 ****

**Joint Audit Committee
Annual Report for the year ending 31st March 2024 (2023/24)**

## **Chair’s Foreword**

I have been a member of the Gwent Police Joint Audit Committee (JAC) for nearly 9 years and as I write this I am in my fifth and final year as Chair of this Committee. During my time on JAC I and my fellow independent members have joined our individual skills together to work with the Police and Crime Commissioner (PCC), Chief Constable and all other officers to understand the opportunities, risks and challenges facing Gwent Police so we can put in place improvements and create an ethos of adaptability to meet the changes both in crime and more generally. It is an honour to be part of JAC supporting the force.

Examples of where we have made a difference are enhancing the approach to risk management and reduce key risks; creating openness around the culture challenge; addressing the need to meet increasing demands with stretched budgets; and develop people to ensure succession is in place.

Our Annual Report and Financial Statements were delayed in sign off until January 2025. It was a clean audit which was expected and looking ahead, the issues, mainly on resource, are seen as one offs. JAC are not concerned with this year’s delay as the quality of the accounts remains high and plans are already in place to ensure that Gwent Police and External Audit return to earlier completion, as previously has been the case.

An area that has improved over time is management response to Internal Audit recommendations. JAC has ensured that updates on critical areas of improvement are brought to JAC until they are resolved. Consequentially, JAC now sees that, in the majority of cases, recommendations are dealt with in a timely fashion and ownership has improved. Looking ahead, JAC is looking for internal auditors, TIAA, to support them in gaining further benefit from joint audits across Wales and to see greater co-ordination.

We approach 2025 with a change in key finance personnel, PCC and Chief Constable. JAC are confident that the legacy of good management and governance will serve well as the foundation for the future. JAC thank all for their significant contributions.

**Dawn Turner, Chair, Joint Audit Committee**

1. **Role of the Joint Audit Committee**

A Joint Audit Committee (JAC) operates in Gwent in line with guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Financial Management Code of Practice for the Police Service of England and Wales, section 11.1.3.

The [Operating Principles and Terms of Reference](https://www.gwent.pcc.police.uk/en/transparency/joint-audit-committee/) (ToR) establish the core functions of the JAC and are reviewed annually.

**2. Membership and Meetings**

The JAC comprises five members who are independent of the OPCC and Force. Members are appointed via an externally advertised recruitment process and are selected to ensure the right balance of experience and expertise is provided. The JAC Members at the start of 2023/24 were Ms Dawn Turner (Chair), Dr Janet Wademan (Vice-Chair), Mr Andrew Blackmore, Mr Andy Johns and Mr Gareth Watts.

All members have lead roles covering areas within the JAC ToR. These roles are as follows:

* Ms Dawn Turner – Board Assurance Framework and Sustainability
* Dr Janet Wademan – ICT, Change and Project Management
* Mr Andrew Blackmore – Risk Management, Board Assurance Framework and Treasury Management
* Mr Andy Johns – Internal Audit, Governance and Estates
* Mr Gareth Watts – Finance and External Audit

As well as the independent members, the following officers from the OPCC, Force and the Audit functions are also in attendance:

* Commissioner or Deputy Commissioner, OPCC
* Chief Executive, OPCC
* Chief Finance Officer, OPCC
* Head of Assurance and Compliance, OPCC
* Governance Officer, OPCC
* Chief Constable or Deputy Chief Constable, Force
* Assistant Chief Officer - Resources, Force
* Chief Superintendent, Head of Continuous Improvement, Force
* Internal Audit (TIAA)
* External Audit (Audit Wales (AW))

Officers from Torfaen County Borough Council (TCBC) (IT auditors) and the SRS (IT providers) also occasionally attend.

Due to the change in membership during 2022/23, the imminent changes to the senior leadership team in the Force that would take place in early 2024, including the retirement of the Assistant Chief Officer, Resources, and the removal of the limited time a member can be the Chair, it was agreed at the March 2024 meeting that Ms Turner, would continue in the role during 2024/25, to provide stability to the JAC.

Members of the JAC meet privately with the auditors prior to the start of every meeting to ensure there is an opportunity for any concerns to be raised.

The JAC is supported by the OPCC’s Governance Officer and Head of Assurance and Compliance.

Five formal meetings are scheduled each financial year as well as a formal annual all Wales JAC training day. Members are in attendance, either in person or virtually, at all JAC meetings except in extenuating circumstances. During 2023/24, six formal meetings took place. This was as a result of delays from Audit Wales in signing the accounts. In order to facilitate this, an additional meeting was planned in November 2023.

**Improving Public Reporting and Accountability**

Agendas and minutes from the JAC meetings are made available to the public on the [OPCC website](http://www.gwent.pcc.police.uk/transparency/joint-audit-committee/). Copies of the draft JAC minutes are also provided to the Commissioner and the Chief Constable for discussion at the Strategy and Performance Board meetings.

Each year the JAC ensure that they have met the areas within their Terms of Reference with this document being published on the OPCC website alongside a copy of this Annual Report.

1. **Overview of Core Work Undertaken During 2023/24**

**Good Governance**

* **Terms of Reference**

The ToR set out the core functions that the JAC must undertake. As a result of an update to the CIPFA guidance for audit committees in September 2022, work had been undertaken to review these changes and the potential impact on the JAC membership terms and conditions and tenure of roles. A report was subsequently presented to the March 2024 meeting, prior to appointing the Chair. It was agreed that the amended ToR would be presented again at the June 2024 meeting as the newly elected PCC was due to be in attendance.

A compliance paper was provided to the Commissioner and the Chief Constable with assurance that the JAC has successfully discharged its duties during the year.

* **Joint Annual Governance Statement and Statement of Accounts 2023/24**

Due to a delay in the auditing of the draft accounts by Audit Wales, the 2023/24 Joint Annual Governance Statement (AGS) was presented to the JAC in draft format at the July 2024 meeting for consideration and comment. The document was further developed with the JAC lead member after this meeting. The final version is due to be presented to the JAC in November 2024 in order for a recommendation to be made to the Commissioner and Chief Constable on its approval, alongside the accounts for 2023/24.

* **Review of the Manual of Corporate Governance**

The Manual of Corporate Governance is reviewed by the OPCC and Force annually with any changes identified presented to the JAC. The JAC subsequently provided its recommendation to the Commissioner and Chief Constable, to approve the amendments to the Manual of Corporate Governance, in March 2024. It was noted that further changes would need to be made during 2024 due to the change in procurement legislation that would impact on the contract standing orders.

* **Self-Assessment**

The annual self-assessment exercise which reviewed the JAC’s performance during 2023/24 was undertaken during March/April 2024. This allowed the results to be analysed and any key outcomes included in the priorities for 2024/25.

Following Members’ review of the self-assessment exercise, an action plan is drafted to support the JAC’s continuous improvement and is reviewed on a quarterly basis.

Following our annual self-assessment of how JAC is carrying out its duties as outlined in the JAC terms of reference we found that the members, officers and auditors, in most cases, found that the JAC’s knowledge of its duties and its capabilities were enabling performance at a high level, however there were still some areas that could be improved and these have been reflected in the action plan for 2024/25.

* **Annual Performance Reviews**

All members have participated in an annual performance review process. Feedback has been positive with all members finding the process useful.

**Effective Audit and Assurance**

* **Internal Audit**

There is a duty upon both the Commissioner and the Chief Constable to maintain an effective internal audit function. The audit work for the year is founded on a risk-based approach and focuses on significant financial and operational risks.

Since September 2016, all IT related audits have been undertaken by TCBC; TIAA continue to undertake all other audits on behalf of the OPCC and Force. As the internal audit function is provided via a joint all Wales contract, collaborative audits have also been undertaken allowing best practice to be shared across Wales. This provides the JAC with further evidence regarding the scrutiny on Value for Money.

Annual Audit Plans from both TIAA and TCBC are presented to the JAC for review prior to finalisation. Reports on the adequacy of controls in the systems audited are also presented to the JAC.

Progress with the annual audit plans is monitored at each meeting and is challenged as appropriate. The JAC were satisfied with the work undertaken by TIAA and their adherence to and management of the plan.

The JAC will continue to monitor all outstanding audit recommendations via the quarterly Outstanding Audit Recommendations report with any concerns raised to be fed back to the SRS.

The lead JAC member for ICT has continued to meet regularly with the ACOR and Force Information Security Officer as well as representatives from the SRS to provide support and scrutiny and to seek additional assurance on behalf of the JAC in relation to the audit process in respect of Gwent Police.

The JAC reviewed TIAA’s proposed annual Audit Plan for 2024/25 and was satisfied it was appropriate for, and aligned to, Gwent’s current risk profile. As TIAA are also the internal auditors for the three other Welsh forces, we welcomed the continued development of a collaborative audit plan for the coming year and the sharing of lessons learned across Wales.

The JAC acknowledged there were fewer finance audits in the plan for 2024/25 and suggested this could be reduced further given that the plan should be risk based and the finance audits had consistently received substantial assurance ratings. The force felt it was important to maintain audits in these areas to ensure any risks were identified as soon as possible although this was something that may be re-considered in future.

We noted that the procurement process for the appointment of internal audit had commenced and would continue into 2024/25.

The JAC also reviewed and were satisfied with the SRS proposed annual Audit Plan for 2024/25.

Audits Completed - TIAA

There were 21 internal audits completed by TIAA in 2023/24, 12 received ‘substantial’ assurance, 7 received ‘reasonable’ assurance, 2 received ‘limited’ assurance and 0 received ‘no assurance’ and there was also 0 ‘follow up’ audit completed. 0 audits were advisory with no assessment rating provided.

Audits Completed - Torfaen County Borough Council

The assessments of the 12 audits undertaken confirm that 9 were assessed as providing ‘full’ assurance, 3 with ‘substantial’ assurance, 0 with ‘moderate’ assurance, 0 with limited assurance.

All audit reports, as detailed within the Annual Governance Statement, have been scrutinised by the JAC.

* **Audit Wales**

The JAC were advised by Audit Wales in March 2023 that due to resourcing issues and priorities in other public sector organisations, that the July deadline for audit to complete the Statement of Accounts would be delayed until November 2023 in light of the revised ISA315. The accounts were signed, as stated by the end of November 2023. We have been advised that the delay is likely to occur again for the 2023/24 accounts, so the JAC meetings have been planned to take this into consideration. This is an area that the JAC will continue to monitor during 2024/25.

* **Effective Risk Management**

Risk Management has been a particular focus for JAC since 2022/23 with the JAC lead on Risk Management reviewing and providing guidance on the development of the Risk Management Framework and Reporting arrangements.

Assurance is sought by JAC through the quarterly risk management reports and reviewing in detail at each meeting one of the high risks action plans and are satisfied that risks are being managed appropriately whilst acknowledging work is still being undertaken to improve this area further.

During 2023/24 the JAC deep dives that have been undertaken on a specific area of the risk register has allowed an understanding of individual high risks in more detail and can now challenge more specific areas of concern. This has resulted in improvement in risk articulation and management of the risk and resources available.

The risks explored in more detail during 2023/24 were:

* Children in Custody, July 2023
* Crime Data Integrity, December 2023 (deferred from September 2023); and
* Welsh Language Standards, March 2024
* **Embedding Ethical Values and Countering Fraud**

A collaborative audit across the four Welsh force was undertaken on counter fraud during 2023/24 which was received by the JAC in June 2024. They were pleased to note that the audit received substantial assurance.

The Anti-fraud and Corruption policy for the OPCC was presented to the JAC in March 2024. The Force policy was last reviewed by the JAC in March 2022.

The Chair of the Ethics Committee attended the September JAC to provide an update in relation to the governance surrounding the meeting and to discuss the type of ethical dilemmas that were considered. The JAC were advised that ethics training had been delivered to 600 officers between February and June 2023 and that ethical behaviour was also part of the induction process for both officers and staff.

* **Improving Value for Money**

The JAC are generally satisfied that their understanding in relation to Value for Money (VFM) continues to improve. Access to data has also improved but the variety of demands on police forces and the variance in priority of those demands in the different forces across England and Wales makes comparison and evaluation of VFM difficult. It is acknowledged that the Force Management Statement enables the JAC to focus on what is required for Gwent which is of primary importance. An annual deep dive also takes place for the JAC to be briefed on the Value for Money Profiles produced by HMICFRS.

1. **Achievement of Goals**

Each year the JAC set out in its Annual Report the priorities they will focus upon during the coming year. This section provides evidence on how the JAC has met the agreed priorities for 2023/24 as detailed in the 2022/23 annual report.

* **Training and Development**

Members have participated in several different training events in order to build on their existing knowledge and skills. Internally, the OPCC and Force run sessions where a topic identified by members is explained and discussed in detail; these sessions, known as ‘Deep Dives’, take place as an addendum to the formal meeting structure.

Deep Dives

During 2023/24, the following deep dives took place:

* Productivity and Efficiency Group/Process of Force Benefits Realisation, June 2023
* Value for Money Profiles (including Outcome of Benefits Realisation and Roads Policing, September 2023
* Vetting Practices and Workforce Planning Strategy, December 2023; and
* Right Care, Right Person including Force Control Room Mental Health Practitioners and Social Media Desk, March 2024

Formal All Wales JAC Training Day

The all Wales training day took place in April 2023 and was organised and hosted by Gwent.

* **Management of Audits**

The JAC have continued to monitor the timeliness of audit findings, particularly in relation to the SRS and collaborative audits as these can be delayed due by partner organisations. The JAC continue to be pleased with the significant improvement in completion of outstanding audit recommendations.

One area of focus during 2023/24 has been ensuring the progress of the recommendations of the evidential property audit. This will continue to be a focus during 2024/25.

* **Collaboration**

Work is ongoing within the OPCC and Force to ensure the governance relating to collaborative projects is robust and that consideration is being given on how that reassurance can be provided to the JAC to comply with the ToR.

* **Delay to Finalisation of Accounts – External Audit**

The JAC were disappointed to learn of the significant delay to the finalisation of the 2022/23 accounts by Audit Wales and highlighted their frustration that the effectiveness of the Gwent Finance Teams in meeting the required deadlines of account completion had been overridden in this manner. The JAC lead met with Audit Wales in relation to the delays mentioned and regular updates were also provided at the JAC meetings.

JAC have also been made aware that there will again be a significant delay in the finalisation of the 2023/24 accounts by Audit Wales. The JAC will therefore continue to focus on this in 2024/25 in order to minimise risk and work with Audit Wales and regulators to bring finalisation of accounts back to a reasonable timeframe.

* **Culture**

The briefings provided on the work being done by Gwent Police to improve the culture of the organisation have been valued by the JAC. The right culture is important to enable the correct internal controls to operate and to improve public confidence and outcome success. Monitoring the improvements in culture from new strategies and policies will remain a focus for JAC for at least the next two years.

**Priorities for 2024/25**

* **Training and Development**

In order to continue to develop and build on the skills of the JAC, ‘Deep Dive’ sessions are being considered in the following areas:

* Ethics and Culture, June 2024;
* Police On-Line Investigation Team (POLIT) and Cyber, July 2024;
* Corporate Insurance, September 2024;
* Value for Money Profiles, November 2024; and
* Global Internal Audit Standards - Changes, the impact on the Force, JAC members and the public sector, March 2025.

The areas above cover a variety of business areas and will help to further support the understanding of the wider work of the OPCC and the Force.

* **Management of Audits**

The JAC will continue to monitor the timeliness of and responses to audit findings to ensure they are appropriate and not delayed unnecessarily. This has been an ongoing priority for several years but will continue to be a strong focus in 2024/25, particularly in relation to Evidential Property and Data Protection.

* **Delay to Finalisation of Accounts – External Audit**

As mentioned earlier in the report, the JAC have been made aware that there will again be a significant delay in the finalisation of the 2023/24 accounts by Audit Wales. The JAC will therefore continue to focus on this in 2024/25 in order to minimise risk and work with Audit Wales and regulators to bring finalisation of accounts back to a reasonable timeframe.

* **Culture**

The JAC wish to be kept informed of the work ongoing to improve culture within Gwent Police and look forward to being briefed on the tangible outcomes of this work.

* **Collaboration**

We are aware of the work ongoing within the OPCC and Force to ensure that governance relating to collaborative projects is robust and that consideration is being given on how that reassurance can be provided to the JAC in order to comply with the ToR. This is a key focus for the JAC as risks in other organisations have the potential to impact on the OPCC and Force, especially in terms of service and adherence to joint project timescales.

* **Evidential Property Stores**

JAC were first notified of issues relating to evidential storage in 2016 when shown the existing facility after a meeting held in Blackwood Police Station. JAC then raised concerns in December 2019 after the second audit report in this area returned a limited assurance rating. Progress against the recommendations from the audit reports has been monitored by the JAC via the outstanding audit report which was received quarterly. There have been several extensions to the agreed audit completion dates and in September 2021, the JAC queried if the extension dates set were realistic. We were provided assurances that they were, and that Evidential Property was a priority for the force and that progress was being made.

The audit planned for quarter 4 of 2021/22 was deferred to quarter 1 of 2022/23, the final audit report was presented to JAC in June 2023. The audit provided disappointing evidence on the work required which deeply concerned JAC. A new action plan was presented to JAC on how the force would meet the recommendations. It was agreed that this would remain on the JAC agenda at every meeting until the matters were fully addressed. Although the JAC are satisfied positive progress is being made in this area, it will continue to be a focus throughout 2024/25.

* **Estate Strategy Review**

The development of the Estate Strategy was delayed during 2022/23. The JAC received a draft strategy at their June 2023 meeting and fed back recommendations for further clarity on estates usage and purpose, and the benefits or otherwise of change in police ways of working to the community. The JAC are aware that work is being progressed on the Strategy as a priority in 2024/25 and look forward to receiving an update on progress.

* **Information Disclosure**

The JAC were presented with a limited assurance internal audit report in March 2024. It was noted that there were concerns regarding the resourcing of the department and the retention of staff and that lack of compliance in this area would have a detrimental impact on the reputation of the Force and requested that this area was added to the Force risk register. Although an action plan was being progressed, the JAC will continue to monitor until complete.

1. **Conclusion**

Based on the JAC’s scrutiny of the information provided and its enquiries of management during 2023/24, the JAC is satisfied that the Commissioner and the Chief Constable can be assured that their control, risk and governance position for 2023/24 was appropriate. In doing so the JAC continues to draw attention to the opportunity to seek greater assurances in respect of Collaboration Projects risk and control position on a prospective basis.

In determining this conclusion, the JAC have given due regard to the work of both internal audit providers and is pleased to note that the annual audit opinion from TIAA is that the ‘Police and Crime Commissioner and the Chief Constable have reasonable and effective risk management, control and governance processes in place’.

The JAC is satisfied that, as at, 1st March 2024, TIAA’s proposed annual Audit Plan for 2024/25 is appropriate for, and aligned to, Gwent’s risk profile. In relation to IT audits, the SRS received an overall assurance rating of ‘Satisfactory’ from TCBC.

The JAC have confirmed its compliance with its ToR during 2023/24 and have received appropriate information from the OPCC and the Force to enable the discharge of its duties.

The Commissioner and the Chief Constable are asked to note this report as a summary of the work and findings of the JAC for the financial year 2023/24.