



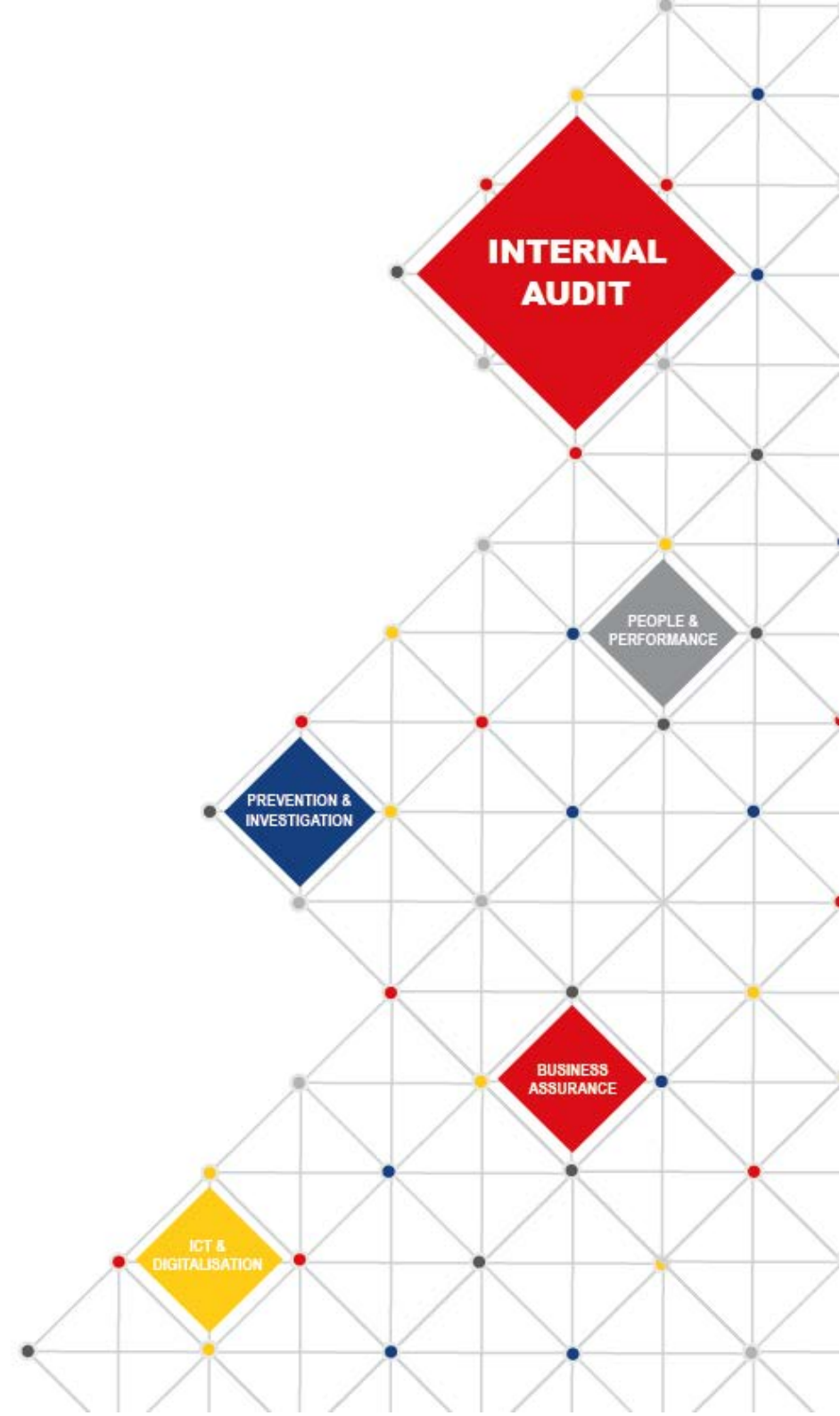
**The Police and Crime Commissioner for  
Gwent and the Chief Constable Gwent  
Police**

**Summary Internal Controls Assurance  
(SICA) Report**

**August 2018**

**FINAL**

**2018/19**



## INTRODUCTION

1. This summary report provides the Joint Audit Committee with an update on the progress of our work as at 31<sup>st</sup> August 2018.

## PROGRESS AGAINST THE 2018/19 ANNUAL PLAN

2. Our progress against the Annual Plan for 2018/19 is set out in Appendix A. A copy of the agreed plan is provided in Appendix B.

## INTERNAL CONTROL FRAMEWORK

3. The key strategic governance, risk management and control matters identified from the one further review completed from the 2018/19 plan since the previous Joint Audit Committee are summarised below. At this stage there are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

### *Key Strategic Governance, Risk Management and Control Matters*

Review	High level
Contract Management – Visit 1	<p>Gwent Police have appropriate governance process in place through the Estates Strategy Board and the New HQ Build Project Board for the management of the new headquarters build project.</p> <ul style="list-style-type: none"> <li>• The Estates Strategy Board and the New HQ Project Board have been regularly updated on the development of the design and projected costs for the new build project</li> <li>• Appropriate appointment processes have been undertaken to appoint the Consultant Project Managers and the lead contractor to the project.</li> <li>• Neither the Project Management Contract nor the NEC 3 Professional Services Contract had been dated on the front of the contract documents.</li> </ul>
General Data Protection Regulation (GDPR) Compliance	<p>Gwent Police and the Office of the Police and Crime Commissioner have completed a number of the actions required to achieve compliance with the Data Protection Act 2018.</p> <ul style="list-style-type: none"> <li>• Both corporation soles have documented plans in place detailing the outstanding actions to be completed to achieve full compliance.</li> </ul>

## EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

4. We have identified no emerging strategic risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation.

## AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

5. The table below sets out details of audits finalised since the previous meeting of the Joint Audit Committee.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
Contract Management – Visit 1	Reasonable	26/072018	27/07/2018	30/07/2018	0	1	0	0
ICT review – GDPR Compliance	Reasonable	31/072018	31/08/2018	31/08/2018	0	5	2	0

Copies of the finalised reports are available to Joint Audit Committee Members on request.

## CHANGES TO THE ANNUAL PLAN 2018/19

6. Management has requested a review of the circumstances surrounding the Data Breach Freedom of Information Request, this was in addition to the agreed plan. Other operational changes to dates are noted in Appendix A.

## FRAUDS/IRREGULARITIES

7. We have not been advised of any frauds or irregularities in the period since the last summary report was issued.

## LIAISON

8. **Liaison with external audit:** We maintain ongoing communication with the Wales Audit Office.

## PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

9. 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.

## RESPONSIBILITY/DISCLAIMER

10. 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.

## Progress against the Annual Plan for 2018/19

System	Planned Quarter	Days	Revised Quarter	Current Status	Comments
Data Breach Freedom of Information Request	-	4	1	Final report issued 1 <sup>st</sup> June 2018	Additional to plan. The final report was tabled at the June 2018 Joint Audit Committee under Any Other Business
Contract Management – Visit 1	2	3	1	Final report issued 30 <sup>th</sup> July 2018	
Vetting	2	4	1	Final report issued 21 <sup>st</sup> June 2018	
Fleet Management – Single System	1	5	1	Draft report issued 20 <sup>th</sup> July 2018	Joint review with South Wales and Dyfed Powys Police
GDPR Compliance – Visit 1	2	3	1	Final report issued 31 <sup>st</sup> August 2018	
Governance Assurance Framework	1	10	1	Fieldwork commenced 4 <sup>th</sup> June 2018	Inclusion of the impact of FMS on the Framework has led to audit being extended – fieldwork in progress
Business Continuity Planning	1	10	1	Fieldwork commenced 4 <sup>th</sup> June 2018	Fieldwork in progress
Estate Management – Governance Arrangements	1	8	2	Planned 3 <sup>rd</sup> September 2018	
General Ledger	3	5	2	Planned 6 <sup>th</sup> September 2018	
Follow Up - Interim	2	5	2	Planned 19 <sup>th</sup> September 2018	
Payroll	3	5	2	Planned 11 <sup>th</sup> September 2018	
Local Policing – Property and Cash	2	6	2	Planned 11 <sup>th</sup> September 2018	
Staying Ahead 8 theme – Corporate Communications	2	6	2	Planned 11 <sup>th</sup> September 2018	
Creditors	3	5	2	Planned 17 <sup>th</sup> September 2018	
GDPR Compliance – Visit 2	2	3	2	Planned 24 <sup>th</sup> September 2018	

System	Planned Quarter	Days	Revised Quarter	Current Status	Comments
Debtors	3	4	3	Planned 3 <sup>rd</sup> October 2018	
Budgetary Control	2	5	3	Planned 8 <sup>th</sup> October 2018	
HR Management Training and Development	1	7	3	Planned 15 <sup>th</sup> October 2018	
Expenses and Additional Payments	3	5	3	Planned 5 <sup>th</sup> November 2018	
Counter Fraud – Payments Health-check	3	7	3	Planned 12 <sup>th</sup> November 2018	
FIRMS System Implementation	1-4	6	3	Planned 12 <sup>th</sup> November 2018	
Pensions	3	5	3	Planned 3 <sup>rd</sup> December 2018	
Fixed Assets	3	5	4	Planned 14 <sup>th</sup> January 2019	
Contract Management – Visit 2	2	3	4	Planned January 2019	
Follow Up – End of Year	4	5	4	Planned 25 <sup>th</sup> February 2019	
Collaborative Project	2	4	2	Scope of review not yet confirmed	
Liaison with WAO	1 - 4	3	1-4	n/a	
2018/19 Annual Plan	1	6	1	Final plan issued	
2018/19 Annual Report	4	2	4		
Audit Management	1 - 4	15	1-4	Ongoing	

**KEY:**

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

## Annual Plan 2018-19

Quarter	Audit	Type	Days	Rationale & Scope
1	Governance Assurance Framework	Appraisal	10	<p><u>Rationale</u></p> <p>To develop a fully integrated Governance Assurance Framework and tailor subsequent internal audit coverage to gaps in Assurance, following the recently introduced new Manual of Governance and change of Governance structure in the Force.</p> <p><u>Scope</u></p> <p>The review considers the actions taken by the organisation to put in place and effective process for mapping the assurance received against the risks associated with the achievement of the corporate plan objectives to provide a structured internal control assurance environment including the appropriateness of the monitoring arrangements. The scope of the review does not include providing assurance that the arrangements cover all the risks facing the organisation or that the controls and/or monitors identified by the organisation are operating continuously and effectively.</p> <p><u>Executive Leads</u></p> <p>Assistant Chief Officer Chief of Staff, OPCC</p>
1	Business Continuity Planning	Assurance	10	<p><u>Rationale</u></p> <p>New arrangements in place, provided in conjunction with South Wales Police. To cover the Force and the Police and Crime Commissioners Office arrangements.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for business continuity planning including policy/strategy and procedures, organisational responsibility, plan details for various scenarios and testing. The scope of the review does not include providing assurance that the business continuity planning covers all the risks faced, or that the arrangements proposed operate continuously and effectively.</p> <p><u>Executive Lead</u></p> <p>Assistant Chief Constable</p> <p><u>Departmental Lead</u></p> <p>Superintendent Operational Support</p>

Quarter	Audit	Type	Days	Rationale & Scope
1	HR Management – Training and Development	Assurance	7	<p><u>Rationale</u> New HR systems for scheduling training and rotas being introduced. New training scheme for Police Officers.</p> <p><u>Scope</u> The review will consider the effectiveness of the arrangements for scheduling Training and Development for Police Officers and Staff and how the arrangements are aligned with the priorities in the Police and Crime Plan.</p> <p><u>Executive lead</u> Deputy Chief Constable</p> <p><u>Departmental Lead</u> Head of People Services</p>
1	Estate Management – Governance Arrangements	Assurance	8	<p><u>Rationale</u> Newly developed Estate Management Strategy.</p> <p><u>Scope</u> The review will consider the governance arrangements for the delivery of the outcomes in the Estate Strategy. The scope will include how the Strategy is developed, compiled, configured and monitored.</p> <p><u>Executive Lead</u> Assistant Chief Officer Resources Chief Finance Officer, OPCC</p> <p><u>Departmental Lead</u> Head of Estates</p>
1	Fleet Management – Single system	Appraisal	5	<p><u>Rationale</u> A review of an aspect of Fleet Management has been included in each year of the Audit Strategy.</p> <p><u>Scope</u> The review will apprise the effectiveness of the newly implemented fleet management system used across the three forces in South Wales.</p> <p><u>Executive lead</u> Assistant Chief Officer – Resources</p> <p><u>Departmental Lead</u> Head of Fleet</p>

Quarter	Audit	Type	Days	Rationale & Scope
2	Budgetary Control	Assurance	5	<p><u>Rationale</u> Key Audit risk area completed annually. Particularly important due to the continued cuts in funding.</p> <p><u>Scope</u> The review considers the budget preparation process, the monitoring arrangements, and reporting to the Strategy and Performance Board. The scope of the review does not include consideration of the assumptions used in preparing the budgets; depreciation policies; apportionment of central costs; or financial information included in tenders prepared by the organisation.</p> <p><u>Executive Lead</u> Assistant Chief Officer Resources Chief Finance Office (OPCC)</p> <p><u>Departmental Lead</u> Head of Finance</p>
2	Collaborative Project	Appraisal	4	<p><u>Rationale</u> Included in the plan annually, due to the increasing number of collaborative projects.</p> <p><u>Scope</u> This review across 3 Forces will consider the effectiveness of a joint project. Gwent Police have suggested that this is the Tarian Project and this will be discussed with the other Forces by TIAA.</p> <p><u>Executive Lead</u> Deputy Chief Constable</p> <p><u>Departmental Lead</u> Chief Superintendent</p>
2	Contract Management	Assurance	6	<p><u>Rationale</u> Significant spend on the development of the new Head Quarters building.</p> <p><u>Scope</u> The review considers the arrangements for monitoring the development contract for the new Headquarters building. The scope of the review does not include consideration of the funding arrangements or the specification of the developments</p> <p><u>Executive Lead</u> Assistant Chief Officer Resources Chief Finance Officer, OPCC</p> <p><u>Departmental Lead</u> Head of Estates</p>



Quarter	Audit	Type	Days	Rationale & Scope
2	Local Policing – Property and Cash	Compliance	6	<p><u>Rationale</u> Key fraud risk, loss of property and cash.</p> <p><u>Scope</u> The review will assess compliance with the key corporate procedures for Property and Cash in the operational areas of East and West.</p> <p><u>Executive Lead</u> East - Supt - Local Policing Area Commander West - Supt - Local Policing Area Commander</p>
2	Staying Ahead 8 theme – Corporate Communications	Appraisal	6	<p><u>Rationale</u> Staying Ahead 8 themes, included at the request of the Assistant Chief Officer of the force due to previous audit findings and ongoing changes in the department.</p> <p><u>Scope</u> The scope of the review will appraise the effectiveness of the corporate communication strategy.</p> <p><u>Executive Lead</u> Deputy Chief Constable</p> <p><u>Departmental Lead</u> Head of Corporate Communications</p>
2	Vetting	Compliance	4	<p><u>Rationale</u> Limited Assurance in 2017/18 review.</p> <p><u>Scope</u> The review will assess compliance with the internal vetting policy and check recommendations made in the 2017/18 review have been implemented. The scope of the review will not include providing assurance that all relevant staff and contractors are vetted.</p> <p><u>Executive Lead</u> Deputy Chief Constable</p> <p><u>Departmental Lead</u> Det Supt, Professional Standards Department</p>

Quarter	Audit	Type	Days	Rationale & Scope
2	GDPR Compliance Audit	Compliance	6	<p><u>Rationale</u></p> <p>To help ensure compliance with the requirements of EU GDPR.</p> <p>The implementation of GDPR on 25<sup>th</sup> May requires significant changes to be made by organisations and breaches associated with non-compliance can be up to 4% of Global Turnover or €15M whichever is greater.</p> <p><u>Scope</u></p> <p>The review will assess compliance with the key [EU] GDPR elements of:</p> <ul style="list-style-type: none"> <li>• Privacy Impact Assessments</li> <li>• Data Subject rights (e.g. Right to be forgotten)</li> <li>• Data Classification and Asset management</li> <li>• Data Security &amp; Breach Management</li> <li>• Governance &amp; Consent</li> <li>• Data Controllers &amp; Processors</li> </ul> <p><u>Executive Lead</u></p> <p>Assistant Chief Officer - Resources</p> <p>Chief of Staff, OPCC</p> <p><u>Departmental Lead</u></p> <p><u>*No information received regarding Force*</u></p> <p>Information Officer, OPCC</p>
3	General Ledger	Assurance	5	<p><u>Rationale</u></p> <p>Key financial risk area completed annually</p> <p><u>Scope</u></p> <p>The review considers the arrangements for providing an effective audit trail for data entered onto the general ledger and the appropriateness of the reports generated. The scope of the review does not extend to the budgetary control arrangements and bank reconciliations.</p> <p><u>Executive Lead</u></p> <p>Assistant Chief Officer – Resources</p> <p><u>Departmental Lead</u></p> <p>Financial Accountant</p>

Quarter	Audit	Type	Days	Rationale & Scope
3	Payroll	Assurance	5	<p><u>Rationale</u> Key financial risk area completed annually</p> <p><u>Scope</u> The review considers the arrangements for: the creation, amendment and deletion of payroll records; payment of allowances and pay awards; and payment of salaries. The scope of the review does not include determination of salary scales, appointment and removal of staff, severance payments or reimbursement of travel and subsistence expenses, or pension arrangements.</p> <p><u>Executive Lead</u> Deputy Chief Constable</p> <p><u>Departmental Lead</u> Head of People Services</p>
3	Creditors	Assurance	5	<p><u>Rationale</u> Key financial risk area completed annually</p> <p><u>Scope</u> The review considers the arrangements for authorising and paying costs incurred by the organisation and the arrangement for control of the organisation's cheques and automated payments. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed.</p> <p><u>Executive Lead</u> Assistant Chief Officer – Resources</p> <p><u>Departmental Lead</u> Head of Finance</p>
3	Debtors	Assurance	4	<p><u>Rationale</u> Key financial risk area completed annually</p> <p><u>Scope</u> The review considers the raising of debtor accounts, collection of income, receipting, storage and banking of income received by the organisation. The scope of the review does not include identification of the activities giving rise to income for the organisation, the basis of calculating the rates to be charged or that all income receivable has been identified.</p> <p><u>Executive Lead</u> Assistant Chief Officer – Resources</p> <p><u>Departmental Lead</u> Head of Finance</p>

Quarter	Audit	Type	Days	Rationale & Scope
3	Fixed Assets	Assurance	5	<p><u>Rationale</u> Key financial risk area completed bi-annually</p> <p><u>Scope</u> The review considers the identification of assets that need to be recorded in the asset register, the identification, locating and recording of assets; inventories; and the disposal of assets. The scope of the review does not include consideration of the purchasing, depreciation policies or insurance arrangements.</p> <p><u>Executive Lead</u> Assistant Chief Officer – Resources</p> <p><u>Departmental Lead</u> Head of Finance</p>
3	Pensions	Assurance	5	<p><u>Rationale</u> Key financial risk area completed bi-annually</p> <p><u>Scope</u> The review considers the arrangements for: the management and control of the administration of pensions.</p> <p><u>Executive Lead</u> Assistant Chief Officer – Resources</p> <p><u>Departmental Lead</u> Head of Finance</p>
3	Expenses and additional payments	Compliance	5	<p><u>Rationale</u> Key financial risk area completed bi-annually</p> <p><u>Scope</u> The review will check compliance with the expenses and additional payments policy and procedure. The scope of the review will not include any other aspect of the Payroll arrangements</p> <p><u>Executive Lead</u> Deputy Chief Constable</p> <p><u>Departmental Lead</u> Head of People Service</p>

Quarter	Audit	Type	Days	Rationale & Scope
3	Counter Fraud - Payments Health-check	Appraisal	7	<p><u>Rationale</u></p> <p>The review will provide assurance against reputational damage due to fraudulent activity, non-compliance with legislation (Finance Act), regulation (IR35) and duplicated payments utilising our Data Analytics team to focus the auditors testing regime. The work will be carried out in quarter 2 to provide sufficient time to resolve any issues identified during the review.</p> <p><u>Scope</u></p> <p>The review will cover legislative and regulatory requirements including a check on duplicate payments utilising TIAA's Data Analytics team. The Criminal Finances Act suggests that organisations should design or upgrade its procedures to include making clear to employees that the firm is committed to preventing the facilitation of tax evasion, including clauses in contracts with employees and external contractors requiring them not to engage in facilitating tax evasion, and to report their concerns straightaway, providing staff training, providing a safe whistle-blowing procedure, monitoring and enforcing prevention procedures and regular reviews of procedures and changing them where required.</p> <p>Other areas to be covered are:</p> <ul style="list-style-type: none"> <li>• IR 35</li> <li>• Duplicate payments</li> </ul> <p><u>Executive Lead</u> Assistant Chief Officer Resources</p> <p><u>Departmental Lead</u> Head of Finance</p>
1 - 4	Finance and Resource System Implementation	Appraisal	6	<p><u>Rationale</u></p> <p>Proactive review to provide advice and guidance during the new system implementation.</p> <p><u>Scope</u></p> <p>Advice and guidance on the controls in the new finance system being implemented with South Wales Police will be provided throughout the year as required.</p> <p><u>Executive Lead</u> Assistant Chief Officer Resources</p> <p><u>Departmental Lead</u> Head of Finance</p>
2 and 4	Follow-up	Follow up	10	<p>The review ascertains whether management action has been taken to address the recommendations arising from selected internal audit work carried out in the previous financial year.</p>
1 - 4	Liaison with Wales Audit Office	-	3	

Quarter	Audit	Type	Days	Rationale & Scope
1	2018/19 Annual Plan	Management	6	
4	2018/19 Annual Report	Management	2	
1-4	Management & Planning	Management	15	
		<b>Total days</b>	<b>160</b>	

## Briefings on Developments in Governance, Risk and Control

### Summary of Recent Client Briefing Notes (CBNs)

TIAA produce 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 issued in since the last Joint Audit Committee which may be of relevance to Gwent Police is given below. Copies of any CBNs are available on request from your local TIAA team.

Date Issued	CBN Ref	Subject	Status	TIAA Comments
24/08/2018	CBN-18027	All - Estates Management Checklist for Boards	For Possible Action	Audit Committees and Governing Bodies are advised to consider the assurances they may require regarding each of the top 10 estate checks.
20/08/2018	CBN-18026	All - Changes to Accepting Payments by Debit/Credit Card	For Possible Action	Audit Committees and Boards/Governing Bodies are advised to ensure that their payment service providers (PSPs) use strong customer authentication (SCA) for online card transactions.