



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

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**Internal Audit Annual Report  
2017/18**

# Internal Audit Annual Report

## INTRODUCTION

This is the 2017/18 Annual Report by TIAA on the internal control environment of the Office of the Police and Crime Commissioner for Gwent and the Chief Constable Gwent Police. The annual internal audit report summarises 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 Police and Crime Commissioner for Gwent and the Chief Constable Gwent Police in making their annual governance statement.

### HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

**TIAA is satisfied that for the areas reviewed during the year that the Police and Crime Commissioner for Gwent and Chief Constable Gwent Police has reasonable and effective risk management, control and governance processes in place. Also, there was evidence to support the achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability which must be obtained by the Police and Crime Commissioner and the Chief Constable from the various sources of assurance.**

## INTERNAL AUDIT PLANNED COVERAGE AND OUTPUT

The 2017/18 Annual Audit Plan approved by the Joint Audit Committee was for 152 days of internal audit coverage in the year. During the year there was one change to the Audit Plan, an additional compliance review of Stop and Search was added at the request of the Chief Inspector, and this change, which required an additional three audit days, was approved by the Joint Audit Committee.

All the planned work has been carried out and the reports have been issued (Annex A).

## ASSURANCE

TIAA carried out 19 reviews and one advisory review (Agresso Business World Opening Balances), 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 both organisation's 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 A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	1	4
Reasonable Assurance	15	13
Limited Assurance	3	2
No Assurance	0	0

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 2017/18.

Urgent	Important	Routine
3	37	29

### 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 assurance. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

**Recommendations Made:** We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed	0	4	5
Compliance	3	26	19
Operational	0	6	4
Reputational	0	1	1

**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
40

### 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%	95%
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 2017 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:	23 <sup>rd</sup> May 2018
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## Annexes

### Annex A

#### Actual against planned Internal Audit Work 2017/18

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Agresso Business World Opening Balances	Advisory	-	-	n/a	Final Report Issued
Governance – Strategic Planning	Assurance	10	10	Reasonable	Final Report Issued
Risk Management – Mitigating Controls	Compliance	10	10	Reasonable	Final Report Issued
Fleet Management – Delivery	Appraisal	8	8	Reasonable	Final Report Issued
HR Management – Learning and Development	Assurance	4	4	Reasonable	Final Report Issued
HR Management – Strategy	Assurance	7	7	Reasonable	Final Report Issued
Vetting	Compliance	8	8	Limited	Final Report Issued
Budgetary Control	Assurance	5	5	Reasonable	Final Report Issued
Capital Programme	Assurance	4	4	Reasonable	Final Report Issued
Counter Fraud – Cyber Assurance	Compliance	7	7	Reasonable	Final Report Issued
Estate Management – Delivery	Compliance	7	7	Reasonable	Final Report Issued
Collaborative Project – Joint Scientific Investigations Unit	Compliance	4	4	Reasonable	Final Report Issued
Staying Ahead 8 - Themes (Corporate Communication)	Compliance	12	12	Reasonable	Final Report Issued
Follow Up – Quarter 2	F/Up	5	5	n/a	Final Report Issued
Treasury Management	Assurance	5	5	Substantial	Final Report Issued
General Ledger	Assurance	5	5	Reasonable	Final Report Issued
Payroll	Assurance	5	5	Reasonable	Final Report Issued
Creditors	Assurance	5	5	Limited	Final Report Issued
Debtors	Assurance	4	4	Limited	Final Report Issued

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Stop and Search	Compliance	-	3	Reasonable	Additional review requested by the Chief Inspector. Final Report issued.
Finance and Resource System Implementation	Appraisal	6	6	Reasonable	Final Report Issued
Follow Up – Quarter 4	F/Up	5	5	n/a	Final Report Issued
2018/19 Annual Plan		2	2		Final Report Issued
Strategic Plan		4	4		Final Report Issued
2017/18 Annual Report		2	2		Final Report Issued
Liaison with WAO		3	3		
Audit Management		15	15		
	<b>Total Days</b>	<b>152</b>	<b>155</b>		