

Minutes of the Joint Cleveland Audit Committee – Open Session

A meeting of the Cleveland Joint Audit Committee was held on Thursday 24 June 2021. This meeting was split between St Mark's House, Stockton and virtually on Microsoft Teams.

Present: In person: Mr Stan Irwin (Chair), Mr Andrew Prest – Teams: Ms Gill Rollings

Officials: Office of the Cleveland Police and Crime Commissioner
Teams: Mr Michael Porter, Chief Finance Officer and Deputy Chief Executive
Mrs Lisa Oldroyd, Acting Chief Executive and Monitoring Officer
Miss Jenni Salkeld, Diversity and Inclusion Manager (Part of the meeting)
Mrs Jayne Harpe, Minute Taker
Miss Annaleis Banks, Apprentice

Cleveland Police

In person: Mrs Helen McMillan, Deputy Chief Constable
Mrs Joanne Gleeson, Chief Finance Officer
Teams: Miss Gill Currie, HMICFRS Liaison Officer
Mrs Liz Byrne, Programme Manager (Part of the meeting)
Mr Steve Walton, Operational Safety and Planning Manager (Part of the meeting)
Mrs Xanthe Tait, Director of Collaborative Legal Services (Part of the meeting)
Mr Paul Wyatt, Risk and Insurance Manager (Part of the Meeting)

External Audit – Mazars

Teams: Mr Cambell Dearden, Manager
Mr Gavin Barker, Engagement Lead (left the meeting due to feeling unwell)

Internal Audit – RSM

Teams: Mr Daniel Harris, Head of Internal Audit
Mr Michael Gibson, Assistant Manager

777 Apologies for Absence

Apologies were received from Mrs Ann O'Hanlon (Chair), Mr Steve Turner- Police and Crime Commissioner, Mr Paul Waugh - Directorate of Standards and Ethics Superintendent, Mr Philip Church – Manager RSM, Mrs Louise Solomon – Head of Corporate Services.

The Agenda was taken in the following order: 3, 5, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21.

778 Declarations of Interest

Stan Irwin declared an interest as a member of the Complaints Scrutiny Panel.

779 Item 3: Open Minutes of the Previous Meeting held on 25 March 2021

The minutes were held and signed as a true record. All points had been actioned and there were no matters arising. It was queried whether the Teams meeting of the Joint Audit Committee could be recorded and placed in the public domain, as it was a public meeting. The PCC Chief Finance Officer would consider this for future meetings, although it was hoped the September meeting would be held in person.

780 Item 5: Health and Safety and Fire Safety Annual Report 2020-21 – Report of the Chief Constable

The Operational Safety and Planning Manager presented the report and members were informed that this period had posed lots of challenges for the Force during the COVID-19 pandemic. The Force had been scrutinised by the Health and Safety Executive (HSE) in

October 2020, December 2020 and January 2020. This was initiated by several anonymous complaints levelled against the effective management of COVID-19 security with the Force Control Room (FRCR) and the Community Safety Hub (CSH) at Hemlington. The Chair asked whether the complaints to HSE had been in conjunction with changes to the shift pattern in FCR. Members were informed that there had been 12 complaints to HSE, and some had been replicated. The outcome was that the Force had no case to answer and had been compliant.

Members were informed that most staff had been able to work from home, and workplace assessments and needs had been addressed regarding equipment and furniture, in line with HSE guidance. Regular contact had been maintained between supervisors and staff regarding welfare. Wellbeing and Blue Light had also been utilised during that time.

It was agreed that:

1. The report be noted

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Item 4: Draft Annual Equality Monitoring Report – Report of the Chief Constable

The draft report was presented to Members to allow any changes to be made to the final report which would be presented to the Joint Audit Committee in September 2021. A Member asked if outsourced services could be included and raised the fact that LGB&T had not changed during the past three years. The Diversity and Inclusion Manager informed Members that although data had been requested, it had shown that a lot of people had selected “prefer not to say”. The Oracle system had been amended to allow staff to add or amend data if they wished.

Members were informed that a local campaign had been launched to encourage the disclosure of information. The Equality, Diversity and Inclusion (EDI) Team were aware of the gaps and were looking to monitor data at the recruitment stage. This would provide a further breakdown of protected characteristics. A Member would like to see, if possible, “prefer not to say” and “not stated” in different groups. A further Member asked how equality goals are monitored, for example, how many staff wore rainbow epaulettes. The Diversity and Inclusion Manager advised that equality goals are in development and the EDI Toolkit is being used. Orders for rainbow epaulettes will be checked to confirm how many were ordered. There will be an update to the EDI Board on 23 July 2021.

It was agreed that:

1. The report be noted with the inclusions to the final report presented to the Joint Audit Committee in September 2021.

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Item 6: Civil Claims Overview – Report of the Chief Constable

The Director of Collaborative Legal Services presented the report to Members, who were informed that delays in the Court system have affected the finalisation of Employment Tribunals. Also, due to the backlogs in Courts, there was a struggle to get cases listed. Members were informed that motor liability claims were received fairly quickly following the incident, whereas public liability claims took longer.

At paragraph 1.21 in the report, *“of the 78 cases finalised during the period, 76 were successfully defended/withdrawn (97%). This is to be compared with the last period where 14 cases were finalised and 6 were successfully defended/withdrawn (43%)”*, an explanation was provided that this was an anomaly. A number of cases had gone dormant and shown a distorted increase in cases due to the number of costs resolved. The 97% figure included a backlog of cases and did not reflect the number of cases outside the reporting period.

At paragraph 1.22 of the report, one negligence motor claim was low value and one arrest was a claim the Force had been unable to defend.

Paragraph 1.24 of the report showed a sizeable increase across all three Force areas. The Joint Audit Committee had previously asked if there were any specific trends. A piece of work had been commissioned to understand why the levels of claims within Cleveland were so high in comparison to the other two Forces within the collaboration. Analysis showed that although public liability claims were spread over many torts with no particular theme or trend, the main claims related to arrest/detention. The arrest rate in Cleveland per 1000 head of population was higher, resulting in higher claims. Cleveland had the highest notifiable arrest rate, which did not include drunk and disorderly. A member asked whether it was feasible to compare Cleveland against most similar forces (msf), which would help to understand what is occurring in Cleveland. The Director of Collaborative Legal Services will undertake the analysis for the next report.

Members asked if there were other reasons why claims were so high. They were informed that some law firms handling defence cases and presenting at police cases, then passing it on. In addition, there are National law firms engaged by the Police Federation.

It was agreed that:

- 1. The report be noted**
- 2. Analysis be undertaken to compare Cleveland against most similar forces for the next report.**

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Item 7: Annual Governance Statement – Report of the Chief Constable

The Chief Finance Officer informed Members that there had been no significant changes to the narrative, although the format and presentation had been amended following input from Gill Rollings of the Audit Committee. The new Chief Officer group were ensuring it was fit for purpose. The Chief Finance Officer expressed gratitude to the HMICFRS Liaison Officer for assisting with the document. The final document will include images however, there should be no change to the content. The Chief Finance Officer would also appreciate feedback from RSM by the middle of August prior to the Joint Audit Committee in September 2021. A Member asked whether a glossary could be included to provide details of terms.

It was agreed that:

- 1. The report be noted**
- 2. RSM could provide feedback by the middle of August.**

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Item 8: Annual Governance Statement – Report of the Police and Crime Commissioner

The Joint Audit Committee had previously expressed concerns regarding the governance arrangements within the Office of the Police and Crime Commissioner. The Chief Finance Officer advised Members that business continuity arrangements had been in place throughout a challenging period, and this was reflected in the document. A permanent Police and Crime Commissioner had been elected and was in post, alongside an Acting Chief Executive. In relation to other areas of continued focus, some had been removed as work completed in year and work was ongoing for other area. An updated document would be presented in September. A Member asked if the Police and Crime Commissioner could be invited to the September meeting of the Joint Audit Committee.

It was agreed that:

- 1. The report be noted**
- 2. An updated report be presented to the September meeting**
- 3. The Police and Crime Commissioner be invited to the September meeting**

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Item 9: CIPFA Financial Management Code – Report of the Chief Constable

The Chief Finance Officer presented the report to Members who found it very encouraging regarding compliance. It identified and managed risks and provided long-term sustainability. The code was applicable from 1 April 2020 but CIPFA considered 2020/21 as a shadow year which allowed public sector bodies time to fully implement the code, which was required from 1 April 2021. In relation to Item 3 of section 2 *“has the Leadership put in place effective arrangements for assurance, internal audit and internal accountability?”*, Members were informed that effective arrangements of assurance were in place; and moving forward, the Force would be looking at further assurance.

It was agreed that:

- 1. The report be noted**

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Item 10: Statement of Accounts – Report of the Police and Crime Commissioner

The Chief Finance Officer advised Members that due to changes to the timetable by the Government, the final accounting deadlines for principal accounts had been moved to September. The Chair was disappointed that the timetable had slipped, but reiterated that both Chief Finance Officers had prepared the accounts in line with the previous year's deadline. The Chief Finance Officer advised that the accounts were almost ready to be handed to Auditors for inspection. It had been an interesting year from a financial perspective, with a small underspend. A number of underspends had been held due to organisational pressures and expenditure. There had been significant improvement to cash flow throughout the year, due to interest rates and the latest instalment from the land sale of Ladgate Lane site. Challenges could be faced regarding the impact of Council Tax collections due to COVID-19, and pay awards however, the organisation were in a healthy position to address risks. The Chief Finance Officer would provide detailed briefings, if requested. In relation to the underspend which had been reserved to increase the number of PCSOs, the Chief Finance Officer advised that following a Force assessment, the PCSOs had not been required and that funding would be spent elsewhere. In line with previous years, the Vice Chairman would review the accounts in detail with the Chief Finance Officer once the accounts had been audited. However, given the delay in auditing the accounts by Mazars as detailed in agenda item 12, this was likely to be November.

It was agreed that:

- 1. The report be noted**
- 2. The Vice Chairman to meet with the Chief Finance Officer to review the accounts once audited**

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Item 11: Internal Audit Tracker Recommendations – Report of the Chief Constable

The HMICFRS Liaison Officer presented the report to Members and advised that it should be read in conjunction with agenda item 18. Twelve recommendations had been closed and a further seventeen proposals had been identified for closure. It was noted that key colours had been changed and new recommendations would be coloured blue. The Audit Committee noted the proposed closure of recommendation 355.

It was agreed that:

- 1. The report be noted**
- 2. Report be amended to reflect the most recent recommendations identified as blue**

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Item 12: External Audit Progress Report – Mazars

The External Audit Manager presented an overview of the report and stated that due to staffing resource difficulties, Mazars planned to undertake the audit from 31 August 2021 at the earliest, and complete by the end of November 2021 at the latest. The deadline for the

audited accounts to be completed by the end of September 2021 would not be achieved. The Audit Committee expressed their disappointment at missing the deadline due to External Audit and this was echoed by the External Audit Manager. Members were advised that the Management Representation letters would be distributed shortly.

It was agreed that:

- 1. The report be noted**

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Item 13: Internal Audit Progress Report – Report of the Internal Audit

The Chair stated that it was reassuring to receive the report. Cleveland Police, PCC and RSM had worked hard to produce and complete the programme under difficult circumstances, as a result of the COVID-19 pandemic. The Head of Internal Audit advised Opinions had been issued to the following five assignments:

Payroll	Substantial assurance
Positive Action	Reasonable assurance
HMICFRS Recommendation Tracking	Reasonable assurance
Follow Up of Previous Internal Audit Recommendations	Good Progress
IT Asset Management	Partial assurance

Appendix A shows five assignments which are planned to be brought to the Joint Audit Committee September meeting. In relation to the assurance map, Health and Safety did not appear on the 3-4 year strategy. The Chief Finance Officer for the Chief Constable would address this outside the meeting with Internal Audit.

It was agreed that:

- 1. The report be noted**
- 2. The Chief Finance Officer for the Chief Constable will address the Health and Safety issue**

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Item 14: Annual Internal Audit Report – Report of the Internal Audit

The Head of Internal Audit presented the Annual Report to both the Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland Police received the following opinion. *“The Organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective”*. The Chair noted that the substantial assurance opinions were predominantly in financial control areas; and was encouraging. The challenge for the organisation was to move other areas of risk to reasonable/substantial assurance from where they currently sat. The Internal Audit program is deliberately set to monitor areas of concern and high risk. The Head of Internal Audit informed Members that both Annual Governance Statements reflect a high level of resource going into the programs for 2020/21 and 2021/22. Due to the focus on risk, there were three areas of negative assurance. Action plans were provided for the organisation to consider and be explicitly clear. A further audit of Domestic Abuse will be conducted during 2021/22. Good progress had been made to implement the previously agreed actions. The Joint Audit Committee had met recently with DCC McMillan, ACC Orchard and Superintendent Bond and were reassured by the amount of resource committed to Domestic Abuse.

It was agreed that:

- 1. The report be noted**

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Item 15: Payroll – Final Internal Audit Report 2020/21

The Head of Internal Audit presented the report to Members, who were advised that the organisation has a robust set of procedures in place for the management of payroll, which operated effectively and consistently in practice. Two low priority management actions had been detailed.

Conclusion: Substantial Assurance

It was agreed that:

- 1. The report be noted**

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Item 16: Positive Action – Internal Audit Report 2020/21

The Internal Audit Assistant Manager presented the report which provided an overview of Workforce Representation, Attraction, Recruitment, Progression and Retention. Members were informed that there was benchmarking against the NPCC Toolkit, which established that the organisation was making good progress in establishing positive action initiatives, and a formal action plan will be developed. It was also noted that there was no record of unconscious bias training by recruitment panel members. Members asked what measures would be put in place to see the benefit of the action plan.

Conclusion: Reasonable assurance

It was agreed that:

- 1. The report be noted**
- 2. Monitoring put in place to measure benefits of action plan**

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Item 17: HMICFRS Recommendation Tracking – Internal Audit Report 2020/21

The Chair stated that the report provided assurance that previous areas of concern had been addressed. Members supported the suggestion of reports being presented on a regular basis.

Conclusion: Reasonable assurance

It was agreed that:

- 1. The report be noted**
- 2. Reports would be presented to the Joint Audit Committee on a regular basis**

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Item 18: Follow up of Previous Internal Audit Recommendations; Visit 2 – Internal Audit Report

The report provided progress on eleven actions which were complete and awaiting sign off by the Auditors. It was noted that follow up of previous recommendation was now programmed twice per year. The report concluded that the Police and Crime Commissioner and Chief Constable had demonstrated good progress in implementing Management action.

It was agreed that:

- 1. The report be noted**

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Item 19: Analysis of Police Strategic Risk Registers – Internal Audit Report April 2021

Members found the document of interest which looked at a number of different Forces. Members asked what the organisation had done with the document and did Cleveland have any gaps in comparison with other Forces. The Chief Finance Officer for Cleveland Police advised Members that the report had been presented to the Risk and Audit Governance Board, and risk was fully embedded in that agenda. Risk champions had been tasked to ensure there were no gaps in Organisational Risk Registers; and the Risk Manager would also work with risk champions. There was synergy with the Strategic Risk Register and other

reports which gave a broader understanding of Policing to ensure a holistic view. Members were content that the key strategic risks had been identified.

It was agreed that:

- 1. The report be noted**

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Item 20: IT Asset Management – Internal Audit Report

The Chair stated that there had been issues with the transfer from Sopra Steria. The report recognised that the organisation had no comprehensive record of their IT assets and identified a number of significant issues. The Assistant Manager presented the report and Members were informed that there should be a focus on knowing where everything was and security on those devices. Although there were different mechanisms for tracking assets, there was no overall consolidated view. There was no evidence relating to retention and disposal of equipment or checks regarding the removal of data. A Member queried the design and compliance of the asset retrieval trigger and the Assistant Manager explained that the process had been tested but there was no evidence to confirm compliance. The Chief Finance Officer for the Chief Constable confirmed that the ICT Manager had apologised, as he was in possession of the information and had not supplied this to the Auditor in time. A Member asked if there was an opportunity to look at the audit process to ensure there was an escalation route when information requested by Auditors was not provided. Both Chief Finance Officers were happy for Auditors to make contact if information had been requested and contact had not been made within 24 hours. A Member expressed concern regarding software and cyber attacks and requested the following year's Audit plan included this. The Chief Finance Officer for the Chief Constable advised that this had been added to the Strategic Risk Register. The Chair asked whether the organisation was aware of how many software packages were in use and when they expired, and the Chief Finance Officer for the Chief Constable was asked to liaise with Internal Audit. Regarding regular audits/stock checks of IT hardware assets, Members sought clarity that there would be a timescale for these checks. The Chief Finance Officer for the Chief Constable assured that this would be scheduled rather than regular.

It was agreed that

- 1. The report be noted**
- 2. Audit/Stock check of IT assets to be scheduled**

797

Item 21: Exclusion of the Press and Public

It was 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**