



Internal Audit

FINAL

Police and Crime Commissioner for Gwent and the Chief Constable Gwent Police

Summary Internal Controls Assurance (SICA) Report

2020/21

November 2020

Summary Internal Controls Assurance

Introduction

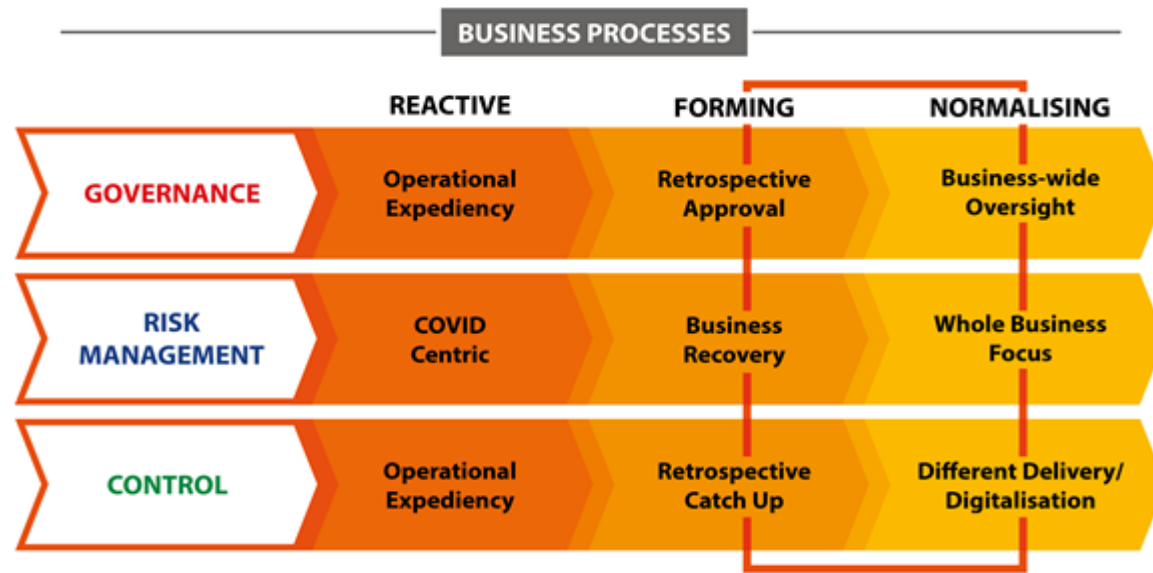
1. This summary report provides the Joint Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at the Police and Crime Commissioner Gwent and the Chief Constable Gwent Police as at 25th November 2020. The period covered by this summary controls assurance report was significantly impacted by the COVID 19 pandemic.

Emerging Governance, Risk and Internal Control Related Issues

2. COVID 19 is the most significant recent event to impact both strategically and operationally upon modern day Governance, Risk and Internal Control arrangements. It is clear that there has been and will continue to be a number of phases in relation to the move through the pandemic, and that the local and national picture can worsen as well as improve. Each phase has different implications for Governance, Risk and Internal Control arrangements, however, the way in which organisations have transitioned to revised ways of working is not necessarily directly linked to the local or national picture.

The diagrams in the table below signify the assessment of the current local and/or national picture, but also assesses how the organisation has adapted to new ways of working (the 'new normal') at least for the foreseeable future.





- There are a range of operational matters arising from the COVID 19 pandemic which impact upon the Governance, Risk and Internal Control arrangements and examples of such have been summarised in Appendix A. During the COVID 19 period it would be prudent for the Police and Crime Commissioner Gwent and the Chief Constable Gwent Police to compare the policies, procedures and internal control processes in effect during the pandemic against the policies, procedures and internal control processes in effect prior to the onset of the pandemic.. The matters identified should be risk assessed so as to gain awareness about where the undetected vulnerabilities that may exist so that an informed decision can be made around acceptance of such risks.

Internal Control Framework

Audits completed since the last SICA report to the Audit Committee

- Two audit reports have been finalised since the previous meeting. The table below sets out details of audit reports issued as final since the previous meeting of the Joint Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
HR Management - Wellbeing	Substantial	23 rd July 2020	20 th October 2020	21 st October 2020	-	-	-	-
Counter-Fraud - Procurement	Substantial	23 rd July 2020	22 nd October 2020	23 rd October 2020	-	-	3	-

- There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress in actioning priority 1 recommendations

- 6. 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.

Root Cause Indicators

- 7. The Root Cause Indicators (RCI) have been developed by TIAA to provide a strategic rolling direction of travel governance, risk and control assessment for Gwent Police. Each recommendation made is analysed to establish the underlying cause of the issue giving rise to the recommendation (RCI). The analysis needs to be considered over a sustained period, rather than on an individual quarter basis. Percentages, rather than actual number of reviews/recommendations made permits more effective identification of the direction of travel, however number of recommendations has been included in brackets for information. At this stage there is no comparator information for Quarter 1 and the direction of travel will be populated for the next meeting as further reports are completed.

RCI – Direction of Travel Assessment

Root Cause Indicator	Qtr. 1 (2020/21)	Qtr. 2 (2020/21)	Qtr. 3 (2020/21)	Qtr. 4 (2020/21)	Medium term Direction of Travel	Audit Observation
Directed						
Governance Framework	-	(5) 63%				No comparator information available for Q1.
Risk Mitigation	-	-				
Control Compliance	-	(1) 13%				
Delivery						
Performance Monitoring	-	(1) 13%				
Financial Constraint	-	-				
Resilience	-	(1) 13%				
TOTAL		(8) 100%				

Progress against the 2020/21 Annual Plan

- 8. **COVID 19:** The progress against the planned work for the quarter has been disrupted by the COVID pandemic. In mid-March, when the potential scale and impact of COVID 19 was becoming evident it was agreed with the Police and Crime Commissioner Gwent and the Chief Constable Gwent Police that the delivery of the internal audit service would be carried out remotely thereby minimising the need to physically access Gwent Police’s offices/premises and to hold face to face meetings. Following discussions with the senior management at Gwent Police it has been agreed that some work may be undertaken on site as required and subject to the appropriate risk assessments.
- 9. Our progress against the Annual Plan for 2020/21 is set out in Appendix C.

Changes to the Annual Plan 2020/21

- 10. There are currently no changes to the plan.

Frauds/Irregularities

- 11. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

- 12. We have issued a number of briefing notes and fraud digests, shown in Appendix D, since the previous SICA report. The actions taken by Gwent Police are summarised below:

Action taken by Gwent Police in response to Alerts issued by TIAA

Briefing Note	Management Response
Data Protection Guidance for Collecting Customer information	An update on progress in respect of these to be provided
Risks Associated with Cloud Computing	An update on progress in respect of these to be provided
Government Review of the PCC Model	An update on progress in respect of these to be provided
Need for a Social Media and Communications Policy	An update on progress in respect of these to be provided

Fraud Alert	Management Response
Compromised Facebook Accounts and PayPal Scam	An update on progress in respect of these to be provided

Newsletters
Squaring the Circle

13. An Audit Committee Chairs Newsletter was issued which provided guidance on potential COVID 19 related matters for Audit Committees.
14. We have reviewed recent guidance issued by the Internal Audit Standards Advisory Board (IASAB) in relation to internal auditing during the COVID-19 pandemic. The guidance aims to support heads of internal audit and individual internal auditors in continuing to meet their personal and professional responsibilities for conforming the UK Public Sector Internal Audit Standards (PSIAS). We can confirm continued conformance with the professional standards during this period.

Responsibility/Disclaimer

15. 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.

Covid 19 – Governance, Risk and Control considerations during ‘lockdown’ phase

Area	Possible assurance from internal audit
<p>Governance: The speed of the need to respond to COVID 19 has significantly impacted on the strategic governance infrastructure:</p> <ul style="list-style-type: none"> • Urgent decisions taken for urgent operational reasons which would normally have gone through Board review and approval • Extension and rollover of procurement contracts • Disruption to management information received by the Board • Operational necessity for management dispensation to scheme of delegation and financial regulations • Move to remote working for reactive operational expediency reasons, rather than as part of a pre-planned strategy 	<p>Covid-19 Financial Governance: A review of financial governance and decision making following the business interruption caused by Covid-19, including assessing the accountability for additional spend on Covid-19 related activity.</p>
<p>Risk Management: The markers which differentiate COVID 19 pandemic from most business resilience/recovery plans are:</p> <ul style="list-style-type: none"> • Speed of major disruption to business as usual did not permit normal level of preparation • International as well UK-wide, not local • Level of government intervention • Duration and severity • Move to medium term remote working arrangements by staff and suppliers • Consequential impact upon all the previous strategic risks 	<p>Business as Usual Resumption Arrangements: Targeted post-event risk mitigation assessment to identify any unintentional gaps in the risk management framework</p>
<p>Internal Control: COVID 19 has provided the perfect storm both in a positive as well as negative manner. The positive aspects are the expeditious embracing of digital business delivery. It is recognised that a number of government and/or regulatory guidance requirements were issued at short notice and many of these were without the normal consultation and similar. On a negative basis the following need to be recognised:</p> <ul style="list-style-type: none"> • Suppliers and contractors being unable to deliver contracted services • Increased digitalisation introduced at very short notice increases information governance risks • Temporary compromise of effective segregation of duties due to staff absences and/or remote working etc • Fraudsters seeking to take advantage of COVID disruption • Deferment and/or reprioritisation of services • Sudden and significant change in demand patterns for services 	<p>COVID-19 Business Interruption Controls Framework: To review the control environment in relation to policy and process design or temporary re-design, taking into account the heightened risk of fraud and changes to ways of working.</p> <p>Accountability for Additional COVID-19 Funding: Revisiting the control framework for when emergency payments shift into longer term services – especially where large sums are invested.</p>

Executive Summaries and Management Action Plans

The following reports have been completed. Full copies of the reports are available to the Joint Audit Committee.

Review	Evaluation
HR Management – Wellbeing	Substantial
Counter Fraud – Procurement	Substantial

Progress against Annual Plan

System	Planned Quarter	Days	Current Status	Comments
Gwent specific				
Estates Management – Strategy	1 2	7	Final report issued 3 rd September 2020	Presented to October JAC
HR Management – Wellbeing	3	5	Final report issued 21 st October 2020	Substantial Assurance
Counter Fraud - Procurement	1 2	5	Final report issued 23 rd October 2020	Substantial Assurance
Corporate Communications	2 3	6	Draft report issued 6 th October 2020	Reasonable Assurance
Follow Up – Interim (Quarter 2)	2 3	5	Draft report issued 29 th October 2020	Advisory – no opinion provided
Expenses and additional payments	2	5	Draft report issued 2 nd November 2020	Reasonable Assurance
Capital Programme	1 3	4	Fieldwork ongoing	
Contract Management	1 3	6	Fieldwork ongoing	Scoping meeting held 12 th October 2020 (cleaning service contract selected)
Service Improvement Board themes	3	4	Planned 14 th December 2020	APM issued
Local Policing – Property and Cash	2 3	6	Planned for 14 th December 2020	To be undertaken as two audits
Performance Management	4	8	Planned 11 th January 2021	APM issued
Collaborative approach	1-4	71	N/A	See collaborative elements below
Follow up - Final (Quarter 4)	4	5	Planned 1 st February 2021	
Contingency	1-4	4		

System	Planned Quarter	Days	Current Status	Comments
Liaison with Audit Wales		2		
Annual Planning	1	4		
Annual Report	4	4		
Client Portal	1-4			
Management, Planning & Joint Audit Committee Reporting/Support	1-4	15		
Collaborative Audits – Pan Wales				
Vetting of Contractors	1	3	Final report issued 4 th September 2020	Presented to October JAC
Risk Management – Mitigating Controls	1	7	Draft report issued 21 st October 2020	Reasonable Assurance – SWP is Lead Force
Collaborative Project Review – Office 365 (part of National Enabling programme)	2	6	Draft report issued 18 th November 2020	Reasonable Assurance – GWP is the Lead Force
Strategic Resource Planning	3	8	Planned 18th October 2020	Awaiting further confirmation of the Scope – this has been raised with the Force Lead and was due to be discussed at the last meeting (October). No feedback provided to date.
Procurement – Strategic Lead	3	4	Fieldwork ongoing	APM issued
Collaborative Budgetary Control	3	6	Fieldwork ongoing	APM issued
Collaborative Project Review – Early Action Together (Adverse Childhood Experiences ACE Project)	4	6	Planned 18 th January 2021	
Collaborative Audits - Dyfed Powys, South Wales and Gwent Only:				
Fleet Management – Fuel Usage	3	6	Draft report issued 16 th November 2020	Reasonable Assurance – GWP Lead Force
Collaborative Audits - South Wales and Gwent Only:				
General Ledger	3	5	Draft report issued 28 th October 2020	SWP responses received – GWP Lead Force

System	Planned Quarter	Days	Current Status	Comments
Creditors	3	6	Fieldwork completed	Gwent completed draft report due shortly
Debtors	3	6	Fieldwork completed	Gwent completed draft report due shortly
Payroll	3	6	Planned 14 th December 2020	APM issued

KEY:

To be commenced	Site work commenced	Draft report issued	Final report issued
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Briefings on developments in Governance, Risk and Control

TIAA produces 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 and Fraud Alerts issued in the last three months which may be of relevance to Police and Crime Commissioner for Gwent and Chief Constable Gwent Police is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
20029	Data Protection Guidance for Collecting Customer information		Action Required Organisations should ensure they have appropriate policies and procedures in place to meet their obligations for contact tracing and the protection of customer and visitor details.
20025	Risks Associated with Cloud Computing		Action Required Audit Committees and Boards/Governing Bodies are advised to seek assurance from their Data Protection Officer and IT on the status of where data is stored and what risk mitigation measures have been employed. Where no due diligence has been performed prior to cloud service use, retrospective assurance should be sought.
20024	Government Review of the PCC Model		No Action Required Audit Committees and Boards/Governing Bodies are advised to note the contents of the report
20023	Need for a Social Media and Communications Policy		For Possible Action Audit Committees and Boards are advised to review their policies, including those relating to GDPR, communications, marketing, disciplinary, code of conduct, and to ensure that they are in line with the recommendations contained within the articles. Consideration should also be given to having a separate Social Media and Electronic Communication Policy.

CBN Ref	Subject	Status	TIAA Comments
20021	Risk of Redacted Information Being Unredacted		<p>Urgent Action Required</p> <p>Organisations should ensure they have provided clear instructions to staff on how to safely and securely redact information, such that the redaction cannot subsequently be removed. Consideration should be given to obtaining an accredited third-party redaction tool for Microsoft Word and Excel.</p>

Summary of recent Fraud Alerts

Ref	Subject	Status	TIAA Comments
0000	Compromised Facebook Accounts and PayPal Scam		<p>Action Required</p> <p>This alert provides information and advice about fraud and economic crime that may occur during the pandemic, and the risks associated with it. Scams should be reported to Action Fraud: www.actionfraud.police.uk or 0300 123 2040.</p>