



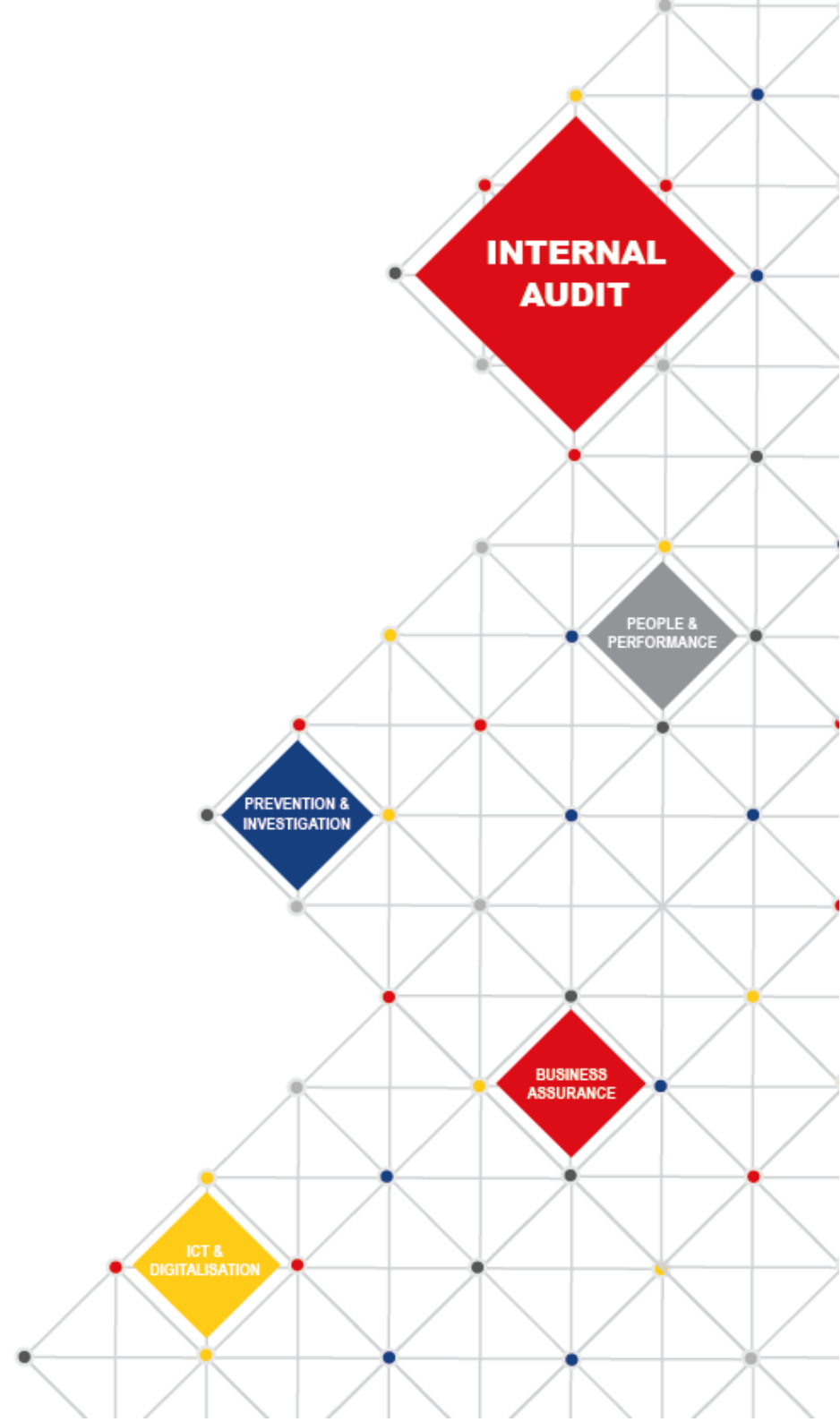
The Police and Crime Commissioner for Gwent and the Chief Constable Gwent Police

Summary Internal Controls Assurance (SICA) Report

May 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 22nd May 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. No reviews from the 2018/19 plan have been finalised in the year to date, although one draft report has been issued and fieldwork has commenced on the majority of the quarter 1 reviews. At this stage there are no issues arising which would require the annual Head of Audit Opinion to be qualified.

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.

		Key Dates			Number of Recommendations			
Review	Evaluation	Draft issued	Responses Received	Final issued	1	2	3	OE
No 2018/19 reviews have been finalised in the year to date.								

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 is 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	Draft report issued 10 th May 2018	Additional to plan
Contract Management – Visit 1	2	3	1	Fieldwork commenced 8 th May 2018	
Vetting	2	4	1	Fieldwork commenced 21 st May 2018	
Governance Assurance Framework	1	10	1	Planned 4 th June 2018	
Business Continuity Planning	1	10	1	Planned 4 th June 2018	
Fleet Management – Single System	1	5	1	Planned 18 th June 2016	
GDPR Compliance – Visit 1	2	3	1	Planned 25 th June 2018	
Contract Management – Visit 2	2	3	2	Planned 6 th August 2018	
Estate Management – Governance Arrangements	1	8	2	Planned 3 rd September 2018	
General Ledger	3	5	2	Planned 6 th September 2018	
Follow Up - Interim	2	5	2	Planned 19 th September 2018	
Payroll	3	5	2	Planned 11 th September 2018	
Local Policing – Property and Cash	2	6	2	Planned 11 th September 2018	
Staying Ahead 8 theme – Corporate Communications	2	6	2	Planned 11 th September 2018	
Creditors	3	5	2	Planned 17 th September 2018	

System	Planned Quarter	Days	Revised Quarter	Current Status	Comments
GDPR Compliance – Visit 2	2	3	2	Planned 24 th September 2018	
Debtors	3	4	3	Planned 3 rd October 2018	
Budgetary Control	2	5	3	Planned 8 th October 2018	
HR Management Training and Development	1	7	3	Planned 15 th October 2018	
Expenses and Additional Payments	3	5	3	Planned 5 th November 2018	
Counter Fraud – Payments Health-check	3	7	3	Planned 12 th November 2018	
FIRMS System Implementation	1-4	6	3	Planned 12 th November 2018	
Pensions	3	5	3	Planned 3 rd December 2018	
Fixed Assets	3	5	4	Planned 14 th January 2019	
Follow Up – End of Year	4	5	4	Planned 25 th February 2019	
Collaborative Project	2	4		Awaiting details for scoping of the review	
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</p> <p>Chief of Staff, OPCC</p>

Quarter	Audit	Type	Days	Rationale & Scope
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>
1	HR Management – Training and Development	Assurance	7	<p><u>Rationale</u></p> <p>New HR systems for scheduling training and rotas being introduced. New training scheme for Police Officers.</p> <p><u>Scope</u></p> <p>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></p> <p>Deputy Chief Constable</p> <p><u>Departmental Lead</u></p> <p>Head of People Services</p>

Quarter	Audit	Type	Days	Rationale & Scope
1	Estate Management – Governance Arrangements	Assurance	8	<p><u>Rationale</u></p> <p>Newly developed Estate Management Strategy.</p> <p><u>Scope</u></p> <p>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></p> <p>Assistant Chief Officer Resources Chief Finance Officer, OPCC</p> <p><u>Departmental Lead</u></p> <p>Head of Estates</p>
1	Fleet Management – Single system	Appraisal	5	<p><u>Rationale</u></p> <p>A review of an aspect of Fleet Management has been included in each year of the Audit Strategy.</p> <p><u>Scope</u></p> <p>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></p> <p>Assistant Chief Officer – Resources</p> <p><u>Departmental Lead</u></p> <p>Head of Fleet</p>

Quarter	Audit	Type	Days	Rationale & Scope
2	Budgetary Control	Assurance	5	<p><u>Rationale</u></p> <p>Key Audit risk area completed annually. Particularly important due to the continued cuts in funding.</p> <p><u>Scope</u></p> <p>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></p> <p>Assistant Chief Officer Resources Chief Finance Office (OPCC)</p> <p><u>Departmental Lead</u></p> <p>Head of Finance</p>
2	Collaborative Project	Appraisal	4	<p><u>Rationale</u></p> <p>Included in the plan annually, due to the increasing number of collaborative projects.</p> <p><u>Scope</u></p> <p>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></p> <p>Deputy Chief Constable</p> <p><u>Departmental Lead</u></p> <p>Chief Superintendent</p>

Quarter	Audit	Type	Days	Rationale & Scope
2	Contract Management	Assurance	6	<p><u>Rationale</u></p> <p>Significant spend on the development of the new Head Quarters building.</p> <p><u>Scope</u></p> <p>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></p> <p>Assistant Chief Officer Resources Chief Finance Officer, OPCC</p> <p><u>Departmental Lead</u></p> <p>Head of Estates</p>
2	Local Policing – Property and Cash	Compliance	6	<p><u>Rationale</u></p> <p>Key fraud risk, loss of property and cash.</p> <p><u>Scope</u></p> <p>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></p> <p>East - Supt - Local Policing Area Commander West - Supt - Local Policing Area Commander</p>

Quarter	Audit	Type	Days	Rationale & Scope
2	Staying Ahead 8 theme – Corporate Communications	Appraisal	6	<p><u>Rationale</u></p> <p>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></p> <p>The scope of the review will appraise the effectiveness of the corporate communication strategy.</p> <p><u>Executive Lead</u></p> <p>Deputy Chief Constable</p> <p><u>Departmental Lead</u></p> <p>Head of Corporate Communications</p>
2	Vetting	Compliance	4	<p><u>Rationale</u></p> <p>Limited Assurance in 2017/18 review.</p> <p><u>Scope</u></p> <p>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></p> <p>Deputy Chief Constable</p> <p><u>Departmental Lead</u></p> <p>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 25th 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"> • Privacy Impact Assessments • Data Subject rights (e.g. Right to be forgotten) • Data Classification and Asset management • Data Security & Breach Management • Governance & Consent • Data Controllers & Processors <p><u>Executive Lead</u></p> <p><u>Assistant Chief Officer - Resources</u></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>

Quarter	Audit	Type	Days	Rationale & Scope
3	General Ledger	Assurance	5	<p><u>Rationale</u> Key financial risk area completed annually</p> <p><u>Scope</u> 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> Assistant Chief Officer – Resources</p> <p><u>Departmental Lead</u> Financial Accountant</p>
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>

Quarter	Audit	Type	Days	Rationale & Scope
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	<u>Rationale</u> Key financial risk area completed bi-annually <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. <u>Executive Lead</u> Assistant Chief Officer – Resources <u>Departmental Lead</u> Head of Finance
3	Pensions	Assurance	5	<u>Rationale</u> Key financial risk area completed bi-annually <u>Scope</u> The review considers the arrangements for: the management and control of the administration of pensions. <u>Executive Lead</u> Assistant Chief Officer – Resources <u>Departmental Lead</u> Head of Finance
3	Expenses and additional payments	Compliance	5	<u>Rationale</u> Key financial risk area completed bi-annually <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 <u>Executive Lead</u> Deputy Chief Constable <u>Departmental Lead</u> Head of People Service

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"> • IR 35 • Duplicate payments <p><u>Executive Lead</u></p> <p>Assistant Chief Officer Resources</p> <p><u>Departmental Lead</u></p> <p>Head of Finance</p>

Quarter	Audit	Type	Days	Rationale & Scope
1 - 4	Finance and Resource System Implementation	Appraisal	6	<u>Rationale</u> Proactive review to provide advice and guidance during the new system implementation. <u>Scope</u> 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. <u>Executive Lead</u> Assistant Chief Officer Resources <u>Departmental Lead</u> Head of Finance
2 and 4	Follow-up	Follow up	10	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.
1 - 4	Liaison with Wales Audit Office	-	3	
1	2018/19 Annual Plan	Management	6	
4	2018/19 Annual Report	Management	2	
1-4	Management & Planning	Management	15	
		Total days	160	

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 the last three months 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
20/04/2018	CBN-18010	All – The Criminal Finances Act 2017	For Possible Action	Audit Committees and Boards/Governing Bodies are advised to consider this new legislation, and identify any systems and controls required to mitigate the risks relating to it. Measures to ensure the organisation can demonstrate 'reasonable prevention procedures' should be considered as part of overall governance and compliance.
27/03/18	CBN-18009	All – Mitigating Malware	For Possible Action	Audit Committees are advised to seek assurance from their IT services that appropriate arrangements are in place to prevent the introduction of malware and to mitigate the effects should a malware attack occur. Organisations should also consider periodic audit review over these processes and procedures, to give independent assurance that appropriate arrangements are in place to prevent or mitigate a malware attack.
27/03/18	CBN-18008	All - Mitigating Risks of Phishing	For Possible Action	Audit Committees are advised to seek assurance from their IT provider (whether in-house or external) that all phishing attempts are recognised, managed and monitored, with appropriate security measures being taken and maintained. Organisations should also consider periodic cyber review covering operational measures in place to mitigate the risk and impact of phishing attacks. In testing the human aspects of phishing, organisations are encouraged to test the effectiveness of their controls and user training by the use of mock phishing exercises.
06/03/2018	CBN-18007	All – Responding to Acid and Corrosive Substance Attacks	For Possible Action	Audit Committees and Boards/Governing Bodies are advised to seek assurance that the organisation has undertaken an assessment of the risk of Acid Attacks for staff – particularly those in front line services and those located in areas where such attacks have been reported.
01/03/2018	CBN-18006	All – UK Anti-Corruption Strategy 2017-2022	For Information	Audit Committees and Boards/Governing Bodies are advised to note the Government's new Anti- Corruption Strategy 2017-2022