

## **Minutes of the Joint Cleveland Audit Committee – Open Session**

A meeting of the Cleveland Joint Audit Committee was held on 22<sup>nd</sup> September 2016 in the PCC's Conference Room, Police HQ.

Present: Mrs. Ann O'Hanlon (Chair), Mr. Stan Irwin, Mr. Gerard Walsh, Mr. Aslam Hanif and Mr Roman Pronyszyn

Officials: Mr. Barry Coppinger, Mr. Simon Dennis and Mr. Michael Porter (Office of the Police & Crime Commissioner)  
Mr. Graeme Slaughter, Miss Kate Rowntree, Mrs Claire Wrightson and Mrs Joanne Monkman (Cleveland Police)  
Mr. Daniel Harris & Ms. Angela Ward (Internal Audit)  
Mr. Cameron Waddell & Ms. Diane Harold (External Audit)

### 344 **Apologies for Absence**

Apologies for absence were received from T/DCC Simon Nickless.

### 345 **Open Minutes of the Previous Meeting held on 23<sup>rd</sup> June 2016**

Members queried whether the Force had received the report following the latest HMIC inspection.

Members were advised that the draft report for was due to be received today, but at the time of the meeting, it had not been received.

Members sought clarification that the briefing mentioned in the minutes was the briefing arranged for 23<sup>rd</sup> November. The Executive Staff Officer confirmed that this was the case.

#### **Agreed that:**

1. The minutes were held as a true record.

### 346 **Civil Claim Statistics – Report of the Chief Constable**

The Force Legal Adviser presented the report covering civil claims received during the reporting period of 1<sup>st</sup> March to 31<sup>st</sup> August 2016.

Members were advised that the total sums paid out, as shown in the table at para 5.1, included the £125,000 paid in relation to the case detailed in the Exception Report.

One of the Members questioned whether the third party costs paid for the case in the Exception Report were reasonable.

The Force Legal Adviser explained that the costs were reviewed and subject to the court's detailed assessment proceedings, and that the costs finally paid out were significantly less than what had been originally claimed.

A member questioned whether the rule limiting officers to driving 20mph above the speed limit had now been documented.

Members were advised that this was not an absolute rule and was only a guide to officers. Officers could still exceed this limit, but they would need to be able to justify this operationally.

The Legal Adviser further advised Members that there was a considerable amount of case law in this area and drivers must show they had taken all reasonable care in circumstances where a car had hit a pedestrian.

**Agreed that:**

1. the report be noted.

347

**Contract Standing Order 9 Exceptional Situations – Report of the Chief Constable**

The Procurement & Fleet Lead Business Partner presented the report on the exceptional situations outside of the normal tendering rules. During the reporting period there were 12 purchases of proprietary products, and three purchases which had been an operational emergency.

Members sought clarification on the purchase of the Foreign National Registration Software.

Members were advised that to comply with visa requirements, some foreign nationals are required to register with the police. The software facilitates the booking of appointments to register and is a records management system.

**Agreed that:**

1. the report be noted.

348

**Annual Equality & Diversity Update – Report of the Chief Constable**

The Force Chief Finance Officer (CFO) presented the report outlining the Force's commitment to promoting fairness and equality across and outside the organisation.

Members were reminded that ensuring equality, diversity and human rights (EDHR) was listed as a significant governance issue in the Force's Annual Governance Statement. The Force has made a significant investment in equality and diversity with the establishment of the Everyone Matters Team. This work has the full strategic support of the PCC who has invested £80,000

in training and development, and is actively scrutinising the progress of the whole programme.

The Everyone Matters Team have spent a lot of time developing our strategy, which is currently out for consultation internally and with external stakeholders.

Members were advised that the Force will be undertaking a further staff survey in October 2016, in conjunction with Durham University. The last survey was conducted in 2014, but the Force now plans to conduct the survey on an annual basis. Some of the questions included in the survey are used in other organisations surveys, which will allow the force to undertake some comparisons.

Members requested that the results of the survey be included in future reports. This was agreed by the Force.

Members sought clarification that the Code of Ethics was considered by the Internal Ethics Committee.

The PCC's Chief Executive advised that all items submitted for discussion at the Ethics Committee are reviewed against the Code of Ethics. The outcomes of the discussions are shared across the Force, and direct feedback is given to the officer, or member of staff, who submitted the topic.

The PCC advised members that EDHR and Everyone Matters was a top priority and he was taking close interest in the work being undertaken through the regular meetings he holds with the Chief Constable and the DCC.

The PCC further stated that the work being led by the Everyone Matters team was a key opportunity to ensure that policing better understands, represents and meets the needs of the diverse communities we serve.

Members asked whether the good work recently undertaken in Hartlepool with asylum seekers would be replicated across the force area.

The PCC advised that he will be holding a session with all partner agencies to learn and share good practice on how best to support refugees and asylum seekers.

The Force CFO advised Members that from the early engagement with Equality North East, their assessment is that the Force is not a bad organisation but that there is more that the Force could do to make officers and staff more aware of equality and diversity issues, and give supervisors confidence to address issues involving matters of fairness and tolerance earlier.

Members questioned the findings of the cultural audit referenced in the

report.

Members were advised that it was not structured audit, but members of the Everyone Matters team met informally with officers, staff, and teams across the organisation to better understand the organisation. The key findings were:

- a need for refresher training
- support & guidance to enable supervisors to address issues early
- some workplace banter in teams could cause offence
- understanding of how behaviour can affect people

A member questioned whether the Force had undertaken any benchmarking.

The Force CFO advised that some of the questions in the Staff Survey will allow for benchmarking with other organisations, and that further benchmarking could be done with Equality North East.

Members asked whether the Independent Advisory Groups produced Annual Reports of their work.

The PCC reported that as the groups were independent, it would be their decision whether they produced an Annual Report.

**Agreed that:**

1. the report be noted.

349

**Strategic Risk Register – Report of the PCC’s Chief Finance Officer**

The PCC’s CFO informed members that only minor changes had been made to the risk register since it was last presented.

Members were advised that a number of actions were in progress and are on target to be completed by 30<sup>th</sup> September. Each of the actions would be reviewed with the risk action owners.

Members sought clarification over the risk owners listed in the appendix.

The PCC’s CFO advised that the owners listed in the appendix are the risk action owners, and those responsible for providing the updates on the risk rather than being the risk owner. Members were advised that in accordance with established convention the PCC’s CFO was the risk owner for all risks on behalf of the PCC.

Specific questions were asked on a number of individual risks on the risk register.

The PCC’s CFO advised that risk 1470 (Diversity & Equality) will be reviewed

as there is a lot of work ongoing in this area. The target score will be reconsidered once the risk has been reviewed.

The PCC's CFO advised that he was satisfied that the residual score for risk 1474 (Fraud) is the same as the target score.

Members were advised that as the PCC has a balanced 4 year financial plan, the current level of financial risk, is less than what would be considered acceptable to have in relation to the potential risk of reductions of central funding (risk 1479).

The PCC's CFO explained that the controls currently in place to mitigate risk 1493 (Staffing Structure, Grading and Job Evaluation) are not sufficient to reduce the risk score. A number of further actions are being put in place that will help reduce the risk score.

Members were advised that risk 1486 (Holding the Chief Constable to account) was added to the risk register following the HMIC inspection, and Employment Tribunal outcome last year, when the PCC decided to review the scrutiny processes in place. The OPCC scrutiny processes have now been changed. The PCC's CFO advised that this risk will be reviewed and updated before the risk register is next presented to the Committee.

**Agreed that:**

1. the report be noted.

350

**Annual Report of the Monitoring Officer**

The PCC's Chief Executive presented the report on the types of duties and specific activities of the role of the Monitoring Officer.

Members were advised that although the PCC's Election 'purdah' period had taken place only very slightly inside the reporting year and that the election itself had fallen outside the period covered by the report, it was felt appropriate in the interests of timeliness to include the update in this report to Members rather than artificially wait until the next reporting year.

Members were further advised that Chief Officer conduct matters have been included in the report, in line with previous annual reports, although this strictly speaking is a power exercised by the Chief Executive by virtue of a delegation from the PCC rather than arising from the remit of the role of Monitoring Officer.

Members sought clarification on whether the shared working arrangements with North Yorkshire were continuing.

The PCC's Chief Executive advised Members that the temporary arrangements under which he undertook the role of Chief Executive at North Yorkshire had

ended on 31<sup>st</sup> July, but that the arrangements for the shared Chief Finance Officer role were continuing.

Members questioned whether the restructuring of the OPCC was complete.

Members were advised that the 1<sup>st</sup> phase of the restructuring process was complete. Several roles have been appointed to but two of the successful candidates are not yet in post.

The PCC commented that he had been impressed with how the OPCC had managed the election process, and the sharing of relevant information with all candidates.

The PCC further noted that the role of the PCC is changing, with further responsibilities coming under the PCC's remit.

Members questioned which agencies would take the lead on the types of matters raised in the Electoral Commission report, in preparation for the next PCC election.

The PCC noted that there will be a lot of challenges to be faced in terms of the timing and arrangements for the next election, and that local authorities and others will have to be well prepared to deal with the challenges outlined in the Electoral Commission Report.

**Agreed that:**

1. the report be noted.

351

**Audit Completion Report for the Chief Constable – Report of External Audit**

The External Auditor presented the report detailing the findings of their audit for the year ended 31<sup>st</sup> March 2016.

Members were advised that the audit was now complete. The outstanding pension fund assurance letter had now been received and there were no issues to report.

The External Auditor advised Members that they were giving an unqualified opinion on both the statement of accounts and the value for money conclusion.

Members' attention was drawn to section two of the report, which provides an update on the risks previously identified, and noted that there were no significant issues outstanding.

The External Auditor noted that there had been no significant difficulties in

completing the audit, and that the process improves each year. The receipt of the external pension information is the only area where improvements could be made.

The External Auditor further noted that no objections to the statement of accounts had been received. In addition no internal control recommendations had been made and no significant deficiencies have been identified.

Members were reminded that a previous risk to the Force's value for money conclusion was the capacity to fill recruitment gaps due to leavers outstripping planning assumptions.

The External Auditor advised that a positive meeting had been held with members of the Force which had included a demonstration of the demand modelling arrangements. It was further noted that Cleveland Police were applying a lot of the good practice flagged by HMIC.

The Force CFO echoed the comments from the External Auditor and noted that the year end process was now established as 'business as usual', but that this doesn't diminish the significant amount of work undertaken by the Finance Teams.

Members were advised that a lot of work remains to be done to meet the earlier timescales for completing the accounts next year.

The External Auditor noted that other clients had trialled the earlier deadlines and have identified lesson learnt that can be shared.

The Chair advised Members that the Temporary Deputy Chief Constable had provided assurances during the pre-meeting that appropriate recruitment processes were in place and that the Force was maintaining the quality of new recruits.

**Agreed that:**

1. the report be noted.

352

**Audit Completion Report for the Office of the Police & Crime Commissioner – Report of External Audit**

The External Auditor advised Members that they were giving an unqualified opinion on both the statement of accounts and the value for money conclusion.

Members were advised that there were no further issues to those discussed for the Chief Constable's report to bring to their attention.

Members requested that the Force CFO pass on thanks for the significant amount work undertaken in preparing the accounts.

**Agreed that:**

1. the report be noted.

353

**Audited Statement of Accounts 2015/2016 – Report of PCC’s CFO**

The PCC’s CFO presented the report and Statement of Accounts for Members consideration. The report that accompanied the draft accounts at the June meeting identified the key points, which have not changed so have not been restated.

Members were reminded that the accounts had been reviewed in detail with the Vice-Chair of the Committee. The accounts will be formally signed off following today’s meeting.

Members commented that the narrative statement now included as part of the accounts was useful aide. Members further noted the significant improvements made to the process for developing the statement of the accounts over the last four years.

**Agreed that:**

1. the report, and statement of accounts 2015/2016 be noted.

354

**HMIC & Internal Audit Recommendations Update – Report of the Chief Constable**

The Force CFO presented the report to update Members on progress in implementing recommendations from internal audit and HMIC.

Members were reminded that the outcome of last year’s PEEL inspection features as a significant governance issue in the Force’s Annual Governance Statement.

Members were advised that the Force has changed its approach to dealing with HMIC actions, and is now using the PEEL inspection question sets as the driver of Force activity. Any outstanding actions from other reports will be identified through the gap analysis process. The Force’s Performance Quality & Review (PQR) Team will be reporting back at the December Risk Audit & Inspection Board (RAIMB) meeting.

Members questioned when the inspection report would be published.

The Force CFO advised that the Efficiency and Legitimacy reports are due to be published in October or November, and agreed to forward a copy of the report on to Members when it is received.

The PCC noted that the Force was much better prepared for the last



inspection compared to the past.

One of the Members questioned whether HMIC were concerned at arriving at Police Headquarters with no security arrangements.

The Force CFO advised that this had not been raised by the inspectors, and that many forces now did not have external security at their headquarters.

Members commented that it was commendable that the Force was taking a proactive approach rather than being reactive to recommendations.

Members expressed concern over the updates provided for the Restorative Justice actions.

The Force CFO accepted that the updates provided were poor, and that a policy statement from the lead was now required. Work in this area is progressing, but not as quickly as originally anticipated.

The PCC noted that restorative justice (RJ) in Cleveland had not progressed as much as he wanted, and that more work needed to be done with local communities to accept RJ as a solution.

Members sought clarification over the date of the post implementation review of the Victim's First Policy.

The Force CFO explained that this would be covered as part of the wider ranging post implementation review of the local policing review implementation. The local policing reviews have been implemented, and the review will be conducted in the first quarter next year.

Members sought clarification as to whether the reminders referenced in actions 231 & 232 had been issued.

The Force CFO confirmed that the reminders to officers had been issued.

**Agreed that:**

1. the report be noted.

## 355 **Internal Audit Progress Report – Report of Internal Audit**

The Internal Auditor presented the report on progress against the approved internal audit plan.

Members were informed that following the delay to some of the reports earlier in the year, Internal Audit were back in line with the agreed timetable.

Members were advised that three reports had been issued with partial assurance, and that if further partial assurance reports were issued, then this

could impact on the year end opinion.

The Internal Auditor noted that due to the high number of 'high' and 'medium' recommendations issued so far, it may not be possible to follow up 100% of these recommendations as originally planned. This would be discussed further with the CFO's.

**Agreed that:**

1. the report be noted.

356

**Seized Cash Spot Checks – Report of Internal Audit**

The Internal Auditor presented the report on the audit of seized cash.

Members were advised that the same issues as from previous cash spot check audits were identified.

The Force CFO noted the management of cash was part of the overall property management process. The management of property, and cash, is getting better but further improvements are still required, and it remains as a strategic risk to the Force.

One of the Members sought clarification on whether the officer on leave at the time of the audit had been followed up.

The Internal Auditor explained that this had not been followed up as part of the audit, but that a recommendation had been issued to cover the problem identified.

Members were concerned about the issuing of recommendations to 'send out reminders' when this has been done before.

Members were advised that previous reminders had been generic messages to all officers, whereas there recommendations in this report were for specific groups of staff.

**Agreed that:**

1. the report be noted.

357

**Collaborations – CDSOU & Fingerprint Bureau – Report of Internal Audit**

The Internal Auditor presented the report on collaboration which had focussed on Cleveland and Durham Specialist Operations Unit (CDSOU) including the Tactical Training Centre, and the Fingerprint Bureau.

Members were advised that whilst there were good controls in place, there

were areas that needed to be improved, giving a partial assurance opinion.

The PCC's CFO advised members that collaboration was included on the PCC's Risk Register as this is a growing area and is becoming more complex.

**Agreed that:**

1. the report be noted.

358 **Data Quality – Report of Internal Audit**

The Internal Auditor presented the report on the review of data quality, including data security and the management of police information (MoPI).

Members were advised that there has been a data cleansing exercise to improve data quality, and that data governance arrangements were in place. The audit opinion was substantial assurance.

**Agreed that:**

1. the report be noted.

359 **HR Management – Overtime, TOIL & RDIL – Report of Internal Audit**

The Internal Auditor presented the report on management of overtime, time off in lieu (TIOL) and rest days in lieu (RDIL).

Members were advised that the overtime, TOIL and RDIL that they sampled was required and properly authorised. However there was no documented strategy to reduce the current levels of TOIL and RDIL. This resulted in a reasonable assurance audit opinion.

Members sought clarification on the action being taken by the Force.

The Force CFO advised Members that the Head of HR will work with the Head of Finance to agree a process that doesn't outweigh the value of the errors.

The Internal Auditor suggested dip sampling to see if there are any further errors, and to understand the nature of the errors being made.

Members were advised that the actions from this audit will be included in the follow up review as part of the agreed internal audit programme.

The Force CFO advised Members that the introduction of the new shift patterns across the force should see the levels of overtime, TOIL and RDIL start to reduce.

The PCC noted that he continues to monitor the levels of TOIL and RDIL as this is an area of particular interest to the Police & Crime Panel.

**Agreed that:**

1. the report be noted.

360

**Firearms / Taser Service Records – Report of Internal Audit**

The Internal Auditor presented the report of the audit on the arrangements in place to manage the Force's firearms including tasers.

Members were advised that the recommendations made in the report were mainly in relation to management of tasers rather than firearms.

The Internal Auditor advised that there was a good control framework in place, but there were some inconsistencies and areas for improvement which led to 2 high and 3 medium level recommendations, and a partial assurance opinion.

The Force CFO advised Members that he would be following up the implementation of the report recommendations and will provide an update to Members at the December meeting.

Members sought clarification on the actions to be taken.

The Internal Auditor advised that they no longer issue direct recommendations, but work with the Force to agree actions to address the risks identified during the audit. The Force needs to reinforce compliance with the correct procedures, and ensure those involved are aware of their responsibilities.

Members queried how Members could be assured that the recommendations had been implemented.

The Internal Auditor advised that the recommendations will form part of the follow up review. Dip samples will be taken from a time period after the proposed implementation date to check compliance.

Internal Audit agreed to discuss how the recommendations from this report would be followed up.

The Force CFO agreed to ensure that the actions would be completed and a compliance regime introduced.

**Agreed that:**

1. the report be noted.

361

**Health & Safety – Report of Internal Audit**

The Internal Auditor presented the report on the Force's health and safety arrangements.

Members were advised that the policy was in line with guidelines and that inspections were taking place, however the actions following the inspections weren't being followed up. This led to a reasonable assurance opinion.

**Agreed that:**

1. the report be noted.

362

**Stockholding – Report of Internal Audit**

The Internal Auditor presented the report on the stock control procedures.

Members were advised that the system for recording stock was not being used to its full potential, and a more systematic approach could be taken. Stock checks were carried out but records were not kept. The agreed actions in the report will enhance the control framework. This report has a partial assurance opinion.

The Internal Auditor advised Members that in terms of materiality, this report would not impact on the end of year opinion for the Force, however the taser report, may have an impact on the opinion.

Members noted that they would have been concerned if this report were to impact on the overall audit opinion due to the small values of stock held.

The Internal Auditor informed Members that the annual opinion would state issues that should be included in the significant governance issues section of the annual governance statement.

**Agreed that:**

1. the report be noted.

363

**Exclusion of the Press and Public**

**Agreed that;**

1. pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under Paragraph 7 of Part 1 of Schedule 12A to the Act.