

Police and Crime Commissioner for North Wales and Chief Constable of North Wales Police

Annual Audit Letter 2021

This is our annual audit letter for the Police and Crime Commissioner for North Wales and Chief Constable of North Wales Police.

It summarises the key messages and conclusions arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

The Police and Crime Commissioner's and Chief Constable's responsibilities

It is the Police and Crime Commissioner's (the Commissioner) and Chief Constable's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that their assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in their use of resources.

Police bodies in Wales prepare their financial statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

My audit responsibilities and conclusions

Each year the Auditor General audits the Commissioner's and Chief Constable's financial statements to make sure that public money is being properly accounted for.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the body's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

We continue to recognise the huge strain COVID-19 has placed on public services and aim to work in a way that seeks to reduce the impact on public bodies' response to COVID-19, while still meeting our statutory duties.

The financial statements prepared by the Commissioner and Chief Constable present a true and fair view of their financial position and transactions

The quality of the draft statements presented for audit on 4 June was good.

Some changes were made to the financial statements arising from our audit work. The key matters arising from the accounts audit were reported to members of the Joint Audit Committee in my Audit of Financial Statements report on 6 October 2021.

On 7 October 2021 I issued an unqualified audit opinion on the financial statements for both the Commissioner and Chief Constable confirming that they present a true and fair view of each body's financial position and transactions. My report is contained within the Statement of Accounts.

The Annual Governance Statements and Narrative Reports accompanying the annual accounts were prepared in line with the CIPFA Code and relevant guidance. They were consistent with the financial statements and with our knowledge of North Wales Police.

I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources

My consideration of the body's arrangements to secure economy, efficiency and effectiveness has been based on:

- the audit work undertaken on the statement of accounts;
- the results of the audit work undertaken on the Commissioner's and Chief Constable's systems of internal control, as reported in the Annual Governance Statement;
- the results of other work carried out by the Auditor General including our review of collaboration of emergency services in Wales and between the four Welsh forces';
- the results of the work of other external review bodies, e.g. Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), where relevant to my responsibilities; and
- any other work, including from Internal Audit, that I considered necessary to discharge my responsibilities.

For the purposes of my work, I evaluated the Commissioner's and Chief Constable's systems against a number of questions. This approach is set out in detail in **Appendix 1** to this letter. For each question, I consider whether there are gaps in the arrangements expected to be in place, and the significance of those gaps.

Based on the work I have undertaken, I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in their use of resources.

I issued a certificate confirming that the audit of the accounts of the Commissioner and Chief Constable have been completed on 7 October 2021

I received no electors' questions or objections in relation to the 2020-21 audit.

Having given an audit opinion on the financial statements and concluded on the Commissioner's and Chief Constable's arrangements to secure economy, efficiency and effectiveness in its use of resources, I was able to certify that the audit was complete when I issued my audit opinion.

Financial audit fee

The financial audit fee for 2020-21 is currently being reviewed and is expected to be in line with the agreed fee set out in the Annual Audit Plan 2021.

Yours sincerely

Derwyn Owen
Engagement Director
For and on behalf of the Auditor General for Wales

cc

Appendix 1

Criteria to assess arrangements for securing economy, efficiency and effectiveness in his use of resources

Exhibit 1: criteria for assessing arrangements

Corporate performance management and financial management arrangements	Questions on arrangements
Establishing objectives determining policy and decision making	Has the Commissioner/Chief Constable put in place arrangements for setting, reviewing and implementing his strategic and operational objectives?
Meeting the needs of users, stakeholders and the local population	Has the Commissioner/Chief Constable put in place channels of communication with the local population, users of the service, and other stakeholders including partners, and are there monitoring arrangements to ensure that key messages about services are taken into account?
Monitoring and reviewing performance	Has the Commissioner/Chief Constable put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary and reporting to the Commissioner/Chief Constable?
Compliance with established policies	Has the Commissioner/Chief Constable put in place arrangements to maintain a sound system of internal control, including those for ensuring compliance with laws and regulations, and internal policies and procedures?
Operational and financial risks	Has the Commissioner/Chief Constable put in place arrangements to manage his significant business risks?

Corporate performance management and financial management arrangements	Questions on arrangements
Managing financial and other resources	Has the Commissioner/Chief Constable put in place arrangements to evaluate and improve the value for money he achieves in his use of resources?
	Has the Commissioner/Chief Constable put in place arrangements to ensure that his spending matches his available resources?
	Has the Commissioner/Chief Constable put in place arrangements for managing and monitoring performance against budgets, taking corrective action where appropriate, and reporting the results to senior management and the Commissioner/Chief Constable?
Proper standards of conduct etc.	Has the Commissioner/Chief Constable put in place arrangements for monitoring and scrutinising performance, to identify potential variances against strategic objectives, standards and targets for taking action?
	Has the Commissioner/Chief Constable put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of his business?

Appendix 1

Have auditors identified any indications that proper arrangements may not be in place from a review of the following sources during the course of their normal audit work?	Findings and conclusion Based on findings below there are no indications that proper arrangements may not be in place.
Audit of accounts	Unqualified opinion issued on 7 October 2021.
Local and national Audit Wales reports	<p>Review of collaboration of emergency services in Wales.</p> <p>Review of the collaboration between the four Welsh forces. Audit findings were shared with the Welsh forces in Summer 2020. We have concluded that arrangements are in place to support good governance and the efficient, effective and economic use of resources for the collaboration between Welsh Police Forces, however there are aspects of these arrangements that could benefit from a number of processes being clarified and formalised.</p>
Internal audit reports	<p>During 2020/21 the internal auditors, TIAA, undertook 22 audits of which 13 were assessed as providing substantial assurance, six with reasonable assurance and one report in which the assessment was limited assurance.</p> <p>The Head of Internal Audit opinion was: 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.</p>
Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspection reports	At the time of our audit work, no HMICFRS Inspection reports had been issued relating to the period under review.

<p>Have auditors identified any indications that proper arrangements may not be in place from a review of the following sources during the course of their normal audit work?</p>	<p>Findings and conclusion</p> <p>Based on findings below there are no indications that proper arrangements may not be in place.</p>
<p>Review of key papers e.g. strategies, plans, meeting papers, etc</p>	<p>A review of the key papers is carried out as part of our audit process. We consider if the Financial Statements and the Annual Governance Statement are consistent with the information we have gathered from these sources.</p>
<p>Budget reporting</p>	<p>The Medium-Term Financial Strategy 2021-22 to 2025-26 outlines budget requirements and spending expectations. This strategy is (4 year forward view) refreshed annually to ensure forthcoming funding shortfalls are identified early and corrective action taken thus ensuring resources match planned expenditure.</p>

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government & Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.