



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

**Internal Audit Annual Report**

**2015/16**

**June 2016**

## Internal Audit Annual Report

### INTRODUCTION

This is the 2015/16 Annual Report by TIAA on the internal control environment at the Office of the Police and Crime Commissioner (OPCC) for Gwent and Chief Constable (CC) 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 Joint Audit Committee in making its annual statement on internal controls assurance.

#### HEAD OF AUDIT'S ANNUAL OPINION

**I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a reasonable conclusion as to the adequacy and effectiveness of the Office of the Police and Crime Commissioner (OPCC) for Gwent and Chief Constable (CC) Gwent Police's risk management, control and governance processes. In my opinion, the Office of the Police and Crime Commissioner for Gwent and Chief Constable Gwent Police has adequate and effective management, control and governance processes to manage the achievement of its objectives.**

### INTERNAL AUDIT PLANNED COVERAGE AND OUTPUT

The 2015/16 Annual Audit Plan approved by the Joint Audit Committee was for 150 days of internal audit coverage in the year.

The review of the Finance System Implementation was deferred until 2016/17 due to operational reasons and the scope of the communications review was for the OPCC only.

All the planned work has been carried out and the reports have been issued (Annex A). There was no work carried out which was in addition to the work set out in the Annual Audit Plan.

### OPERATIONAL ASSURANCE

TIAA carried out 19 reviews, 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 Force and Commissioners 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 B and a summary is set out below.

Assurance Assessments	Number of Reviews
Substantial Assurance	4
Reasonable Assurance	12
Limited Assurance	3
No Assurance	-

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 2015/16.

Urgent	Important	Routine
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2	37	37
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### AUDIT SUMMARY

**Control weaknesses:** There were three areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted and were being implemented.

**Direction of Travel:** We have analysed our findings/recommendations by risk area and these are summarised below.

Urgent	Important	Routine
2	21	15

Urgent	Important	Routine
0	6	14



Urgent	Important	Routine
0	9	8

Urgent	Important	Routine
0	1	0

**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
33

### 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%	100%
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 2015/16 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:	4 <sup>th</sup> May 2016
Date Revised Report issued:	17 <sup>th</sup> June 2016

## Annexes

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### Annex A

#### Actual against planned Internal Audit Work 2015/16

System	Type	Planned Days	Actual Days	Comments
Governance - Collaborations	Assurance	5	5	Final Report issued
People Services – Training and Development	Assurance	7	7	Final Report issued
Risk Management – Mitigating Controls	Assurance	2	2	Final Report issued
ICT – Network Security	Assurance	5-10	10	Final Report issued
Collaborative Projects (Joint Firearms Unit)	Assurance	4	4	Final Report issued
Risk Management – Business Continuity	Assurance	8	8	Final Report issued
Counter Fraud - Procurement	Compliance	5	5	Final Report issued
Budgetary Control	Assurance	5	5	Final Report issued
Contract Management	Appraisal	6	6	Final Report issued
Local Policing East	Compliance	14	14	Final Report issued
Local Policing West				Final Report issued
Duty Resource Management	Appraisal	6	6	Final Report issued
Treasury Management	Assurance	5	5	Final Report issued
General Ledger	Assurance	5	5	Final Report issued
Payroll	Assurance	5	5	Final Report issued
Creditors	Assurance	5	5	Final Report issued
Debtors	Assurance	4	4	Final Report issued

Capital Programme	Assurance	4	4	Final Report issued
Corporate Communications	Appraisal	6	3	OPCC only
Finance and Resource System Implementation	Appraisal	8	-	Deferred to 2016/17
Commissioners Objectives: Victims Hub	Appraisal	6	6	Final Report issued
Follow Up	Follow Up	10	10	Final Report issued
2015/16 Annual Plan		1	1	Final Report issued
2015/16 Annual Report		1	1	Final Report issued
Audit Protocol and liaison with WAO		3	3	
Audit Management		15	15	
	Total Days	150	139	

**Assurance Assessments 2015/16**

System	Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance
Governance – Collaborations		✓		
People Services – Training and Development		✓		
Risk Management – Mitigating Controls		✓		
ICT – Network Security			✓	
Collaborative Projects		✓		
Risk Management – Business Continuity		✓		
Counter Fraud - Procurement		✓		
Budgetary Control		✓		
Contract Management		✓		
Local Policing East			✓	
Local Policing West			✓	
Duty Resource Management		✓		
Treasury Management	✓			
General Ledger		✓		
Payroll	✓			
Creditors		✓		
Debtors		✓		
Capital Programme	✓			
Commissioners Objectives: Victims Hub	✓			