

**Reference:** GPJAC 7 October 2020

**Date issued:** 29 September 2020

## Gwent Police & Crime Commissioner and Chief Constable for Gwent Police

### Joint Audit Committee 7 October 2020 – Update Paper

#### Impact of COVID-19

The COVID-19 national emergency has had an unprecedented impact on the UK and has had a significant impact on public bodies' preparation of the 2019-20 accounts and our audit work, both financial audit and performance audit.

In response to the government advice and subsequent restriction on movement, we stopped all on site work at audited bodies and our own offices closed. Audit Wales staff have been working from home and have continued to make whatever progress we can whilst working and engaging with audited bodies remotely in these challenging times.

In addition, we have established a **Covid-19 Learning Project** to support public sector efforts by sharing learning through the pandemic. This is not an audit project; it is intended to help prompt some thinking, and hopefully support the exchange of practice. We have produced a number of outputs as part of the project, the details of which can be found on our website. <https://audit.wales/our-work/covid-19>

#### 2019-20 financial statements

##### Final accounts audit work

Since the national lockdown due to the COVID-19 pandemic, we have maintained regular weekly contact with the Finance Team to discuss progress against the year-end closedown plan and to provide support as issues have arisen. These weekly meetings have continued throughout the duration of the final accounts audit.

Although the Finance Team experienced some delays in obtaining information from external sources, we received the draft financial statements on 10 June 2020 in accordance with the revised timeline. The draft financial statements received were complete and formatted to a good standard, a significant improvement on previous years.

Auditing remotely has been challenging, and there have been some difficult (pan England/Wales) technical issues arising which have meant that the audit has taken longer than originally planned to complete.

As at 2 October, we have substantially completed our audit.

We have also continued to monitor progress made against the recommendations included within our Management Letter that was presented to the December 2019 JAC meeting. An update of the progress being made can be found in **Appendix 1** and **2**.

## **Other matters for consideration**

### **Value for money conclusion work**

In addition to our standard audit programme for our value for money work, we undertook a more focused piece of work, reviewing the arrangements in place for securing economy, efficiency and effectiveness when undertaking collaborative working between police forces in Wales. We presented our emerging conclusions for this work to the All Wales Finance and Resources Group (AWFRG) meeting on 4 February 2020, and had planned to present our findings to the Collaboration Management Board (CMB) on 9 March 2020, prior to an All Wales Policing Group meeting on 12 March. However, the CMB was cancelled.

We presented our Audit Findings briefing to the All Wales Finance and Resources Group (AWFRG) meeting on 14 May 2020. Our Audit Findings briefing, along with a responsive Action Plan was taken to the All Wales Collaboration Board in early August, to the Welsh Chief Officers Group on 4 September and to the All Wales Policing Group on 17 September where, we understand, the work was well received.

We will present our Audit Briefing paper to the next Joint Audit Committee meeting

### **Audit Wales review of Shared Resource Service (SRS)**

This review seeks to consider whether the SRS collaboration is sustainably delivering an effective, efficient and economic provision within this dynamic environment, for now and for the future, for its partners both individually and collectively.

Work with the five partners commenced in February 2020, which involved running workshops, discussions with key personnel and gathering information. We had planned to share our findings from this review at a joint feedback and action planning workshop with each of the partners in April 2020, however, due to the COVID-19 pandemic, the Auditor General communicated to all audited bodies in April 2020, his decision to postpone all on-site performance audit work until COVID-19 restrictions are lifted. A number feedback and action planning workshops using Teams have now been rescheduled with the first being held on 24 September 2020 with the Finance and Governance Board. This will be followed by a short joint report, summarising our findings and including our proposals for improvement or recommendations where relevant at the end of the year.

### **Audit Wales review of collaboration of emergency services in Wales**

This is the first time in Wales that all emergency services have collectively been the subject of a review. This review is an opportunity to provide independent assurance that emergency services are working effectively together and are jointly making the best use of their resources to keep people, homes and businesses safe and secure.

We aim to identify opportunities for greater service integration and collaboration, whilst also highlighting potential challenges and risks. We will also compare the situation in Wales with Scotland and other comparable European nation's approaches to collaboration.

The review will primarily focus on the three main 'blue light' services but will also consider how they collaborate with allied emergency responders and council emergency planning departments. We will also consider national policy and guidance, and the range of local, regional, and national structures, collaborative and partnership architecture, and funding and delivery arrangements.

The review will seek to answer the question: Are the Police, Fire and Rescue Service and Welsh Ambulance Service Trust collaborating effectively to take a more joined up and integrated approach and improve value for money?

We plan to undertake this review in two stages.

- Stage 1 will be a primarily desktop-based review looking at what the emergency services and first responders provide, reviewing their resources, budgets, locations of fleet and assets, and identifying from where and how services currently work together.
- Stage 2 will look at options to improve resilience through better collaboration, integration and use of resources. Stage 2 will be forward looking and identify trends and proposals for collaboration which will support decisionmakers to pursue improvement opportunities.

The findings from this review will be set out in a report that will also include recommendations and comparison and commentary on emergency services in Wales. We plan to issue our report in November 2021.

## **Audit Wales study on cyber resilience**

Around 70 public bodies are taking part in the study, which aims to provide an overview of high-level arrangements for cyber resilience in Wales. The work will focus mainly at Board and senior management level and sets out to answer 'Do public sector bodies have effective cyber resilience arrangements in place, with appropriate oversight at Board and senior management level?'

For the purposes of this review, we will use the definition of 'cyber resilience' as set out in the UK National Cyber Security Strategy. This defines cyber resilience as 'the overall ability of systems and organisations to withstand cyber events and, where harm is caused, recover from them'.

The study will involve the use of self-assessment surveys and document review. Links to the surveys were issued in August to the Police and Crime Commissioner and the Chief Constable, along with the study's Terms of Reference. We plan to produce a draft report in October 2020 that summarises the findings from our work. The report will set out what good practice looks like, the results of our survey, and our views on general areas for improvement.

In line with Audit Wales's arrangements for public reporting, we will publish the report on our website once the report is finalised.

We will also consider hosting a webinar event to promote discussion of the findings of our work, and to enable shared learning of public bodies across Wales. We will publicise the webinar nearer the time.

## **Audit Wales publications**

Our publications can be accessed via <https://www.audit.wales/publications> including:

- **'Raising Our Game' - Tackling Fraud in Wales July 2020**

The sums lost annually in Wales to fraud are substantial. Figures could be anywhere between £100 million and £1 billion.

The Crime Survey for England and Wales recognises fraud as being one of the most prevalent crimes in society today. Recently, there has been an explosion in fraudulent activity, and especially in cybercrime, during the current COVID-19 pandemic.

We believe that the pandemic provides an important opportunity for the Welsh counter-fraud community to come together (by appropriate means) and reflect on the speed and effectiveness of its response to the fraudsters.

- **Rough Sleeping in Wales – Everyone's Problem; No One's Responsibility July 2020**

This report looks at how public bodies can help to end people sleeping rough in Wales.

This is the phase two work of our review of partnership working and follows on from our report looking at Public Service Boards published in October 2019.

## **Audit Wales future work programme**

<https://www.audit.wales/ein-gwaith/rhaglen-waith>

We are reviewing our work programme because of the wider COVID-19 situation. We're continuing with work in progress as far as possible, working remotely and considering the impact of our work on public bodies at this difficult time.

Some of our ongoing work includes:

- **Better law-making**

This publication will highlight common themes on the challenges of carrying out new legislation.

This is based on four of our recent local government study reports:

1. planning services,
2. the front door to adult social care,
3. public service boards, and
4. implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act.

- **Public service boards – tackling rough sleeping**

We are looking at whether public service board (PSB) partners are making a difference. Are they working together effectively, efficiently and economically to help people with complex needs?

Our work focuses on people sleeping rough in Wales. This follows on from our October 2019 review of PSBs.

## **National Fraud Initiative**

<https://www.audit.wales/our-work/national-fraud-initiative>

The National Fraud Initiative (NFI) is a biennial data-matching exercise that helps detect and prevent fraud and overpayments from the public purse across the UK.

The NFI matches data across organisations and systems to help public bodies identify fraud and overpayments. Since its commencement in 1996, NFI exercises have resulted in the detection and prevention of more than £35.4 million of fraud and overpayments in Wales and £1.69 billion across the UK.

### **NFI 2020-21**

Participants can access further information on the NFI web app including:

- a list of the responsibilities of the nominated officers at the participating body;
- details of any further requirements and returns concerning the data to be provided;
- a data protection compliance return; and
- information on how to interpret matches, and on co-operation between participating bodies.

If you are interested and want to find out more please email [national.fraud@audit.wales](mailto:national.fraud@audit.wales).

## **Good Practice Exchange (GPX)**

We continue to seek opportunities for finding and sharing good practice from all-Wales audit work through our forward planning, programme design and good practice research.

Over the last 12 months we have held the following Good Practice Exchange (GPX) events. Details of future events are available on the GPX website.

- **How technology is enabling collaborative working across public services** (October 2019)

This seminar showcased a range of digital tools and how they can improve collaboration between public services

- **Making an equal Wales a reality** (September 2019)

This seminar was the starting point of knowledge sharing and knowledge gathering around this topic over the next two years for Audit Wales.

- **Future proofing public services** (September 2019)

This webinar looked at how public services can recalibrate and think outside of their sector boundaries to achieve collective long-term change.

Tracy Veale - Audit Manager

29 September 2020

## Appendix 1 - Matters arising from the audit of the Police and Crime Commissioner (PCC) for Gwent's and Chief Constable (CC) for Gwent's 2018-19 financial statements

### Exhibit 1: final audit - as per ISA 260

| Detail   | For management to consider   | Management Response   | Progress update as at September 2020   |
|--|--|---|--|
| <b>Draft accounts quality and submission</b>   |  |   |  |
| <p><b>The draft accounts submitted for audit were not complete.</b> For example, the draft accounts did not include the Movement in Reserves Statement (MIRS), Expenditure and Funding Analysis (EFA), the Cashflow Statement and associated cashflow notes. These elements of the accounts were not received until we received Draft 2 of the financial statements, two weeks after the 31 May 2019 deadline.</p> | <p>The year-end closedown plan should be revisited to ensure the draft accounts are complete and have been through a suitably robust quality review process before the accounts are submitted for audit.</p> | <p>The year-end close-down plan has been reviewed and updated following the completion of the audit. A further review will be carried out by 31 December 2019 following the post-audit learning exercise on 30 September. The resourcing of the plan will also be considered as part of the review.</p> | <p>We received the draft 2019-20 financial statements on 10 June 2020. Due to continued lockdown restrictions we have undertaken the audit remotely, which has resulted in an extended audit window.</p> |

| Detail   | For management to consider | Management Response | Progress update as at September 2020   |
|--|----------------------------|---------------------|--|
| <p>The draft accounts had not undergone a suitably robust quality assurance review by 31 May deadline which has resulted in the audit identifying a significant number of formatting and numerical amendments.</p>   |                            |                     | <p>The draft financial statements received on 10 June 2020 were complete, and the format was much improved compared to previous years.</p>   |
| <p>The need to produce a Draft 2 of the financial statements early in the audit process, resulted in <b>key Finance Officers being sometimes unavailable for audit questions during the first two weeks of the audit which delayed audit progress.</b></p> |                            |                     | <p>As the draft financial statements received on 10 June 2020 were complete, there was no requirement to be provided with additional versions of the draft accounts.</p> <p>Prior to the start of the audit, Audit Wales and the finance team shared planned leave/meetings during the audit period.</p> |



| Detail  | For management to consider  | Management Response   | Progress update as at September 2020   |
|---|---|---|--|
| <p>In March 2019, we had fed back comments on the financial statements template which we understood would be used to produce the draft accounts. This exercise included agreeing the prior year's comparative figures. However, <b>this template was not used due to limitations with the BRB system which requires reformatting of the accounts outside of BRB every time a new version of the accounts is run.</b> As a result, the work undertaken in March had to be repeated on the draft accounts received during June.</p> | <p>Training should be arranged to ensure finance staff fully understand how to maximise the benefits of using the BRB software to prepare the financial statements.</p> | <p>BRB training has already been arranged for relevant staff within the finance team and will be completed by January 2020. This will be extended to the Audit Wales audit team to identify opportunities to improve the audit process.</p> | <p>Audit Wales audit lead received a demonstration from Jackie Glossop as to how the BRB software works.</p> <p>The finance team have told Audit Wales improvements have been made to the information within BRB which will help with this matter.</p> <p>We have not identified further issues regarding the use of BRB during the audit.</p> |
| <p><b>Working papers and staff availability</b></p>   |   |   |  |
| <p>Working papers were generally of a good standard and overall, provided a good audit trail to source information. However,</p>  | <p>Working papers to support the figures within the financial statements must be prepared in accordance with the deadlines</p>  | <p>The finance team will work with Audit Wales to improve the content and timing of</p>   | <p>An Audit Deliverables document was agreed between both parties.</p>   |

| Detail   | For management to consider  | Management Response   | Progress update as at September 2020  |
|--|---|---|---|
| <p><b>there is room for improvement in a number of working papers</b> such as remuneration and reserves.</p>   | <p>as agreed within the audit deliverables schedule. We will work with the Finance Team to revisit the audit deliverables schedule for the 2019-20, building in any scope for auditing account areas earlier.</p>               | <p>items within audit deliverables schedule for 2019/20.</p>  | <p>Due to the challenges of working under lockdown restrictions and delays in the receipt of information from third parties which was required to prepare the draft accounts, the contingency window within which to undertake a robust quality assurance review of the draft financial statements and working papers was reduced significantly. Whilst working papers continue to be of a good standard, there is still scope to improve the clarity of the audit trail between the balances within the accounts and the within the ledger</p> |
| <p>In addition, due to technical issues regarding saving working papers to the newly issued laptops in Finance, <b>not all working papers were available to us at the start of the audit in agreement with our agreed deliverables</b></p> | <p>Every effort should be made to ensure that key finance staff are available during our 'tight audit window' and an accurate schedule of finance staff availability is provided to us prior to the start of the audit. Any</p> | <p>Scheduling the availability of key finance and Audit Wales staff will be undertaken as it is key to improving the audit process.</p> | <p>Prior to the start of the audit, Audit Wales and the finance team shared planned leave/meetings during the audit period.</p>   |

| Detail  | For management to consider   | Management Response  | Progress update as at September 2020   |
|---|--|--|--|
| <p><b>schedule</b>, and finance staff were not always available to us to answer audit queries in a timely manner.</p>   | <p>changes to the schedule should be communicated to the audit team as soon as possible to avoid unnecessary delays.</p>   |  |  |
| <p><b>Amended accounts quality</b></p>  |  |  |  |
| <p>On 18 July we received amended financial statements for both the PCC Group and CC. Our review of the amended financial statements identified numerous instances where numbers and text had not been amended as expected. <b>The volume of further amendments could have been reduced had a robust quality assurance review been undertaken on the financial statements before being provided to us.</b> Further revised sets of accounts were received on 22 July containing all amendments as expected.</p> | <p>Amended financial statements must be subject to a robust quality review process to ensure that amendments have been processed as expected prior to submission to the audit team, to enable the tight deadlines to be met.</p> | <p>Late pension disclosure adjustments caused a number of late amendments. We will revisit the level of contingency within the timetable for the year-end closedown plan to mitigate this for 2019/20.</p> | <p>Following the restructure of the finance team, additional capacity has been built into the year-end closedown processes to enable a robust quality assurance review to take place. However, decisions taken by the Government in July 2020 regarding the proposed remedy in response to the McCloud judgement, caused a number of late amendments to pension disclosures for a second year running.</p> |

| Detail  | For management to consider  | Management Response  | Progress update as at September 2020   |
|---|---|--|--|
| <b>Control Account Reconciliations</b>  |   |  |  |
| <p>In our June 2019 Audit Update Briefing to Joint Audit Committee members, which was based on our March 2019 audit visit, we noted that the Sundry Creditor account reconciliation (one of 12 accounts payables reconciliations) had only been completed up to Month 2.</p> <p>As a result, we undertook additional testing of in-year and year-end transactions to ensure the expenditure and creditor balances within the draft financial statements were not materially misstated. Following completion of the sundry creditor reconciliations we found the year-end sundry creditor reconciliation was not signed off as reviewed and dated.</p> | <p>Monthly control account reconciliations must be completed promptly and thoroughly, including resolving unreconciled differences, to give assurance over year-end balances.</p> | <p>The finance team have been reminded of the importance of completion and review of control account reconciliations during the finance year.</p> <p>There is now a robust management process for oversight and authorisation.</p> | <p>As at 27 April 2020, all reconciliations were complete up to month 11, except for the VAT account, which was last reconciled at month 10.</p> <p>The position for month 12 was that all reconciliations noted on GP control account reconciliations list had been completed and reviewed in a timely manner.</p> <p>However, there remain legacy balances in some control account reconciliations that have not yet been cleared.</p> |

| Detail   | For management to consider | Management Response | Progress update as at September 2020 |
|--|----------------------------|---------------------|--------------------------------------|
| <p>In addition, during our testing of control account reconciliations, we identified the following issues:</p> <ul style="list-style-type: none"> <li>• Bank reconciliations during the year are automatically completed and no manual reconciliation is completed except at year-end. However, there was no evidence of review of these automatic reports and there are some large unmatched differences.</li> <li>• Payroll reconciliations were reviewed, however, there were significant delays in doing so, e.g. both month 3 &amp; 6 reconciliations were not reviewed until 1 March 2019.</li> <li>• VAT reconciliations were not signed off as completed and reviewed and they included a number of unreconciled items.</li> </ul> |                            |                     |                                      |

| Detail  | For management to consider  | Management Response  | Progress update as at September 2020   |
|---|---|--|--|
| <b>Treatment of Levies</b>  |   |  |  |
| <p>We raised a query with the Chief Finance Officer around the consistency of levies and whether they should be above or below the line in the Comprehensive Income and Expenditure Statement (CIES).</p> <p><b>Gwent Police includes Police National Computer costs (PNC) and the helicopter levy in its levies line which falls below the costs of services. However, discussions suggested these items relate to day to day business and should therefore be included within cost of services.</b></p> | <p>The treatment of levies should be reviewed by Gwent Police and also considered at an all-Wales level to ensure consistency of treatment across each of the four Welsh Police Forces.</p> | <p>This will be reviewed as part of the planning for the 2019/20 accounts and audit.</p> | <p>Levies have been reflected in Cost of Services within the 2019-20 draft financial statements.</p> |

| Detail   | For management to consider   | Management Response   | Progress update as at September 2020  |
|--|--|---|---|
| <b>Correction of errors in Agresso Business World (ABW)</b>  |  |   |   |
| <p>From our account payable substantive testing, <b>we identified instances where corrections had not been made in the ledger:</b></p> <ul style="list-style-type: none"> <li>• A number of VAT only invoices (Carl Furnish v Gwent Police against GL code 11516) had been input onto the ledger at their correct VAT only amount but had also been input at their net invoice value under a different transaction number. We established that the total net value of the invoices concerned was £20,812.69 which had not been corrected in the ledger.</li> <li>• Transaction 4006603 had been input onto the general ledger against code 11495 on the incorrect basis that it was</li> </ul> | <p>Consideration should be given as to whether further training on VAT accounting is needed and the need to ensure any corrective action is taken on a timely basis.</p> | <p>Further training to specific members of the finance team will be provided by January 2020 along with desk notes that will reflect the changes.</p> | <p>Interim transaction was undertaken for periods 1 to 9. Transaction testing for the remainder of the year was undertaken during the final accounts audit. A number of issues have been identified and some amendments to the accounts will be required. These will be detailed within the ISA260 Report that will be presented to the Joint Audit Committee meeting at the end of September</p> |

| Detail  | For management to consider   | Management Response                        | Progress update as at September 2020  |
|---|--|--|---|
| <p>vatable. This £56,681.92 understatement of expenditure was flagged to the client during our interim testing in February 2019, however no corrective action was taken until 12 July 2019.</p>     |  |  |   |
| <b>Related Party Note</b>   |  |  |   |
| <p>Our audit testing of the related party note identified several omissions, including a missed related party disclosure and the need to include debtors and creditors for all related parties.</p> | <p>The related party note should include all related parties and should be fully compliant with the Code requirements.</p> | <p>This will be addressed for 2019/20.</p> | <p>We are satisfied that we have obtained sufficient information to support the related parties' disclosures.</p> |



| Detail   | For management to consider                                       | Management Response   | Progress update as at September 2020 |
|--|--|---|--------------------------------------|
| <b>FIRMS Service Level Agreement (SLA)</b>   |  |   |                                      |
| <p>There is still no SLA in place for FIRMS support which may give rise to risks around data protection, backup or access rights issues. We have been monitoring this position over the past year however an SLA remains outstanding. We acknowledge there have been changes in the leadership of the FIRMS team with a new Project Manager taking up position in February 2019.</p> | <p>A FIRMS SLA should be put in place with immediate effect.</p> | <p>A draft S22a agreement has been produced that is under review by Joint Legal Services for approval at the Digital Services Division (DSD) Gold meeting in December 2019.</p> | <p>The SLA is now in place.</p>      |

## Appendix 2 – Progress of prior-year recommendations (pre-2018-19)

Exhibit 3: progress of prior-year recommendations

| Detail  | For management to consider   | Management Response   | Status as at 2018-19 audit   | Management Response           |
|---|--|---|--|-------------------------------|
| <b>Accounts quality and submission</b>  |  |   |  |                               |
| <p>The draft accounts were not appropriately formatted and incomplete due to the first time use of CIPFA's Big Red Button. The draft accounts were also submitted to us after the agreed timetable. It was evident that the draft accounts had not been through a robust quality review process before being submitted to us for audit.</p> <p>In addition, the draft accounts contained, and the final amended accounts still contained, numerous rounding errors. We understand that these rounding errors were created by the Big Red Button, and despite many attempts to rectify them, the</p> | <p>Finance need to reconsider their close-down plan following the issues encountered this year ensuring enough time is built in for a robust quality review process before the accounts are submitted to us for audit.</p> | <p>A full review and update of the closure plan will be completed before 31 December 2018. Sufficient time will be included in the plan for a robust quality assurance review of the draft financial statements by senior managers.</p> <p>Target Date:<br/>31 December 2018.</p> | <p><b>Ongoing</b></p> <p>This has not been fully implemented as similar issues have arisen during our 2018-19 audit. This recommendation has therefore been superseded by the 2018-19 recommendation in <b>Appendix 1</b> above.</p> | <p>See <b>Appendix 1</b>.</p> |

| Detail   | For management to consider  | Management Response  | Status as at 2018-19 audit   | Management Response           |
|--|---|--|--|-------------------------------|
| Finance Team have been unable to do so.  |   |  |  |                               |
| <b>Working papers and staff availability</b>   |   |  |  |                               |
| <p>Working papers were of a good standard and, overall, provided a good audit trail to source information. However, the working papers were not submitted to us in line with our agreed deliverables schedule but on a request basis.</p> <p>In addition, we were not made fully aware of all annual leave and other work commitments of the Finance Team. As a result, we could not effectively plan our work to ensure that the required finance officers were available when needed.</p> <p>Further problems arose due to the fact that audit queries could only be resolved by the staff responsible for individual account areas. This led to further delays in receiving working</p> | <p>Audit Wales will look to revisit our deliverables schedule for the 2018-19 audit process building in any scope for auditing account areas earlier following discussions with Finance.</p> <p>Finance need to ensure they sign up and deliver on the working paper deadlines as agreed.</p> <p>In addition, Finance need to ensure every effort is made that key finance staff are available during our 'tight audit window' and an accurate availability</p> | <p>We will work with Audit Wales to ensure the deliverables schedule reflects an agreed list of working papers, as well as the key contacts for individual areas and their availability during the accounts/audit process.</p> <p>Target Date: 31 January 2019</p> | <p><b>Ongoing</b></p> <p>This has not been fully implemented as similar issues have been experienced during our 2018-19 audit. This recommendation has therefore been superseded by the 2018-19 recommendation in <b>Appendix 1</b> above.</p> | <p><b>See Appendix 1.</b></p> |

| Detail   | For management to consider   | Management Response   | Status as at 2018-19 audit  | Management Response                                       |
|--|--|---|---|---|
| papers and information when staff were not available.  | schedule of finance staff is provided on the outset of the audit to allow us to plan our work around this.   |   |   |   |
| <b>Finance Staff Training</b>  |  |   |   |   |
| <p>Finance staff had not received the appropriate level of training regarding the new financial system. A number of difficulties arose as part of the implementation of the new Agresso Business World (ABW) finance system during the year, for example, relating to the scheme of delegation and the processing of invoices. Finance staff involved in the original implementation of ABW have since left and this loss of knowledge has put additional pressure on the Finance Team. Inexperience amongst the remaining Finance Team was evident when reports to enable reconciliations</p> | <p>Finance staff need to ensure they are adequately trained in respect of new systems, notably ABW and CIPFA's BRB to aid future year's accounts production. Desk instructions should also be updated following implementation of new systems.</p> | <p>PwC are currently mapping the processes within the finance systems and we will be supplementing these process maps with additional notes where necessary. All finance staff will be briefed on the account's closedown process and timetable for 2019/20.</p> <p>This briefing will include the working papers and reports required from BW and the BRB to</p> | <p><b>Partially Completed</b><br/>The Finance team have invested time to improve the mapping and knowledge amongst the finance team for the production of the 2018-19 accounts.</p> | <p><b>See Appendix 1 in relation to BRB training.</b></p> |

| Detail   | For management to consider  | Management Response   | Status as at 2018-19 audit   | Management Response           |
|--|---|---|--|-------------------------------|
| <p>were not run at the appropriate time and could not be reworked due to the live nature of the system.</p>  |   | <p>support the production of the accounts.<br/>Target Date: 31 March 2018</p>   |  |                               |
| <p><b>Control Account Reconciliations</b></p>  |   |   |  |                               |
| <p>In our June 2018 Audit Update Briefing to Joint Audit Committee members, which was based on our March 2018 audit visit, we highlighted that control account reconciliations had not been completed during the year. Although the Finance Team were able to complete the accounts receivable reconciliations retrospectively, this was not possible for the year-end accounts payable reconciliation. The new finance system is a live system and no report was run as at 31 March 2018 to enable the accounts payable reconciliation to take place. As a result, we</p> | <p>It is important, going forward, that the finance team implement robust internal controls to ensure that monthly reconciliations are completed promptly and thoroughly to give assurance over year-end balances.<br/>Finance need to ensure suitable evidence of timely review of control account reconciliations is implemented.</p> | <p>The monthly task plan list includes a sheet to track the production and review of control account reconciliations throughout the year. This sheet will be updated at each month end to record that reconciliations are taking place and have been reviewed.<br/>Target Date: 30 September 2018</p> | <p><b>Partially Completed</b><br/>All reconciliations, except for the Sundry Creditor control account, were completed during 2018-19. However, some issues were identified during our audit testing which have been reflected in our recommendations in <b>Appendix 1</b> above.</p> | <p><b>See Appendix 1.</b></p> |

| Detail  | For management to consider  | Management Response   | Status as at 2018-19 audit   | Management Response  |
|---|---|---|--|--|
| <p>undertook additional testing of year-end transactions to ensure the creditor balances within the draft financial statements were not materially misstated.</p> <p>Control account reconciliations were also not printed and signed off by preparer or by reviewer, therefore little evidence that they had in fact been reviewed by the Head of Finance.</p> |   |   |  |  |
| <b>Journals</b>   |   |   |  |  |
| <p>ABW includes a feature to allow supporting schedules for journals raised to be saved in the system with the journal. This feature however is not currently used. Staff store journal workings within a series of folders on the Gwent Police server.</p>   | <p>Finance should ensure all supporting documentation to journals raised is stored in ABW, in order to improve the audit trail.</p> | <p>Staff will be reminded of the need to attach relevant supporting documentation to transactions within BW.<br/>Target Date: 31 March 2018<br/>Status: Ongoing</p> | <p><b>Ongoing</b><br/>This feature is currently not being fully utilised by finance staff.<br/>Training should be arranged to ensure finance staff understand how to</p> | <p><b>Implemented</b><br/>A desk note was produced in February 2020 to remind staff of the need to attach relevant supporting documentation to transactions within BW. The desk note</p> |

| Detail  | For management to consider | Management Response | Status as at 2018-19 audit  | Management Response  |
|---|----------------------------|---------------------|---|--|
| <p>Our audit experience has found that it is more time consuming obtaining this information from the Gwent Police server rather than ABW.</p> |                            |                     | <p>fully maximise the benefits of using the BRB software to prepare the financial statements.</p> | <p>was signed off by a finance staff to confirm they had read and understood it. Since then, all staff have been attaching backing documentation to journals within BW rather than saving it on the shared area.</p> |