



Internal Audit

FINAL

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

Internal Audit Annual Report

**2019/20**

May 2020

# Internal Audit Annual Report

## Introduction

This is the 2019/20 Annual Report by TIAA on the internal control environment at 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.

## Limitations on our opinion arising from Covid-19

The delivery of the internal audit work for 2019/20 was completed in March 2020 and, as such, was not impacted by the global Covid-19 pandemic which has taken hold during this accounting period.

The consequences of this unprecedented event are expected to continue into the new financial year and will continue to pose significant risks to all organisations. The impact of ongoing events on The Office of the Police and Crime Commissioner for Gwent and the Chief Constable Gwent Police’s control systems, financial sustainability or operational performance have not been assessed and our opinion takes no account of this. This report is designed to assist the Board in making its annual governance statement.

**HEAD OF INTERNAL AUDIT’S ANNUAL OPINION**  
**TIAA is satisfied that, that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of The Police and Crime Commissioner’s and the Chief Constable’s risk management, control and governance processes. In my opinion, The Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives for the areas reviewed during the year.**  
**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 or your ability to meet financial obligations which must be obtained by The Office of the Police and Crime Commissioner for Gwent and the Chief Constable Gwent Police from its various sources of assurance.**

## Internal Audit Planned Coverage and Output

The 2019/20 Annual Audit Plan approved by the Joint Audit Committee was for 166 days of internal audit coverage in the year. During the year there were two changes to the Audit Plan and these changes were approved by the Joint Audit Committee.

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

There were five extra days carried out which was in addition to the work set out in the Annual Audit Plan. This was for a review of Collaborative Change Management undertaken jointly with South Wales Police and was requested by the Assistant Chief Officer Resources.

## 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 The Office of the Police and Crime Commissioner for Gwent and the Chief Constable Gwent Police’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	7	2
Reasonable Assurance	10	15
Limited Assurance	2	5
No Assurance	-	-

In addition, an additional advisory review was undertaken as referenced above and three follow-up reviews.

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 2019/20. The numbers in brackets relate to 2018/19 recommendations

Urgent	Important	Routine
5 (5)	29 (59)	30 (45)

### Audit Summary

**Control weaknesses:** There were two areas, the Victims Hub and Local Policing – Property and Cash, 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. Progress is reported to each Joint Audit Committee meeting.

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

Risk Area	Urgent	Important	Routine
Directed	0	0	7
Compliance	4	17	13
Operational	1	12	9
Reputational	0	0	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
16

### 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%	92%*
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%

Note: \* The Corporate Communications and Performance Management audit reviews were deferred at management’s request.

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 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:	11 <sup>th</sup> May 2020
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# Annexes

## Annex A

### Actual against planned Internal Audit Work 2019/20

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Collaborative Estate Management - Delivery	Assurance	6	6	Reasonable	
Collaborative Debtors	Assurance	5	5	Reasonable	
Collaborative Payroll	Assurance	6	6	Substantial	
Collaborative Creditors	Assurance	6	6	Reasonable	
Collaborative Single Online Home	Appraisal	5	5	Reasonable	
Performance Management	Assurance	10	1.5	N/A	Audit deferred to 2020/21 as new framework was only approved in March 2020.
HR Management - Absence Management	Assurance	7	7	Reasonable	
Local Policing - Property and Cash	Compliance	6	6	Limited	
Risk Management - Mitigating Controls	Assurance	10	10	Reasonable	
Counter fraud - Whistleblowing	Compliance	7	7	Reasonable	
New HQ Contract Management (visit 1)	Compliance	4	4	Substantial	
New HQ Contract Management (visit 2)	Compliance	4	4	Substantial	
Fleet Management - Repairs and Maintenance	Compliance	5	5	Substantial	
Internet/Email/Social Media	Appraisal	5	5	Reasonable	
Duty Resource Management	Appraisal	6	6	Reasonable	
Corporate Communications		6	-		Audit deferred to 2020/21
Fleet Management - Single System	Follow - Up	3	3	N/A	
Budgetary Control	Assurance	5	5	Substantial	
Treasury Management	Assurance	5	5	Substantial	

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
General Ledger	Assurance	5	5	Reasonable	
Fixed Assets	Assurance	5	5	Substantial	
Victims Hub	Appraisal	6	6	Limited	
Follow Up - Interim	Follow - Up	5	5	N/A	
Follow Up - Year End	Follow - Up	5	5	N/A	
Collaborative Change Control (SWP and GWP)	Operational	-	5	N/A - Advisory	Additional audit undertaken at management's request
Collaborative Liaison - WAO	N/A	2	2		
Contingency	N/A	2	2		
2019/20 Annual Plan	N/A	4	4		
2019/20 Annual Report	N/A	4	4		
Management, Planning & Audit and Risk Committee Reporting / Support	N/A	15	15		
	<b>Total Days</b>	<b>166</b>	<b>154.5</b>		