



**Office of the Police and Crime Commissioner for Gwent and
Chief Constable Gwent Police**

Internal Audit Annual Report

2016/17

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INTRODUCTION

This is the 2016/17 Annual Report by TIAA on the internal control environment of the Office of the Police and Crime Commissioner for Gwent and Chief Constable Gwent Police. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control. This report is designed to assist the Force in making its Annual Governance Statement.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that for the areas reviewed during the year that the Office of the Police and Crime Commissioner for Gwent and Chief Constable Gwent Police has reasonable and effective risk management, control and governance processes in place. Also, there was evidence to support the achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability which must be obtained by the Police and Crime Commissioner and the Chief Constable from the various sources of assurance

INTERNAL AUDIT PLANNED COVERAGE AND OUTPUT

The 2016/17 Annual Audit Plan approved by the Joint Audit Committee was for 163 days of internal audit coverage in the year. During the year there were two changes to the work carried out, a planned review of ICT – Internet/Email/Social Networking was replaced by a review of Marketing Social Networking, to avoid overlap with the work of Torfaen County Borough Council's Internal Auditors of functions of the Shared Resource Service Wales and a review of Information Management as an additional

review was requested by the Chief Officer Resources and approved by the Joint Audit Committee.

All the planned work has been carried out and the reports have been issued (Annex A).

ASSURANCE

TIAA carried out 19 reviews and two advisory reviews (Risk Management – Board Assurance and Corporate Communications), which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Force's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	4	4
Reasonable Assurance	13	12
Limited Assurance	2	3
No Assurance	0	-

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2016/17.

Urgent	Important	Routine
0	30	30

AUDIT SUMMARY

Control weaknesses: There were two areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided ‘limited assurance’. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed	0	1	2
Compliance	0	13	14
Operational	0	13	13
Reputational	0	3	1

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
31

INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDIT

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

PERFORMANCE AND QUALITY ASSURANCE

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	100%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	95%
Compliance with Public Sector Internal Audit Standards	100%	100%

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2016 and in particular to meet the requirement of an independent 5 year review, the outcome confirmed full compliance with all

the standards. Our work also complies with the IIA-UK Professional Standards.

RELEASE OF REPORT

The table below sets out the history of this Annual Report.

Date Report issued:	18 th May 2017
Date revised report issued:	30 th June 2017

Actual against planned Internal Audit Work 2016/17

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Governance – Performance Management	Assurance	10	10	Reasonable	Final Report Issued
Risk Management – Board Assurance	Operational	10	10	No Assessment	Final Report Issued
Risk Management – Mitigating Controls	Assurance	2	2	Substantial	Final Report Issued
Marketing Social Networking	Assurance	10	5	Limited	The planned ICT – Internet/Email/Social Networking review was re-scoped to avoid overlap with SRS internal auditors. Final Report Issued.
Collaborative Project – Joint Legal Services	Assurance	4	3	Substantial	Final Report Issued
Corporate Communications	Operational	3	3	No Assessment	Final Report Issued
Counter Fraud – Learning from cases	Compliance	7	7	Substantial	Final Report Issued
Budgetary Control	Assurance	5	5	Reasonable	Final Report Issued
Estate Management Strategy	Appraisal	7	7	Reasonable	Final Report Issued
Fleet Management - Strategy	Appraisal	5	5	Reasonable	Final Report Issued
HR Absence Management	Assurance	7	7	Reasonable	Final Report Issued
Fixed Assets	Assurance	5	5	Reasonable	Final Report Issued
General Ledger	Assurance	5	5	Reasonable	Final Report Issued
Payroll	Assurance	5	5	Substantial	Final Report Issued
Creditors	Assurance	5	5	Reasonable	Final Report Issued
Debtors	Assurance	4	4	Limited	Final Report Issued
Pensions	Assurance	5	5	Reasonable	Final Report Issued
Expenses and other additional payments	Appraisal	5	5	Reasonable	Final Report Issued
Finance and Resource System Implementation	Appraisal	8	8	Reasonable	Final Report Issued
First Point of Contact	Appraisal	15	15	Reasonable	Final Report Issued

Information Management	Compliance	-	10	Reasonable	Final Report Issued
Follow Up	F/UP	10	10		Final Report Issued
2016/17 Strategic Plan		4	4		Final Report Issued
Annual Plan		2	2		Final Report Issued
Annual Report		2	2		Final Report Issued
Audit Protocol and Liaison with WAO		3	3		
Audit Management		15	15		
	Total Days	162	167		