**Report of the Chief Constable to the Chair and Members of the Audit Committee**

**23rd March 2017**

**Executive & Presenting Officer: Mr Graeme Slaughter, Chief Finance Officer**

**Status: For information**

**Internal Audit and HMIC Recommendations Implementation Update**

**1. Purpose**

1.1 The agreed Terms of Reference for the Audit Committee include a provision for the Audit Committee to consider “*HMIC, external review agencies and any internal inspection reports that provide assurance on the internal control environment and / or may highlight governance issues for the Office of the PCC and / or Cleveland Police*”.

1.2 This report provides Members with an update on progress in implementing recommendations from internal audit and Her Majesty’s Inspectorate of Constabulary (HMIC).

**2. Recommendations**

* 1. That Members note the contents of the report.

**3. Reasons**

* 1. The Risk, Audit & Inspection Monitoring Board (RAIMB) has the remit for monitoring the Force’s progress in implementing recommendations from internal audit and HMIC reports. The RAIMB meets on a monthly basis with scrutiny on audit and HMIC recommendations on a cyclical quarterly basis.

3.2 HMIC

Following the 2015 Police Effectiveness Efficiency & Legitimacy (PEEL) Inspections, in which Cleveland Police was assessed as ‘required improvement’, the RAIMB, in line with its Terms of Reference, has taken a strategic approach to audit and inspection activity, and as such has prioritised resources towards preparation for PEEL inspections.

* 1. This approach has been led by the Performance Quality & Review (PQR) Team and is focussed on self assessment against the HMIC question sets, providing evidence of compliance, or taking remedial action, and integrating into business as usual where appropriate.
  2. The process of preparation and improvement described above covers many of the outstanding recommendations from previous local or national thematic inspections. Consequently, the schedule of outstanding recommendations is now used as a checklist by the PQR Team to ensure implementation.
  3. The success of this approach has been demonstrated by the Force moving from ‘requires improvement’ to ‘good’ for both the Efficiency and Effectiveness inspections.
  4. Following the pre-inspection work and independent verification by PQR, there are 49 outstanding recommendations that are not covered by PEEL inspection activity. Progress on the implementation of these recommendations will continue to be monitored by the RAIMB. The PQR Team are currently reviewing these outstanding recommendations so we can prioritise resources accordingly.
  5. Internal Audit

Since the last report in September the RAIMB has discharged 27 internal audit recommendations as being fully implemented, established as part of business as usual or superseded.

* 1. There are now 26 open recommendations, categorised as follows:
* 7 High
* 12 Medium
* 4 Low
* 3 not graded
  1. Updates on these each of these actions has been requested for the next RAIMB meeting, which will be held on 30th March. It is expected that a number of recommendations will be discharged.

**4. Implications**

4.1 Finance

There are no known financial implications arising from this report.

4.2 As part of the process to review HMIC reports, the Force now provides an estimate of the cost of implementing the recommendations arising from HMIC inspections. These costs will be reviewed at the RAIMB meeting.

4.3 Diversity & Equal Opportunities

There are no diversity or equal opportunities implications arising from the content of this report.

4.4 Human Rights Act

There are no Human Rights Act implications arising from the content of this report.

4.5 Sustainability

There are no sustainability implications arising from the content of this report.

4.6 Risk

There are no risk implications arising from the content of this report.

**5. Conclusion**

* 1. It is important that the Force responds positively and effectively to the recommendations of internal and external audit and inspection bodies to ensure continued effective delivery of the Force priorities.
  2. A robust and effective process for taking the recommendations forward is established and working effectively. This is clearly demonstrated by the Force moving from ‘requires improvement’ to ‘good’ in the latest PEEL inspections. Members will continue to receive updates on progress in implementing recommendations at alternate meetings of the Audit Committee.

Graeme Slaughter

Chief Finance Officer