

# **Police and Crime Commissioner for Gwent and Chief Constable of Gwent Police**

## **Annual Audit Letter 2024**

This is our annual audit letter for the Police and Crime Commissioner for Gwent and Chief Constable of Gwent Police.

It summarises the key messages and conclusions arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

## **The Police and Crime Commissioner's and Chief Constable's responsibilities**

It is the Police and Crime Commissioner's (the Commissioner) and Chief Constable's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that their assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in their use of resources.

Police bodies in Wales prepare their financial statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

## **My audit responsibilities and conclusions**

Each year the Auditor General audits the Commissioner's and Chief Constable's financial statements to make sure that public money is being properly accounted for.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the body's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

## **The financial statements prepared by the Commissioner and Chief Constable present a true and fair view of their financial position and transactions**

The quality of the draft statements were presented for audit on 31 July 2024. This was after the deadline of 30 June 2024 set by Welsh Government.

The draft statements presented for audit were of reasonable quality. There were a significant number of changes made to the financial statements arising from our audit work, which were reported to the Joint Audit Committee in our Audit of Financial Statements Report on 30 January 2025.

The Auditor General gave unqualified opinions on the financial statements on 31 January 2025, after the deadline agreed with Welsh Government of 30 November 2024.

The Annual Governance Statements and Narrative Reports accompanying the annual accounts were prepared in line with the CIPFA Code and relevant guidance. They were consistent with the financial statements and with our knowledge of Gwent Police.

The Auditor General issued the certificate confirming that the audit of accounts for 2023-24 has been completed.

## **I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in their use of resources**

My consideration of the body's arrangements to secure economy, efficiency and effectiveness has been based on:

- the audit work undertaken on the statement of accounts;
- the results of the audit work undertaken on the Commissioner's and Chief Constable's systems of internal control, as reported in the Annual Governance Statement;
- the results of other work carried out by the Auditor General including our review of collaboration of emergency services in Wales and between the four Welsh forces;
- the results of the work of other external review bodies, e.g. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), where relevant to my responsibilities; and
- any other work, including from Internal Audit, that I considered necessary to discharge my responsibilities.

For the purposes of my work, I evaluated the Commissioner's and Chief Constable's systems against a number of questions. This approach is set out in detail in **Appendix 1** to this letter. For each question, I consider whether there are gaps in the arrangements expected to be in place, and the significance of those gaps.

Based on the work I have undertaken, I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency, and effectiveness in their use of resources.

## **I issued a certificate confirming that the audit of the accounts of the Commissioner and Chief Constable have been completed on 31 January 2025**

I received no electors' questions or objections in relation to the 2023-24 audit.

Having given an audit opinion on the financial statements and concluded on the Commissioner's and Chief Constable's arrangements to secure economy, efficiency and effectiveness in its use of resources, I was able to certify that the audit was complete when I issued my audit opinion.

### **Financial audit fee**

The financial audit fee for 2023-24 is expected to be approximately £104,481, which is consistent with the estimate reported in our Audit Plan.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Richard Harries', is positioned above the printed name.

Richard Harries  
Engagement Director  
For and on behalf of the Auditor General for Wales

## Appendix 1

### Criteria to assess arrangements for securing economy, efficiency and effectiveness in the use of resources

Exhibit 1: criteria for assessing arrangements

Corporate performance management and financial management arrangements	Questions on arrangements
Establishing objectives determining policy and decision making	Has the Commissioner/Chief Constable put in place arrangements for setting, reviewing and implementing their strategic and operational objectives?
Meeting the needs of users, stakeholders and the local population	Has the Commissioner/Chief Constable put in place channels of communication with the local population, users of the service, and other stakeholders including partners, and are there monitoring arrangements to ensure that key messages about services are taken into account?
Monitoring and reviewing performance	Has the Commissioner/Chief Constable put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary and reporting to the Commissioner/Chief Constable?
Compliance with established policies	Has the Commissioner/Chief Constable put in place arrangements to maintain a sound system of internal control, including those for ensuring compliance with laws and regulations, and internal policies and procedures?
Operational and financial risks	Has the Commissioner/Chief Constable put in place arrangements to manage their significant business risks?

Corporate performance management and financial management arrangements	Questions on arrangements
Managing financial and other resources	Has the Commissioner/Chief Constable put in place arrangements to evaluate and improve the value for money they achieve in their use of resources?
	Has the Commissioner/Chief Constable put in place arrangements to ensure that their spending matches their available resources?
	Has the Commissioner/Chief Constable put in place arrangements for managing and monitoring performance against budgets, taking corrective action where appropriate, and reporting the results to senior management and the Commissioner/Chief Constable?
Proper standards of conduct etc.	Has the Commissioner/Chief Constable put in place arrangements for monitoring and scrutinising performance, to identify potential variances against strategic objectives, standards and targets for taking action?
	Has the Commissioner/Chief Constable put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of their business?

## Appendix 1

<b>Have auditors identified any indications that proper arrangements may not be in place from a review of the following sources during the course of their normal audit work?</b>	<b>Findings and conclusion</b>  <b>Based on findings below there are no indications that proper arrangements may not be in place.</b>
<b>Audit of accounts</b>	Unqualified opinion issued on 31 January 2025.
<b>Local and national Audit Wales reports</b>	<p>Review of collaboration of emergency services in Wales. Findings from this review were issued in January 2022. The review concluded that 'blue light' emergency service is slowly growing but requires a step change in activity to maximise impact and make the best use of resources.</p> <p>In February 2024, the Auditor General for Wales published 'From Firefighting to Future-proofing – the Challenge for Welsh Public Services.' The report highlights themes that can help the public sector achieve more with the money it spends and enable a shift to more sustainable public services. The report draws on the work of Audit Wales to reflect on the way public bodies are governed and managed, the importance of minimising losses through fraud and error, the complexity of the public service landscape, and challenges around workforce capacity, digital transformation, and planning for the long term. It emphasises too the need more than ever to ensure value for money in public spending. There are cross-cutting themes identified within the review which equally apply to the Police Sector.</p>

<p><b>Have auditors identified any indications that proper arrangements may not be in place from a review of the following sources during the course of their normal audit work?</b></p>	<p><b>Findings and conclusion</b></p> <p><b>Based on findings below there are no indications that proper arrangements may not be in place.</b></p>
<p><b>Internal audit reports - TIAA</b></p>	<p>During 2023-24 TIAA carried out twenty-one reviews 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 the Commissioner and Chief Constables objectives. 12 reviews (12: 2022-23) were awarded a substantial assurance rating. Seven reviews were awarded a reasonable assurance rating, and two reviews were awarded a limited assurance rating. One planned review for 2023-24 was deferred into 2024-25. Additionally, two follow-up reviews were undertaken to check progress against all priority 1 and priority 2 recommendations</p> <p>The Head of Internal Audit opinion was that the Police and Crime Commissioner for Gwent and Chief Constable of Gwent Police have reasonable and effective risk management, control and governance processes in place to manage the achievement of their objectives.</p>

## Appendix 1

<b>Have auditors identified any indications that proper arrangements may not be in place from a review of the following sources during the course of their normal audit work?</b>	<b>Findings and conclusion</b>
<p><b>Internal Audit Reports – Torfaen County Borough Council (TCBC)</b></p> <p>Responsible for providing IA services for the Shared Resource Service (SRS) of which Gwent Police is one of five partners.</p>	<p><b>Based on findings below there are no indications that proper arrangements may not be in place.</b></p> <p>During 2023-24 TCBC carried out twelve reviews (12: 2022-23) generating three substantial and nine full audit opinions. These reviews resulted in the identification of eighteen findings, fifteen medium and three low (2 medium, 2 low: 2022-23) to improve weaknesses in the design of controls and/or operating effectiveness.</p> <p>The Head of Internal Audit's opinion was that they were satisfied that sufficient audit work has been undertaken to provide an overall opinion that the governance, risk management and control of the collaborative SRS is satisfactory.</p> <p>The overall opinion for 2023-24 was satisfactory which is defined as:</p> <ul style="list-style-type: none"><li>• a limited number of medium risk rated weaknesses may have been identified but generally only low risk rated weaknesses have been found in individual assignments; and</li><li>• none of the individual assignment reports have been an overall classification of either high or critical risk.</li></ul>
<p><b>His Majesty's Inspectorate of Constabulary and Fire &amp; Rescue Services (HMICFRS) Inspection reports</b></p>	<p>In April 2023 HMICFRS issued their 2021/22 PEEL Inspection Report. The inspection assessed how good Gwent Police is in nine areas of policing. The report sets out detailed findings about things the force is doing well and where the force should improve. The Force was considered to be good in two areas, adequate in four areas, requiring improvement in two areas and inadequate in one area.</p>
<p><b>Review of key papers e.g. strategies, plans, meeting papers, etc</b></p>	<p>A review of the key papers is carried out as part of our audit process. We consider if the Financial Statements and the Annual Governance Statement are consistent with the information we have gathered from these sources.</p>



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<b>Budget reporting</b>	The Medium-Term Financial Strategy 2023/24 - 2027/28 outlines budget requirements and spending expectations. This strategy is (four-year forward view) refreshed annually to ensure forthcoming funding shortfalls are identified early and corrective action taken, thus ensuring resources match planned expenditure.

The Auditor General is independent of government and was appointed by the late Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.