



Gwent Police & Crime Commissioner and Chief Constable for Gwent Police

Joint Audit Committee 3 June 2019 - Update Paper

2018-19 financial statements

Interim Audit Work

We commenced our detailed planning and interim audit testing in January 2019.

Our second interim audit visit took place in March and we continued our transaction testing for the remainder of the 2018-19 financial year. As planned, we also reviewed the financial statements template as generated by CIPFAs Big Red Button to allow early review of structure, format and disclosure, and found this to be satisfactory.

During our testing of Account Payables control account reconciliations, we noted that the Sundry Creditor account reconciliation (one of twelve account payables reconciliations) had only been completed up to month 2. As control account reconciliations are a key control within financial systems, this has meant we have had to undertake additional transaction testing. The Finance Team have provided the requested information and responded to subsequent queries. We will complete this work at the start of the final accounts audit.

The Finance Team continue to work towards producing the draft financial statements by 31 May 2019 and we plan to be on site to start our final accounts audit on 3 June 2019. We will continue to work with Finance over the coming months to help ensure a smooth final accounts audit so that we have agreed final versions of the financial statements by the end of July, for approval by the JAC.

Guidance for those charged with governance when evaluating misstatements identified during the audit

We have developed a pamphlet to help those charged with governance understand the implications of misstatements and will help inform their consideration of any misstatements identified in our forthcoming reports on the financial statements. This pamphlet can be found in **Appendix 1**.

Other matters for consideration

Audit Fees

In October 2017, we published “The complex public audit fee regime in Wales – a case for change” following stakeholder consultation on simplifying the regime. The National Assembly’s Finance Committee is currently undertaking post legislative scrutiny of the Public Audit (Wales) Act 2013 and this will include our statutory arrangements for charging audit fees. We await the results of the Finance Committee’s review.

Good Practice Exchange (GPX)

The Wales Audit Office’s GPX helps public services improve by sharing knowledge and practices that work. Events are held where knowledge can be exchanged face to face and resources shared on line. The main areas of work are regarding financial management, public-sector staff and governance.

[Further information, including details of forthcoming GPX events and outputs from past seminars.](#)

Tracy Veale - Financial Audit Manager
22 May 2019