



**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 24th February 2017.

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.

INTERNAL CONTROL FRAMEWORK

3. The key strategic governance, risk management and control matters identified from the seven 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
Governance Performance Management	<p>– At the time of the review, the Force were in the process of drafting a performance management framework to support the delivery of the Police and Crime Plan and associated Delivery Plan to be launched in 2017.</p> <p>The staff resources that support the Force’s performance regime have been restructured during 2016 following a review with the intention being a streamlined centralised team. These arrangements are yet to be fully implemented with recruitment processes continuing.</p> <p>The Force acknowledges that the completion of the above activities will provide opportunity to review the forums where performance is considered and these reviews have commenced</p>
General Ledger	<p>The Sundry Debtor, Purchasing Card and Cash and Cash Equivalent control account reconciliations were not up to date at the time of the internal audit review in December 2016.</p>
Expenses and other additional payments	<p>There are generally sound arrangements in place for authorisation and payment of allowances and expenses.</p> <p>Some minor errors were identified in terms of coding of expense types and one overtime claim was found to have been input incorrectly by Payroll.</p>
Finance and Resource System Implementation	<p>There is an effective governance structure in place to manage and support the joint FIRMS implementation project.</p> <p>The South Wales Police FIRMS implementation has been successfully patched to Milestone 6.</p> <p>Detailed Business Requirements Solution Design Documents have been prepared for all areas of the FIRMS system.</p> <p>Progress against the FIRMS Project Plan is regularly reported and monitored.</p> <p>A number of key decisions contained within the Solution Design Documents have not been captured within the FIRMS Decision Log.</p> <p>Gwent Police user acceptance testing is scheduled for the financial year end when sufficient finance resources may not be available to successfully complete the testing</p>

Review	High level
Payroll	<p>There are controls in place relating to the creation, amendment and deletion of records to ensure the payment of salaries is accurate and that only approved payments are made.</p> <p>The responsibility for providing National Fraud Initiative data needs to be clarified.</p>
HR Management Absence Management	<p>Absence management arrangements are currently under review including development of a combined police officer and police staff policy and associated procedures;</p> <p>Implementation of the revised policy will require amendments to associated policies and to existing absence management documentation, and force-wide communication and instruction to embed the new practices; an action plan has been developed to identify the key tasks and priorities;</p> <p>This review identified that comprehensive arrangements are in place for monitoring, reviewing and ensuring compliance with the absence management policies through appropriate governance and reporting arrangements and maintenance and analysis of absence data and trends, and managing individual absences through <i>My Page</i>;</p> <p>Sampling testing of police officer and police staff absence management records identified instances where line managers have not fully complied with the associated procedures and it is recommended that a reminder be sent reminding them of their responsibilities.</p>
Corporate Communications	<p>A recent external recruitment exercise resulted in the appointment of a Corporate Communication and Engagement Manager to lead the restructured team.</p> <p>The newly appointed manager had commenced in post just four weeks prior to the audit visit taking place, with confirmed ideas to develop the department, which are reflected upon within the content of the report.</p> <p>In keeping with the new post holders priorities recommendations have been raised which relate to the requirement to develop a new communication plan to reflect the restructured team, the requirement to review the force's media manual, to develop an annual campaign plan and to give consideration to the evaluation process of delivered communication campaigns.</p>

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

4. We have identified no emerging risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation.

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
Governance – Performance Management	Reasonable Assurance	21/12/2016	22/12/2016	04/01/2017	0	1	1	0
General Ledger	Reasonable Assurance	05/01/2017	05/01/2017	09/01/2017	0	1	0	1
Expenses and other additional payments	Reasonable Assurance	02/02/2017	03/02/2017	03/02/2017	0	0	1	0
Finance and Resource System Implementation	Reasonable Assurance	31/01/2017	08/02/2017	13/02/2017	0	2	0	0
Payroll	Substantial Assurance	02/02/2017	10/02/2017	15/02/2017	0	0	1	0
HR Absence Management	Reasonable Assurance	20/10/2016	24/02/2017	24/02/2017	0	0	1	1
Corporate Communications	No assessment given, advisory review	03/11/2016	24/02/2017	24/02/2017	0	0	4	4

Copies of the finalised reports are provided separately to Joint Audit Committee Members.

CHANGES TO THE ANNUAL PLAN 2016/17

6. The Assistant Chief Officer – Resources requested that the review of Data Assurance be added to the plan. The fieldwork for this is currently ongoing.

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 meeting 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	Draft issued – 14 th February 2017.	
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		Final report issued	
General Ledger	3	5	3	Final report issued	

System	Planned Quarter	Days	Revised Quarter	Current Status	Comments
Payroll	3	5	3	Final report issued	
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	Fieldwork in progress	Start date 30 th January 2017 – fieldwork in progress
Data Assurance	-	10	4	Fieldwork in progress	Start date 8 th February 2017 – fieldwork in progress
Follow Up	4	10	4	Fieldwork in progress	Start date 6 th February 2017 – fieldwork in progress
2016/17 Strategic Plan	1	4	1	Final report issued	
Annual Plan	1	2	1	Final report issued	
Annual Report	4	2			
Audit Protocol and liaison with WAO	1 - 4	3			
Audit Management	1-4	15		In progress	Throughout year

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> <p><u>Executive Lead</u> DCC Guildford</p> <p><u>Departmental Lead</u> Ch Supt Kirk</p>

Quarter	Audit	Type	Days	Scope and Rationale
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> <p><u>Executive Lead</u> ACO-R Stephens</p> <p><u>Departmental Lead</u> Paul Higgs</p>

Quarter	Audit	Type	Days	Scope and Rationale
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
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.

Quarter	Audit	Type	Days	Scope and Rationale
				<p><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.</p> <p><u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources</p> <p><u>Departmental Lead</u> Supt Ruth Price</p>
2	Budgetary Control	Assurance	5	<p><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.</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 – CFO (PCC)</p> <p><u>Departmental Lead</u> Ken Chedzey – Principal Management Accountant</p>
2	Estate Management Strategy	Appraisal	7	<p><u>Scope</u> The review will consider the arrangements for the preparation and development of the Estates Strategy.</p> <p><u>Rationale</u> Limited Internal Audit coverage previously. Newly developed Estates Strategy.</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> 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>

Quarter	Audit	Type	Days	Scope and Rationale
				<p><u>Rationale</u> Key financial risk area - completed on 3 year cycle.</p> <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>
3	Finance and Resource System Implementation	Appraisal	8	<p><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.</p>

Quarter	Audit	Type	Days	Scope and Rationale
				<p><u>Rationale</u> Proactive review to provide advice and guidance during the new system implementation.</p> <p><u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources</p> <p><u>Departmental Lead</u> Steph Bradly, FIRMs Project Manager</p>
3	First Point of Contact	Appraisal	15	<p><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.</p> <p><u>Rationale</u> Large Force Project and area of spend.</p> <p><u>Executive Lead</u> Nigel Stephens – Assistant Chief Officer Resources</p>
	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
26/01/2017	CBN-17004	Public Sector – Changes to Contracting/IR35 Affecting Public Sector	For Action	Audit Committees should ensure their organisation has appropriate assurance over its plans to assess and prepare for compliance from April with the new IR35 requirements.
24/01/2017	CBN-17003	All - The Dangers of Legacy Software	For Action	<p>The following actions are key to organisation’s protection against these risks:</p> <ul style="list-style-type: none"> Identify old versions of software and operating systems which are connected to your network. Urgently replace vulnerable systems to reduce the risk of systems being hacked, data being lost or corrupted, and malware being spread. Use increased network security isolation where legacy systems cannot be replaced quickly. Notify staff to be vigilant for malware and to improve e-safety. Keep systems patched with the latest vendor updates. Review your IT operating system replacement programmes to ensure that you are planning ahead for replacement of Windows 7 estate before 14th January 2020.
04/01/2017	CBN-17002	All - Requirement to Display No Smoking Signs in Commercial Vehicles	For Possible Action	<p>Ensure the organisation has properly considered:</p> <ul style="list-style-type: none"> The duty on any person with management responsibilities for a smoke-free vehicle to ensure that at least one legible no-smoking sign is displayed in the vehicle. Introducing a smoke free policy. Training staff to understand the law and their responsibilities.
24/11/2016	CBN-16024	All - Raising Awareness of Phishing Scams and Cyber Security	For Possible Action	Share across the organisation's staff to raise awareness of the types of scams to watch out for, especially with the upcoming internet sales season.