

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

**A meeting of the Joint Audit Committee was held on Thursday 29<sup>th</sup> September 2022.**

**Present:** Joanne Gleeson (Chair), Gill Rollings, Andy Prest and Liz Hall.

**Officials:**

**Office of the Police and Crime Commissioner:**

Michael Porter, Chief Finance Officer  
Lisa Oldroyd, Chief Executive and Monitoring Officer  
Louise Brown, Executive Assistant (minute taker)  
Emma Keay, Executive Assistant

**Cleveland Police:**

Ian Wright, Director of Finance and Assets  
Gill Currie, HMIC Liaison Officer  
Liz Byrne, Service Improvement Programme Manager  
Claire Wrightson, Head of Procurement and Fleet  
Phil Brooke, Information Security Manager

**External Audit – Mazars:**

Gavin Barker  
Campbell Dearden

**Internal Audit – RSM:**

Philip Church

**Apologies for Absence.**

Stuart Green

**850 - Declarations of interests**

No declaration of interests were raised.

**851 – Item 3: Open Minutes of the previous meeting held on 30<sup>th</sup> June 2022**

The Chair presented the minutes and provided an opportunity for any errors or issues to be raised. The Chair thanked Heidi Spencer for producing thorough minutes. The actions documented in the minutes were updated, 828, 829, and 832 all follow as meeting agenda items. 834 – no further clarification has been received by members.

**It was agreed that:**

- **The minutes of the meeting held on 30<sup>th</sup> June 2022 signed as a true record.**
- **IW to provide further details on the median hourly rate gap between males and females to members before the December meeting.**

#### **852 – Item 4: Towards 2025 Update – Liz Byrne**

LB provided key points from the report, indicating that the programme is still reporting as red as previously discussed in the autumn Change Board, where direction was given to workstreams leads to review what they can achieve with the resources available. Leapwise have been reviewing the current Force strategy, where no further decisions will be made until their report has been formally confirmed. However, early feedback has indicated that the programme is the correct one for the Force but resourcing and investment is an issue. LB noted that it is an incredibly difficult time with the current employment market and recruitment difficulties which seem to be more of an issue than funding.

There are now high-level benefits across every work stream. These are summarised within the control document in the appendices. This information being available in one place is new to the organisation and means the relevant disciplines within the programme are now there.

The links for the costings for the benefits are available for circulation if required.

LH asked for an update regarding the recent capacity issues with Netcall automated switchboard. LB confirmed it is due to go live on the 12<sup>th</sup> October 2022 following the completion of further testing, but they are confident the problems have been resolved.

LH also asked if there has been any change on recruiting IT and HR personnel. LB explained the requirements for the programme link into decision making and the results of the Leapwise report. This will then dictate what resources are required to deliver the approach. IW added finding people with the correct skills and recruitment in ICT is still a challenge. There is a current initiative to recruit back retired Police Officers to fulfil various roles which is proving to be working well and is reducing the burden on the Vetting Team. There have been further resignations, with risk of even more, predominantly within the Corporate Services Team due to a range of factors and they are working to improve retention. The Chair asked for regular updates with regard to recruitment and retention.

The Chair thanked LB for her input.

**It was agreed that:**

- **The report be noted**

#### **853 – Item 5: Force Annual Governance Statement – Ian Wright**

IW presented the Force Annual Governance Statement (AGS) based on the draft presented in June.

AP raised a question regarding the reflective remarks from key members that have appeared recently in the press from the Police & Crime Panel meetings concerning the PCC and the availability/attendance of the Chief Constable and how this group should be addressing that as part of the governance process. LH suggested in her previous roles within OPCC's the Chair of the Police & Crime Panel periodically met with the Chair of the Audit Committee for awareness of what each group are working on and avoidance of duplication. MP added if there was anything that needed to be brought to attention of the Audit Committee regarding the functioning governance of the organisation or the PCC this would be filtered through formally via the report from the Chief Executive and Monitoring Officer. The Chair requested it be noted the opportunity for the two Committee Chairs to meet in case it might be of interest to the official Chair, Stuart Green. MP added if there are specific questions committee members may have, they could be raised with either MP or LO and official responses to brought back to future meetings to ensure open and honest working.

No further comments were made in respect of the AGS.

**It was agreed that:**

- **The final report was accepted.**

#### **854 – Item 6: Report of the PCC CFO: PCC Annual Governance Statement (AGS) – Michael Porter**

MP highlighted that members have had a draft of the report at the previous meeting, and there have been a few minor changes since the SMT have reviewed the document. The governance issues he believes will need addressing over the coming year have been added. None of the issues highlighted should come as a surprise as none are new. He feels that the organisation is making good progress towards the issue of integrity and the organisation continues to focus on this and hold the Force to account over their actions.

**It was agreed that:**

**The final report was accepted.**

#### **855 – Item 7: Report of the PCC CFO: PCC and CC Final Statement of Accounts – Michael Porter**

MP presented the PCC's statement of accounts, which came in ahead of the statutory deadline. The audit is now complete, and MP is pleased with the progress been made this year to finalise the accounts in a timely manner. There aren't any significant changes since the draft was presented in June and none of the changes have impacted on the organisations underlying finances in terms of the outturn. Minor changes include the inclusion of the final figures from the pension fund. MP has no concerns over the completed document and will sign the document off as complete. The Chair asked for thanks to be relayed to all concerned in pulling the report together in such a timely manner and to the Auditors for prioritising.

**It was agreed that:**

- **The final report was accepted.**

#### **856 – Item 8: External Audit – Audit Completion Report 2021 – 2022**

GB reported on the 2020/21 report. There is now a draft report on the value for money arrangements which has been with IW & MP. Their comments are currently being incorporated into the report and the final draft should be available very shortly. The whole of Government accounts for 2020/21 are now available. Mazars have raised a query regarding the guidance from the National Audit Office and are still awaiting confirmation but once this is resolved the certificates can be issued and the audit be brought to a close.

The audit for 2021/2022 is in a much better position and well progressed. There is a concern of a hold up for Pension Fund Auditor Assurance from Teesside Pension Fund who are being vague as to when they can deliver their information. The audit target completion date is November, but it has been suggested it will be after that but essentially, they need that information before they can sign off on the audit. CD expressed thanks to the competent finance team for their support in providing information for the report.

CD highlighted some items within his report – page 5, they anticipate giving an unqualified opinion on the financial statements which are positive. The value for money conclusion is yet to be completed for 2021/22 but they are looking to report on that within 3 months of signing auditor opinion on the financial statement. There were no significant issues to raise so far but they are still waiting for the pensions fund assurance for the pension's element. There are no other issues to be brought to the Committee's attention at this stage.

Page 17 The Summary of misstatements on page 17 details the amendments that have been identified after the draft statements were produced and have to be updated in the final audited statements. Revised Actuaries reports were received after the draft statements were produced and updated the value of assets and liabilities in all pension schemes for the Chief Constable and the PCC. The movement in values was material and hence required to be reflected in the statement of accounts.

Page 21 discusses the significant risk regarding value for money which will be looked at through the inspection report which was previously discussed by LB earlier in the meeting.

The appendices are the draft management representations letter, draft audit report and confirmation they have no independence issues and all other communications.

The Chair thanked Mazars for the joint report for Cleveland Police and the OPCC. LH asked if the committee would be able to study the 2020/21 and 2021/22 reports at the next JAC meeting. GB advised there will be a significant weakness identified and recommendation highlighted in both reports which will remain until HMICFRS revise their finding around the inadequacy of the Force although it will recognise some of the progress that has been made since. They are aiming to get the 2021/22 report finalised in January 2023, but comments/updates will be available at the December meeting. LH acknowledged the issues external audits face and thanked them for prioritising the 2021/22 reports. LH asked if Mazars liaise with HMICFRS. GB advised they do liaise periodically, with fruitful outcomes, but they deal with different areas and don't seek to duplicate the territory of others.

**Agreed that:**

- **The final value for money report for 2020/21 be shared with committee members as soon as it is completed.**

**857– Item 9: Financial Management Code Assessment Report – Ian Wright**

IW explained assessment against the CIPFA Financial Management Code which has been applicable since April 2021. IW reported that the organisation appears to be in a positive position which reflects the strength of the professional finance function within the Force and has also identified some areas for improvement which link to the Forces overall improvement journey. The Chair thanked the Strategic Finance Manager for pulling the report together.

**It was agreed that:**

**The report was accepted.**

**858 – Item 10: Contract Standing Orders Exemption Report – Claire Wrightson**

CW presented the exemption report for March to August 2022., noting that this is the busiest time of year where there have been 24 tenders received in total covering renewals over the financial year. 18 were for proprietary products or services and 6 operational emergencies. Within the timeframe strategic contracts were awarded for custody healthcare and custody management services which are high in value.

AP asked regarding the £20k payment for item 21. It is an estimated figure based on a 6-month period with a previous provider for the fleet repairs and maintenance last year.

LH asked how tender for covert operations are sought and if they are appropriate to be in the public domain. CW explained that anything unsuitable would feature in a similar report but would be presented within the closed session of the meeting.

The Chair thanked CW and asked for thanks to be passed on to the whole Procurement team for the work they do.

**It was agreed that:**

- **The report was accepted.**

#### **859 & 860 – Item 11& 12: Information Management Report 2020-2021 and 2021-2022**

PB noted there is nothing significant within item 11 that hasn't been carried forward into item 12, the 2021/22 report. Structurally there has been very little change, through the information security board a greater focus has been placed in assurance. ACC Theaker is currently the SIRO.

PB noted at 4.2 of the report where areas for improvement remain and concerns have been identified following a recent pen test. The root cause of issues is due to a significant lack of IT resource. There is an ICT security plan waiting to be presented to the Force Executive Board.

IW added there has been some positive work completed across departments regarding Microsoft 365 and the ICT security health check. It is important to document what is critical and what our risks are to enable an informed approach to be taken to manage that risk. However, IW is unsure if this is due to an overall lack of resource or due to the issue not being prioritised appropriately.

AP asked for clarification on item 4.1, the 2-year retention policy that after the 2 years the items will go to archive not destruction. PB explained it depends on the item, and some will be moved to a storage location and retained potentially for 100 years but items not marked for retention will be deleted after the 2-year period. AP expressed concern that we could be removing important data that could potentially safeguard the Force in cases of litigation. There is also evidence that this can work in a detrimental way with regard to SARS requests for example.

AP raised concerns regarding the amount of physical hardware that has been reported as lost. PB advised that there are a number of reasons the figures seem high which are affected by delay in reporting. The number of lost mobile phones has increased but is still proportionate as the number of mobile phones issued has also increased. This also includes phones that have been lost but then found in lockers etc. None of the security incidents have been majority security breaches although the minor breaches remain relatively high.

The Chair thanked PB for his report and asked for an update from the new SIRO regarding how things are changing and improving in ICT to ensure the controls and mechanisms are in place.

**It was agreed that:**

- **The report was accepted.**

#### **861 – Item 13: PCC Equality and Diversity Monitoring Report – Lisa Oldroyd**

LO explained that the report highlights the actions and activities the OPCC have undertaken during 2021/22 in relation to equality and diversity goals, responsibilities in regard to the public sector equality duty, and key activities undertaken to inform our commissioning processes, consultation, community engagement, and strength and performance monitoring.

AP asked 4.2 for figures regarding how many people attended and how many sessions were run for the lunch and learn sessions to provide some context. Also 5.1, how the OPCC has moved into equality impact assessments and conducted 11, it would be useful to understand how many opportunities there might have been so we can see scale and progression and how it is becoming embedded.

GR commented she would like further information about 'so what' to demonstrate what is achieved from the positive details in the report.

The Chair thanked LO and the OPCC for providing the report.

**It was agreed that:**

- **Further information to be included in the report in relation to the wider context of activity and impact.**
- **The report was accepted.**

#### **862 – Item 14: Monitoring Officer Annual Report - Lisa Oldroyd**

The report covers the period from the 1<sup>st</sup> April 2021 to the 31<sup>st</sup> March 2022 and provides details of the background responsibilities of the Monitoring Officers role. A list of the activities undertaken has been provided to ensure lawful and fair decisions are made, Public Interest Disclosure Policy, complaints against the OPCC and Anti-Fraud and Corruption Policy.

In conclusion there have been no occasions where the Monitoring Officer has been concerned the PCC or anyone from the OPCC was about to make a decision that was unlawful or would give rise to maladministration so there have been no reports submitted to the Police and Crime Panel on that basis.

**It was agreed that:**

- **The report was accepted.**

#### **863 – Item 15: PCC Risk Register – Michael Porter**

MP presented the report of the strategic risk register for the OPCC. All risks details have been reviewed since the report was presented to the audit committee 6 months ago. The greatest risk, finances and financial planning for the organisation has been reflected upon and escalated because we have moved from a 4-year balance medium financial plan to a 2 year medium financial plan which was set in February. There is also a need to be mindful of what is happening in the wider economy, increase in inflation, pay awards and interest rates which will be reflected in the next financial plan.

There is also a risk due to the stability of the Chief Officer Team within the Force which is a significant area of focus and scrutiny for the OPCC. LH questioned when we would anticipate gaps in the Chief Officer Team would be filled. MP highlighted there is a national gap in the market and the Force are working hard to resolve the issues and have temporary arrangements in place. GR added that this is concerning and can have a huge impact on culture.

LH asked if the level of risk against fraud will ever reduce despite more stringent checks and controls being introduced. Actions remain in place to review the policies around it to ensure they remain up to date and the target risk is 8. MP feels 8 is a reasonable position and will add this information to the next report.

**It was agreed that:**

- **MP to add the target risk to the report for the next meeting.**
- **The report was accepted.**

#### **864 – Item 16: Annual Internal Audit Report 2021 – 2022 – Philip Church**

PC highlighted the draft report was presented to the meeting in June. Two more pieces have been added from Force Control Room and AOM, both of which have positive assurances and therefore have not impacted on the final report.

**It was agreed that:**

- **The report was accepted.**

#### **865 – Item 17: Internal Audit Progress Report September 2022 – Philip Church**

PC presented the report which details progress towards the previously approved plan from the 30<sup>th</sup> June 2022.

**It was agreed that:**

- **The report be noted.**

#### **866 – Item 18: Report of Internal Audit: Vetting May 2022 – Philip Church**

PC presented the report showing a negative reassurance opinion. AP feels disappointed to read this report and feels this issue has been coming up for years due to various issues. He feels the issue appears to be getting worse and questions whether it is high enough in management priorities to rectify the issue once and for all.

IW explained the issue is regularly discussed at Chief Officer Team meetings and to him the report highlights the issues have been internally – where plans for additional resources have been put in place. The committee requested an extra briefing on the issue of vetting to allow further exploration. LO added this issue is also high on the PCC's scrutiny agenda and is a routine item.

**It was agreed that:**

- **Extra briefing session to be set up for members to gain further understanding of the vetting issues before the next Audit Committee meeting.**

#### **867 – Item 19: Report of Internal Audit: Force Control Room June 2022 – Philip Church**

PC presented the report detailing positive assurance from the 21/22 period and looks at the FCR to ensure it has effective systems and procedures in place and that it is adequately resourced. GR commented that we seem to have finally cracked this issue. AP expressed concern regarding page 4, he feels anxious we don't get in to a comfortable position. The Quality Manager needs to remain accountable and ensure the smaller issues are still being tackled moving forward. The QM was new in post when this audit was completed but they will be scrutinised as part of the next audit in March. The Chair added this is great evidence for HMICFRS.

**It was agreed that:**

- **The report was accepted.**

#### **868 – Item 20: Report of Internal Audit: Firearms Licensing August 2022 – Philip Church**

PC presented the report which shows positive assurance. The report looked at the Force aligning with the Home Office guidelines for firearms. There are a few outstanding actions which should be completed by the next report is produced.

**It was agreed that:**

- **The report was accepted.**

#### **869 – Item 21: Report of Internal Audit: Cyber Security Review August 2022 – Phil Church**

The cyber review was carried out by one of the IT specialists and the report documents key points including who from the Force is responsible for cyber security. It also highlights a few issues and actions required to resolve them. LH questioned password security, GC added password update requests a sent out periodically and have a criteria to meet to ensure passwords are secure. MP questioned why it is given a high recommendation but then a reasonable level of assurance. PC explained overall, they are happy the other criteria are met so overall can still be graded as reasonable level of assurance.

**It was agreed that:**

- **The report was accepted.**

#### **870 – Item 22: Schedule of Works – Michael Porter**

MP has set out a template for the timetable of work for the next 18 months for the committee. The current terms of reference are also attached to the report. If members would like to discuss them, they can contact MP outside of the meeting. The schedule of work is also attached, which details what is going to be brought to the meeting over the coming year. AP commented it is positive to schedule meetings at a regular time, the last Thursday of the month to help members plan around them. The March meeting is scheduled for the 21<sup>st</sup> which was questioned by AP. The Chair suggested it is to be left as documented until it has been ratified by the official Chair. GR suggested her preference for the meeting would be the 30<sup>th</sup> March.

LH highlighted an outdated version of the document is attached.

**It was agreed that:**

- **Meeting dates to be ratified by Stuart Green and then circulated to all members.**
- **MP to add updated document to proposed schedule before it is published.**

#### **871 – Item 23: Audit Committee Annual Report – Michael Porter**

MP has written the report on behalf of the Committee members and would welcome any comments, amendments or feedback. There are a couple of points to highlight, the value for money conclusion is to be put to the PCC and Chief Constable. The other area is the lack of a report in relation to the



SIRO and information governance which was an administrative oversight. There has been a lot of work gone through the committee over the last 12 months and hopefully its provided a reasonable oversight of the work carried out and provides the PCC and Chief Constable with a good oversight. The group praised MP for pulling the report together. The Chair reiterated there is an open invitation to the PCC and Chief Constable to attend these meetings and advised it is nice for members to see them attend at least once a year to facilitate questions from members and welcome a new member of staff in the case of the CC.

The Chair highlighted the reassurance that is required from management regarding the actions being identified through internal audit are undertaken in a timely manner, so we have the relevant reassurances those controls are in place. GC has received a recent report showing 32/35 actions have now been closed down. ACC Fuller has been writing to people whose actions are over a year old advising they must be ready for closure before Christmas if possible.

**It was agreed that:**

- **The report was accepted.**

The Chair closed the open session of the meeting.