

**File classification: SWYDDOGOL-DIM ANGEN MARC OFFICIAL - NO MARKING**

<b>Final audit - as per ISA 260:</b>				
<b>Detail</b>	<b>For Management to Consider</b>	<b>Management Response</b>	<b>Target Date</b>	<b>Status</b>
<i>Accounts Quality &amp; Submission</i>				
The draft accounts were not appropriately formatted and incomplete due to the first time use of CIPFA's Big Red Button. The draft accounts were also submitted to us after the agreed timetable. It was evident that the draft accounts had not been through a robust quality review process before being submitted to us for audit. In addition, the draft accounts contained, and the final amended accounts still contained, numerous rounding errors. We understand that these rounding errors were created by the Big Red Button, and despite many attempts to rectify them, the Finance Team have been unable to do so.	Finance need to reconsider their close-down plan following the issues encountered this year ensuring enough time is built in for a robust quality review process before the accounts are submitted to us for audit.	A full review and update of the closure plan will be completed before 31 December 2018. Sufficient time will be included in the plan for a robust quality assurance review of the draft financial statements by senior managers. <i>UPDATE 20/05/19</i> – updated task plan presented to JAC at December 2018 meeting and updated again to merge financial and management accounts actions. Weekly review meetings have been held since February 2019 and time is included for senior officer review in May 2019.	31/12/2018	Complete
<i>Working Papers and Staff Availability</i>				
Working papers were of a good standard and, overall, provided a good audit trail to source information. However, the working papers were not submitted to us in line with our agreed deliverables schedule but on a request basis. In addition, we were not made fully aware of all annual leave and other work commitments of the Finance Team. As a result, we could not effectively plan our work to ensure that the required finance officers were available when needed. Further problems arose due to the fact that audit queries could only be resolved by the staff responsible for individual account areas. This led to further delays in receiving working	WAO will look to revisit our deliverables schedule for the 2018-19 audit process building in any scope for auditing account areas earlier following discussions with Finance. Finance need to ensure they sign up and deliver on the working paper deadlines as agreed. In addition Finance need to ensure every effort is made that key finance staff are available during our 'tight audit window' and an accurate availability schedule of finance staff is provided on the outset of the audit to allow us to plan our work around this.	We will work with WAO to ensure the deliverables schedule reflects an agreed list of working papers, as well as the key contacts for individual areas and their availability during the accounts/audit process. <i>UPDATE: 20/05/19</i> – several iterations of the WAO's deliverables schedule have been commented upon and updated since January 2019. A final agreed plan is now in place.	31/01/2019	Complete

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papers and information when staff were not available.				
<b>Detail</b>	<b>For Management to Consider</b>	<b>Management Response</b>	<b>Target Date</b>	<b>Status</b>
<i>Finance Staff Training</i>				
<p>Finance staff had not received the appropriate level of training regarding the new financial system. A number of difficulties arose as part of the implementation of the new Agresso Business World (ABW) finance system during the year, eg, relating to the scheme of delegation and the processing of invoices. Finance staff involved in the original implementation of ABW have since left and this loss of knowledge has put additional pressure on the Finance Team. Inexperience amongst the remaining Finance Team was evident when reports to enable reconciliations were not run at the appropriate time and could not be re-worked due to the live nature of the system. In addition, Finance staff had not received the appropriate level of training regarding the use of CIPFA's Big Red Button software. CIPFA's Big Red Button software was used to compile the accounts for the first time this year. The use of the new Big Red Button software to compile the accounts resulted in difficulties as the Finance Team were unfamiliar with the software and in several instances, had to rely on CIPFA consultants to provide answers. This meant that audit queries took longer to resolve than usual. These issues should reduce next year as the finance team become more experienced with the finance system and the accounts compilation process.</p>	<p>Finance staff need to ensure they are adequately trained in respect of new systems notably ABW and CIPFA's BRB to aid future year's accounts production. Desk instructions should also be updated following implementation of new systems.</p>	<p>PwC are currently mapping the processes within the finance systems and we will be supplementing these process maps with additional notes where necessary. All finance staff will be briefed on the accounts close down process and timetable for 2019/20.</p> <p>This briefing will include the working papers and reports required from BW and the BRB to support the production of the accounts.</p> <p><i>UPDATE: 20/05/19</i> – The PwC Mapping exercise has been completed and the process maps agreed. All finance and P2P staff were fully briefed in February 2019 on the accounts process and timetable. Weekly team meetings to monitor progress against the task plan have been happening since early February 2019. Individual briefings on working paper and accounts requirements also took place in March 2019. Additional training on finance system reporting has also been rolled out to</p>	31/03/2019	Complete

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		individuals as required.		
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<b>Final Audit - other findings:</b>				
<b>Detail</b>	<b>For Management to Consider</b>	<b>Management Response</b>	<b>Target Date</b>	<b>Status</b>
<i>Mapping and Chart of Accounts</i>				
A vast number of amendments in the financial statements were in respect of classification issues due to mapping of the trial balance incorrectly. In addition with the introduction of the Big Red Button this identified weaknesses with Gwent Police's Chart of Accounts.	A vast number of amendments in the financial statements were in respect of classification issues due to mapping of the trial balance incorrectly. In addition with the introduction of the Big Red Button this identified weaknesses with Gwent Police's Chart of Accounts.	This will be carried out before 31 March 2019 as part of the year end closure process. <i>UPDATE 20/05/19</i> – remapping exercises have been carried out and a rolled forward set of accounts provided to WAO in January 2019.	31/03/2019	Completed

Appendix 2 - Wales Audit Office

Matters arising from the audit of the Police and Crime Commissioner (PCC) for Gwent's and Chief Constable (CC) for Gwent's 2017-18 financial statements

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<i>Provisions</i>				
The year-end listing of provisions was provided by legal team, however audit testing identified that one of the provisions tested had been closed before year-end and therefore should not have been included on the year-end listing as not a provision at year-end.	Joint Legal Services need to ensure they review this listing to include only 'true' year-end provisions.	Joint Legal Services will be briefed on the requirements for the accounts as part of the year end closure process. <i>UPDATE: 20/05/19</i> – Joint Legal Services were briefed and provided information in March 2019.	31/03/2019	Completed
<i>Chief Finance Officer Secondment</i>				
The Chief Finance Officer has undertaken a part-time secondment to South Wales Police during 2017-18, however no disclosure was included in the draft financial statements for this in terms of the Remuneration and Related Party Notes and amendments were required late in the audit process.	Finance should ensure all known activities are given consideration and included within draft financial statements to avoid for late amendments in the audit process.	We will agree a list of individuals requiring related party returns with WAO as part of the closure process and agree any additional disclosures required before year end. <i>UPDATE: 20/05/19</i> – completed as part of the methodology paper agreed with WAO in February/March 2019. All returns have been received.	31/01/2019	Completed

**Interim Audit:**

<b>Detail</b>	<b>For Management to Consider</b>	<b>Management Response</b>	<b>Target Date</b>	<b>Status</b>
<i>Journals</i>				
ABW includes a feature to allow supporting schedules for journals raised to be saved in the system with the journal. This feature however is not currently used. Staff store journal workings within a series of folders on the Gwent Police server.	Finance should ensure all supporting documentation to journals raised is stored in ABW in order to improve the audit trail.	Staff will be reminded of the need to attach relevant supporting documentation to transactions in BW. <i>UPDATE: 20/05/19</i> – All finance staff	31/03/2018	Completed

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Our audit experience has found that it is more time consuming obtaining this information from the Gwent Police server rather than ABW.		have been reminded several times of the finance system's ability to allow attachments of supporting documentation to journals.		
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