by management to their management experts (actuaries) for these estimates and the scope of the actuaries work;
- assessed the competence, capabilities and objectivity of the actuaries who carried out the valuations;
- assessed the accuracy and completeness of the information provided to the actuaries to estimate the net liabilities;
- tested the accuracy of the net liabilities/asset and disclosure in the financial statements against the actuarial report from the actuary;
- assessed the reasonableness of the assumptions made by the actuaries by reviewing the report of the consulting actuary (auditor's expert) and undertaking any additional procedures required; and

My audit work identified one misstatement which has been corrected by management – see **Appendix 2**.

- assessed whether any legal cases could have a material impact on the net liability, and if so, confirm that this has been appropriately recognised and disclosed within the financial statements.

Implementation of International Accounting Standard (IFRS) 16 – Leases

Local Government bodies are required to adopt IFRS 16 Leases from 1 April 2024.

This significantly changes the accounting treatment and disclosures required for leased assets and means that most leases will result in an asset and liability on balance sheets.

There is a risk that the requirements of the IFRS are not appropriately adopted and as a result the financial statements are materially misstated.

The audit team:

- reviewed the working papers to ensure that all leases failing within the scope of the Standard have been included in calculations;
- tested a sample of asset and liability calculations to ensure that the assumptions are reasonable, and the calculations have been correctly prepared; and
- confirmed that asset and liability values have been correctly accounted for and disclosed in the financial statements

My audit work identified several significant misstatements. Details of the unadjusted misstatement is included within the Audit Findings section off this report. Details of the corrections made are set out in **Appendix 2**.

Senior Officer

Remuneration

Remuneration paid to senior officers continues to be of high interest and is material by nature.

Therefore, there is a risk that even low value errors in the disclosure could result in a material misstatement.

The audit team

- understood the movements in the Commissioner's and Chief Constable's teams during 2024-25;
- ensured that all elements of remuneration disclosed are consistent with supporting evidence;
- ensured that amounts paid are consistent with approved pay scales; and
- ensured that disclosures are complete based on the team's knowledge and are prepared in accordance with requirements.

My audit work identified several misstatements which have been corrected by management – see **Appendix 2**.

Collaboration Arrangements

Gwent Police engage in a number of collaboration arrangements with other Welsh Police Forces. In recent years, the value of expenditure through these arrangements and the complexity of them have increased. In 2023-24, there was revenue expenditure of £15 million attributable to Gwent Police incurred through collaborative arrangements, as well as capital expenditure of £1 million incurred on the construction of the joint firearms training unit at Pencoed.

The audit team:

- reviewed the process for compiling collaborative spending and income, and redistributing costs between partners;
- confirmed the basis on which costs have been shared is appropriate; and
- substantively tested the expenditure incurred on the new joint firearms training unit during the year.

My audit work identified one misstatement which has been corrected by management – see **Appendix 2**.

Valuation of Land and Buildings

The valuations of land and buildings reflected in the balance sheet are material estimates. These estimates are subject to a high degree of subjectivity, depending on specialist assumptions and requiring the use of an external valuer (a management expert).

The audit team:

- engaged with the finance team to ensure that work is undertaken on appropriate timescales in line with the valuer's contract;
- reviewed the information provided to the valuer to undertake the valuations, to assess for completeness and accuracy;
- evaluated the competence, capabilities and objectivity of the external valuer; and
- tested a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used are reasonable, and those valuations have been correctly reflected in the financial statements.

My audit work did not identify any significant issues in relation to the work of the external valuer.

Related Party

Disclosures

The financial statements must disclose any related party relationships along with the transactions and balances between the Commissioner or Chief Constable and the other body.

The Commissioner and Chief Constable have many relationships that could be considered as related parties. Many are well known, for example, Welsh Government as funder.

However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are considered to be material by their nature.

There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value

The audit team:

- reviewed the process for identifying related party relationships and associated transactions and balances;
- undertook procedures to confirm the completeness of related party relationships; and
- ensured disclosures are complete, accurate, consistent with evidence and are in accordance with the Local Government Code.

My audit work identified one misstatement which has been corrected by management – see **Appendix 2**.

Appendix 2 – Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Exhibit 3: Summary of corrections made – Group Financial Statements

Value of correction	Accounts area	Explanation
Narrative	Note 1 – Accounting Policies The disclosure note has been updated to reflect amendments to the accounting policies in respect of: <ul style="list-style-type: none">• Cash and Cash Equivalents; and• IFRS 16 Leases. To provide additional context and detail in respect of the accounting treatment applied to each area.	To ensure that the disclosure accurately reflects the requirements of the CIPFA Code.
Narrative	Note 2 – Accounting Standards that have been issued but not yet adopted The disclosure note has been updated to reflect the accounting standard referred to in CIPFA Bulletin 19 – Closure of the 2024/25 financial statements.	To ensure that the disclosure accurately reflects the requirements of the CIPFA Code.

Narrative	Note 3 – Critical judgements in applying accounting policies The disclosure note has been revised to include additional narrative around the judgements made in respect of IFRS 16.	To ensure that the disclosure accurately reflects the requirements of the CIPFA Code.
£1.493 million £0.289 million	Note 7 - Note to the Expenditure and Funding Analysis The disclosure note has been amended to include revised figures within the 'other income' and 'other approved revenue requirements' lines	To ensure the disclosure note accurately reflects the value of the underlying transactions.
£0.518 million	Note 8 – Adjustments between Accounting Basis and Funding Basis under Regulations The disclosure note has been amended to separately show the lease liability adjustment figure of £0.518 million. A similar amendment was also made to the Capital Adjustment Account within Note 24 – Unusable Reserves .	To ensure the disclosure note accurately reflects the value of the underlying transactions.
£0.129 million	Note 11 – Financing and Investment Income and Expenditure The disclosure note has been updated to correct the value of interest payable and similar charges.	To ensure the disclosure note accurately reflects the value of the underlying transactions.

£9.109 million	Note 13 – Property, Plant and Equipment The disclosure note has been updated to correct the omission of capital commitments at the year end and narrative supporting the revaluation of depreciated replacement cost assets during the year.	To ensure the disclosure note accurately reflects the value of capital commitments at the year end.
£0.193 million	Note 13 – Property, Plant and Equipment The disclosure note has been amended to reflect the movement of two assets from Land & Buildings to Right-Of-Use Assets in line with IFRS16.	To ensure the disclosure accurately reflects the requirements of the CIPFA Code.
£0.005 million	Note 27 – Members Allowances The disclosure note has been corrected to reflect the total allowances paid to members by the PCC group.	To ensure the disclosure note provides a complete and accurate record of payments made in the year.
Narrative	Note 28 – Police Officer and Police Staff Remuneration The disclosure note has been updated to include the senior officer post of Assistant Chief Constable – All Wales Collaboration within the Relevant Senior Officers and Staff Remuneration table. A footnote was also added to the table to disclose the forces	To ensure the disclosure note provides a complete and accurate record of payments made in the year.

<p>contribution to the costs of this role.</p>		
£460	<p>Note 28 – Police Officer and Police Staff Remuneration</p> <p>The disclosure note has been amended to correct the post related pay, expenses and other payments columns within the Relevant Senior Officers and Staff Remuneration Table.</p>	To ensure the disclosure note provides a complete and accurate record of payments made in the year.
Narrative	<p>Note 28 – Police Officer and Police Staff Remuneration</p> <p>The foot notes to the relevant senior officers and staff remuneration table have been updated to correct the dates of the role of Police and Crime Commissioner.</p>	To ensure the disclosure note is complete and accurate.
Narrative	<p>Note 28 – Police Officer and Police Staff Remuneration</p> <p>The Police and Police Staff Numbers Group table has been amended to correct the number of full and part time police staff employed at 31 March 2025.</p>	To ensure the disclosure note is complete and accurate.
Narrative	<p>Note 28 – Police Officer and Police Staff Remuneration</p> <p>The Remuneration banding note has been corrected to include an additional role within the £110,000 - £115,000 banding for the PCC.</p>	To ensure the disclosure note is complete and accurate.

	<p>The note has also been revised to correct the PCC Group figures.</p>	
Narrative	<p>Note 29 – Termination Benefits The disclosure note has been updated to correct the total number of exit packages in the year. This correction impacted the banding and the categorisation of the total costs disclosed.</p>	<p>To ensure the disclosure note provides a complete and accurate record of payments made in the year.</p>
£0.450 million	<p>Note 32 – Related Parties The disclosure note was updated to correct the comparative figures disclosed for transactions with Newport County Council in 2023-24.</p>	<p>To ensure that the disclosure note is complete and accurate for all related party relationships.</p>
£2.435 million	<p>Note 33 – Capital Expenditure and Capital Financing The disclosure note has been amended to correctly include Right-of-Use (ROU) assets</p>	<p>To ensure the disclosure note complies with the requirements of IFRS 16 and the CIPFA Code.</p>
£0.518 million	<p>Note 33 – Capital Expenditure and Capital Financing The disclosure note has been amended to correctly classify the lease liability adjustment separately.</p>	<p>To ensure the disclosure note complies with the requirements of IFRS 16 and the CIPFA Code.</p>
Narrative	<p>Note 34 – Leases The disclosure note was revised to include additional narrative</p>	<p>To ensure the disclosure note complies with the</p>

	required by IFRS 16 and the CIPFA Code.	requirements of IFRS 16 and the CIPFA Code.
£0.291 million	Note 35 – Collaboration The disclosure note was revised to reflect updated gross expenditure figures from South Wales Police for three of the collaborative services.	To ensure the disclosure note correctly reflects the split of costs for collaboration services.
£3.325 million	Note 36 – Defined Benefit Pension Scheme The disclosure note was amended to correctly account for the asset ceiling adjustment provided by the actuary.	To ensure the disclosure note complies with the requirements of IFRIC 16 and the CIPFA Code
£4.180 million	Note 39 – Intra Group Adjustments The disclosure note has been updated to correct the 'creditors' and 'intra-group adjustment' figures within the balance sheet adjustments table.	To ensure the disclosure note accurately reflects the value of intra-group adjustments at the year end.
Various (no overall effect on the financial statements)	Other narrative / minor amendments Several other narrative and presentational amendments have been made to the financial statements, relating to revisions of disclosure notes, narrative changes	To ensure the accuracy of the financial statements.

Exhibit 4: Summary of correction made – Chief Constable's Financial Statements

Value of correction	Accounts area	Explanation
Narrative	Note 2 – Accounting Standards that have been issued but not yet adopted The disclosure note has been updated to reflect the accounting standard referred to in CIPFA Bulletin 19 – Closure of the 2024/25 financial statements.	To ensure that the disclosure accurately reflects the requirements of the CIPFA Code.
£0.129 million	Note 7 – Financing and Investment Income and Expenditure The disclosure note has been updated to correct the value of interest payable and similar charges.	To ensure the disclosure note accurately reflects the value of the underlying transactions.
£4.180 million	Note 8 – Intra Group Adjustments The disclosure note has been updated to correct the 'creditors' and 'intra-group adjustment' figures within the balance sheet adjustments table.	To ensure the disclosure note accurately reflects the value of intra-group adjustments at the year end.
£2.706 million	Note 8 – Intra Group Adjustments The disclosure note has been updated to correct the actuarial (gains) / losses on pension assets shown for the PCC and PCC Group.	To ensure the disclosure note accurately reflects the value of intra-group adjustments at the year end.

£0.005 million	Note 12 – Members Allowances The disclosure note has been corrected to reflect the total allowances paid to members by the PCC group.	To ensure the disclosure note provides a complete and accurate record of payments made in the year.
Narrative	Note 13 – Police Officer and Police Staff Remuneration The disclosure note has been updated to include the senior officer post of Assistant Chief Constable – All Wales Collaboration within the Relevant Senior Officers and Staff Remuneration table. A footnote was also added to the table to disclose the forces contribution to the costs of this role.	To ensure the disclosure note provides a complete and accurate record of payments made in the year.
Narrative	Note 13 – Police Officer and Police Staff Remuneration The disclosure note has been amended to correct the classification of post related pay, expenses and other payments columns within the Relevant Senior Officers and Staff Remuneration Table.	To ensure the disclosure note provides a complete and accurate record of payments made in the year.
Narrative	Note 28 – Police Officer and Police Staff Remuneration The Police and Police Staff Numbers Group table has been amended to correct the number	To ensure the disclosure note is complete and accurate.

of full and part time police staff employed at 31 March 2025.

Narrative	Note 14 – Termination Benefits The disclosure note has been updated to correct the total number of exit packages in the year. This correction impacted the banding and the categorisation of the total costs disclosed.	To ensure the disclosure note provides a complete and accurate record of payments made in the year.
£0.450 million	Note 16 – Related Parties The disclosure note was updated to correct the comparative figures disclosed for transactions with Newport County Council in 2023-24.	To ensure that the disclosure note is complete and accurate for all related party relationships.
£3.325 million	Note 17 – Defined Benefit Pension Scheme The disclosure note was amended to correctly account for the asset ceiling adjustment provided by the actuary.	To ensure the disclosure note complies with the requirements of IFRIC 16 and the CIPFA Code
£0.291 million	Note 19 – Collaboration The disclosure note was revised to reflect updated gross expenditure figures from South Wales Police for three of the collaborative services.	To ensure the disclosure note correctly reflects the split of costs for collaboration services.
Various	Other narrative/minor amendments	To ensure the accuracy of the financial statements.

(no overall effect on
the financial
statements)

Several other narrative and
presentational amendments
have been made to the financial
statements, relating to revisions
of disclosure notes, narrative
changes

Appendix 3 – Proposed audit report

The report of the Auditor General for Wales to the Police and Crime Commissioner for Gwent

Opinion on financial statements

I have audited the financial statements of the:

- Police and Crime Commissioner for Gwent;
- Police and Crime Commissioner for Gwent Group which comprises the Police and Crime Commissioner for Gwent and the Chief Constable of Gwent Police; and
- Gwent Police Pension Fund

for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

The Police and Crime Commissioner for Gwent' financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including the material accounting policies.

The Police and Crime Commissioner for Gwent' Group financial statements comprise the Group Expenditure and Funding Analysis, the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes, including the material accounting policies.

The Gwent Police Pension Fund comprises the Fund Account and Net Assets Statement and related notes including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund as at 31 March 2025 and of their income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to

determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
- The information given in the joint Annual Governance Statement of the Police and Crime Commissioner for Gwent and the Chief Constable of Gwent Police for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the joint Annual Governance Statement.

- I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:
 - I have not received all the information and explanations I require for my audit;
 - adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
 - the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including the Police and Crime Commissioner for Gwent Group financial statements and the Gwent Police Pension Fund, which give a true and fair view and comply with proper practices;

- maintain proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Police and Crime Commissioner for Gwent and the group's head of internal audit, including obtaining and reviewing supporting documentation relating to the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group's and the Gwent Police Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and bias when calculating accounting estimates;
- Obtaining an understanding of the Police and Crime Commissioner for Gwent', the Police and Crime Commissioner for Gwent Group's and the Gwent Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Police and Crime Commissioner for Gwent and the Police and Crime Commissioner for Gwent Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Joint Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditoresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Police and Crime Commissioner for Gwent, the Police and Crime Commissioner for Gwent Group and the Gwent Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
31 October 2025

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

The report of the Auditor General for Wales to the Chief Constable of Gwent Police

Opinion on financial statements

I have audited the financial statements of:

- Chief Constable of Gwent Police; and
- Gwent Police Pension Fund

for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

The Chief Constable of Gwent Police's financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet and the related notes, including the material accounting policies.

The Gwent Police Pension Fund comprises the Fund Account and Net Assets Statement and related notes including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Gwent Police and the Gwent Police Pension Fund as at 31 March 2025 and of their income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Chief Constable of Gwent Police and the Gwent Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable of Gwent Police and the Gwent Police Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
- The information given in the joint Annual Governance Statement of the Police and Crime Commissioner for Gwent and the Chief Constable of Gwent Police for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Chief Constable of Gwent Police and the Gwent Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the joint Annual Governance Statement.

- I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:
- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including the Gwent Police Pension Fund, which give a true and fair view and comply with proper practices;
- maintain proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the Chief Constable of Gwent Police's and the Gwent Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Chief Constable of Gwent Police and the Gwent Police Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Chief Constable of Gwent Police and the head of internal audit, including obtaining and reviewing supporting documentation relating to the Chief Constable of Gwent Police's and the Gwent Police Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and bias when calculating accounting estimates;
- Obtaining an understanding of the Chief Constable of Gwent Police's and the Gwent Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Chief Constable of Gwent Police operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Chief Constable of Gwent Police and the Gwent Police Pension Fund.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Joint Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating

the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Chief Constable of Gwent Police and the Gwent Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Chief Constable of Gwent Police and the Gwent Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
31 October 2025

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Appendix 4 – Letter of representation

Final Letter of Representation – Police and Crime Commissioner for Gwent

[Audited body's letterhead]

Auditor General for Wales

Wales Audit Office

1 Capital Quarter

Cardiff

CF10 4BZ

22 October 2025

Representations regarding the 2024-25 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Police and Crime Commissioner for Gwent for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; in particular the financial statements give a true and fair view in accordance therewith; and

- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Police and Crime Commissioner for Gwent and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We confirm the following specific representations made to you during the course of the audit relating:

- Right-of-Use assets brought forward: £1.310 million

Representations by the Police and Crime Commissioner for Gwent

I acknowledge that the representations made by management, above, have been discussed with me.

I acknowledge my responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. I approved the financial statements on 22 October 2025.

I confirm that we have taken all the steps that I ought to have taken in order to make myself aware of any relevant audit information and to establish that it has been communicated to you. I confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Chief Financial Officer to the Police and Crime Commissioner

Date: 22 October 2025

Signed by:

Police and Crime Commissioner for Gwent

Date: 22 October 2025

Final Letter of Representation – Chief Constable of Gwent Police

[Audited body's letterhead]

Auditor General for Wales

Wales Audit Office

1 Capital Quarter

Cardiff

CF10 4BZ

22 October 2025

Representations regarding the 2024-25 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of the Chief Constable of Gwent Police for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Chief Constable of Gwent Police and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by Chief Constable of Gwent Police

I acknowledge that the representations made by management, above, have been discussed with me.

I acknowledge my responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. I approved the financial statements on 22 October 2025.

I confirm that I have taken all the steps that I ought to have taken in order to make myself aware of any relevant audit information and to establish that it has been communicated to you. I confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Chief Financial Officer to the Chief Constable of Gwent Police

Date: 22 October 2025

Chief Constable of Gwent Police

Date: 22 October 2025

Appendix 5 – Recommendation(s)

We set out below recommendations from our audit along with your management's response to them.

1. Quality and timeliness of audit evidence

Improvements are required to the quality and timeliness of audit evidence provided to support the information contained within the Statement of Accounts.

We experienced significant delays in the provision of some working papers and responses to our audit queries. We also identified instances where the quality of the working papers and corroborating evidence including the documentation of key judgements by management was insufficient to provide sufficient assurance without additional work being undertaken.

Next year, and in future years it should be ensured that the accounts and the annual governance statement are received on time, are of high quality and are fully supported, with all working papers available and quality assessed at the commencement of the audit.

This will improve the efficiency of the audit process, reduce the number of audit queries and the time required to complete the audit.

Priority:

High

Accepted in full by management:

Accepted in part

Management response:

The working papers supporting the unaudited accounts published on 30th June 2025 were consistent with prior years and reviewed internally. The IFRS16 working papers were produced this year for the introduction of the new standard, which resulted in several iterations following audit queries. We fully recognise that these are work in progress and revisions to the

methodology will be made for the next account. We also now have a better understanding of Audit Wales's requirements and will be working with them to update this area for the 2025/26 accounts and to include this working paper on the list of audit deliverables. This will ensure that they are clear and comprehensive next year to reduce audit queries going forward.

Implementation date:

30th June 2026

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



Our People

- Selection of right team
- Use of specialists
- Supervisions and review



Arrangements for achieving audit quality

Selection of right team

• Audit platform	• Learning and development
• Ethics	• Leadership
• Guidance	• Technical support
• Culture	



Independent assurance

• EQRs	• Peer review
• Themed reviews	• Audit Quality Committee
• Cold reviews	
• Root cause analysis	• External monitoring

Supporting you

Audit Wales has a range of resources to support the scrutiny of Welsh public bodies, and to support them in continuing to improve the services they provide to the people of Wales.

Visit our website to find:



Our publications which cover our audit work at public bodies.



Information on our upcoming work and forward work programme for performance audit.



Data tools to help you better understand public spending trends.



Details of our Good Practice work and events including the sharing of emerging practice and insights from our audit work.



Our newsletter which provides you with regular updates on our public service audit work, good practice, and events.



Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

