

Minutes of the Joint Cleveland Audit Committee – Open Session

A meeting of the Cleveland Joint Audit Committee was held on Thursday 17 December 2020 virtually via Microsoft Teams.

Present: Mrs Ann O'Hanlon (Chair), Mr Stan Irwin, Mr Andrew Prest and Ms Gill Rollings

Officials: Office of the Police and Crime Commissioner for Cleveland
Mr Michael Porter, Chief Finance Officer and Deputy Chief Executive
Mrs Jenni Salkeld, Equality, Diversity and Inclusion Manager (part of the meeting)
Mrs Hazel Thompson, Minute Taker

Cleveland Police

Mrs Helen McMillan, Deputy Chief Constable
Mrs Joanne Gleeson, Chief Finance Officer
Miss Gill Currie, HMIC Liaison Officer
Mrs Xanthe Tait, Director of Collaborative Legal Services (part of the meeting)
Mr Paul Waugh, Superintendent, Directorate of Standards and Ethics (part of the meeting)
Mrs Louise Solomon, Head of Corporate Services (part of the meeting)
Mr John Dodsworth, Sergeant, Operational Ethics Lead (part of the meeting)

External Audit – Mazars

Mr Campbell Deardan, Manager
Mr Gavin Barker, Engagement Lead (part of meeting)

Internal Audit - RSM

Mr Philip Church, Manager
Daniel Harris, Head of Internal Audit (part of the meeting)

730 Apologies for Absence

Mrs Lisa Oldroyd, Acting Police and Crime Commissioner
Mr Simon Dennis, Chief Executive and Monitoring Officer

The agenda was taken in the following order: 17, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16.

731 Declarations of Interest

The Chair and Vice Chair declared an interest as members of the Complaints Scrutiny Panel.

Mr Prest declared an interest as a member of the Ethical Governance Board (Item 6).

732 Item 3: Open Minutes of the Previous Meeting held on 2 October 2020

The minutes were held and signed as a true record.

Matters arising from minutes

There were no matters arising.

733 Item 4: Civil Claim Statistics – Report of the Chief Constable

The Director of Collaborative Legal Services presented the report on Civil Claim statistics.

This highlighted the employment related claims, it was reported that eight new tribunals and one anticipated claim had been received between 28 February 2020 and 31 August 2020. It was explained that these types of claim can vary from simple cases to cases where there are multiple matters involved, and in some cases these may involve 'legacy' cases. Members raised a question regarding what was the definition of a legacy claim. Members were informed that a legacy claim was where there had been previous engagement with an individual or the case related to previous settlement matters. It was reported that there was a continued upward trend in demand for dealing with employment claims.

In response to a question raised regarding how many employment claims were legacy, Members were informed that two cases were legacy and six were new claims. Clarification was

also sought as to whether these eight were for the whole collaborative service or just for Cleveland. It was confirmed that this was for the whole service and it was agreed that in future reports a breakdown would be provided to Members to show more clarity in the data as it related to Cleveland.

It was reported that a total of 38 civil claims had been received and whilst a slight increase there were no particular concerns. Members were informed that owing to COVID-19 there was an impact on the finalisation of cases, which has caused a backlog which the Department will need to manage going forward. The Department has progressed some cases via virtual hearings, but COVID-19 had slowed progress in trying to finalise civil claims during this period.

Members were informed that there was a higher proportion of civil claims generated within Cleveland in comparison with Durham and North Yorkshire. Cleveland's made up 51% in comparison to Durham and North Yorkshire. The factors which could influence this were discussed between Members and Force representatives. The policing profile of Cleveland was outlined to Members which provided context as to why Cleveland may receive a higher proportion of civil claims in comparison to Durham and North Yorkshire. It was reported that there were acute challenges in the Cleveland area, these included: levels of deprivation within some communities, policing demands, types of crimes dealt with, for example, drug related incidents which required forced entry to properties causing damage, provided as an example of a contributory factor that led to individuals making claims against the Force. A further contributory factor is the profile of local law firms who specialise in representing clients with compensation claims against the Police, specifically in relation to breaches of PACE and unlawful arrest.

It was reported that there was more work to do in order to understand the overall profile but from the preliminary work carried out by the Department it had highlighted that all three organisations were very different and there was nothing to demonstrate that this demand was as a result of cultural or systematic organisational issues.

Reference was made to the number of dormant cases in the report presented and whether this was typical of other Forces. It was explained that these dormant cases exist as local legal firms are pro-active in putting the Force 'on notice' of their intention to pursue a claim; preliminary work had to be carried out and these cases managed by the Department despite the fact that they may not be progressed.

It was suggested that data could be drawn from other sources, for example, other Forces with a similar policing profile and the wider legal community; Members considered this may allow for a more informed comparison.

One final matter highlighted to Members was the success of the collaboration during the COVID pandemic. It was reported that the collaboration was able to maximise its service to provide swift operational advice during this testing time which was testimony to the hard work of the team who all pulled together and adapted well to the challenges.

Agreed that:

- 1. the report be noted.**
- 1. that for future reports Members would like comparative claims data provided by Force and for this to include a breakdown of legacy cases.**

734

Item 5: Directorate of Standards and Ethics Update – Report of the Chief Constable

The Chair recorded her thanks to staff of the Standards and Ethics Department (DSE) for the briefing provided to Members of the Committee when they attended Hartlepool Police Office and on-line.

The Executive Officer from Standards and Ethics presented a summary of his report to Members. It was explained that the Department of Standards and Ethics was made up of three sections: Complaints and Conduct, Counter Corruption Unit and the Information Management Unit. The current organisational structure of DSE was detailed at Appendix A.

Reference was made to the peer review carried out by South Wales Police and it was reported that the majority of recommendations made as part of this review were now completed. It was noted that this report had been shared with Members of the Committee.

This review was questioned by Members in light of the Transforming Professional Standards work that had been recently commissioned. It was explained that the South Wales peer review made recommendations regarding good practice around the day to day management and administrative processes within DSE. It was reported that an interim progress review had just been completed and that it provided reassurance that positive progress was being made in respect of the recommendations made by South Wales.

Members were advised that DSE continue to embed the reforms required from the introduction of the new complaint regulations. One area of focus was the process of reflective practice. It was reported that good progress had been made and the focus is to continue to drive forward and encourage the required organisational change through targeted training and presentations to key staff.

Members were updated regarding two HMICFRS areas of improvement recommendations which had been completed, and are awaiting sign off (AFI361 and AFI 487). The work completed to achieve improvement in these areas was explained. This had involved specific training to independent misconduct chairs and DSE staff. The Force had also implemented a rota system for the selection of Misconduct Chairs to prevent bias in the selection process. It is believed that Cleveland Police are the only Force to have such a process in place. Finally, in order to ensure consistency in decision making and fairness to staff being investigated Members were advised that the Force had appointed temporarily a dedicated Appropriate Authority Officer.

In regard to AFI 487 which related to the compliance with IPCC statutory guidance for keeping complainants informed at all stages of the process. It was reported that two new members of administrative staff had been recruited and this together with embedded improvements made in the use of Centurion (system used to record complaints) and data recording ensured compliance with this recommendation.

Members were informed of the work currently ongoing within the Counter Corruption Unit (CCU). This related to the current staffing levels which had received an uplift as part of the work to address the key recommendations made by the HMICFRS. This included the appointment of a Prevent Officer who had now been recruited and engagement had commenced.

It was highlighted that the CCU had implemented a pro-active approach to the assessment of risks from Officers who may abuse their position for sexual gain with preventative measures introduced to manage this risk, through better management of intelligence and information sharing across the organisation.

It was highlighted that the Force has implemented a random substance misuse testing trial; this will enable the organisation to assess the demands and resource implications of this pro-active area of work; if successful the CCU will assume responsibility for this in the longer term. Reference was made to clarify the wording of paragraph 4.4.0 it was confirmed that the Force had received welcomed feedback in response to this trial.

Members were updated regarding the recruitment of a new Information Manager following the vacancy left by Ms Laden. It was reported the role had been advertised and the shortlisting completed; interviews were to be held early in the New Year. Members were informed that owing to changes to this leadership role there was an opportunity to carry out a peer review across this area of the business. A question was raised as to how the Force selected organisations to carry out peer reviews to ensure those reviewing are already achieving a gold standard of service; it was explained that information and recommendations are taken from HMIC and OPCCs.

An update was provided regarding the progress made in respect of the outstanding action of Information Asset Owners (IAO); it was acknowledged that the process had taken time to action. It was reported that the Data Protection Officer had now identified IAO's and deputies for all Departments. A presentation had been provided to IAO's which set out the function of the role and their responsibilities. Reassurance was provided that this area of work is now established and Phil Brooke will take over the lead for the implementation of this function.

Members were advised regarding the engagement with the national enabling programme for Microsoft 365; amongst other features this will enable the organisation to benefit from the MS Teams platform. This work is ongoing and it is hoped this functionality will be delivered early next year. It was confirmed that the Force are currently working to a national timeframe for this rollout.

Members provided feedback in terms of the new report format which was well received and it was considered that the structure and information presented was much improved.

Members raised a question with regards to Appendix B which demonstrated a trend in domestic abuse type cases heard at misconduct hearings. Of particular concern to Members was the paragraph which highlighted that Cleveland Police are continuing to see a trend in allegations of domestic abuse being perpetrated by Officers and staff members and information was requested from the Force on how it was tackling this issue.

It was reported that incidents of domestic abuse are taken seriously by the Force, there is a domestic abuse policy. Members were informed that domestic abuse cases are dealt with criminally with a supervisory oversight, this type of case would not be left with a detective constable to deal with. Information was provided to Members regarding the national issue regarding domestic abuse and reference was made to a super complaint from the Centre of Women's Justice who have alleged that Police Officers nationally are less likely to be appropriately investigated when accused of domestic abuse. Members were reassured that Cleveland had reviewed all its domestic related cases as a result and were confident that these had been dealt with fairly and consistently and that Officers had not been dealt with differently to any other member of the public.

It was reported the trend may be that more individuals felt more confident coming forward to report domestic related incidents. It was reported that there are barriers for Police Officers reporting such incidents, the stigma attached to being a victim of domestic abuse, their partner maybe a serving Police Officer and an awareness of the impact this would have on the individual's career, were given as examples of these. A further issue discussed was cultural issues present in the communities where Officers are recruited from. However, the message is clear, the organisation will not tolerate criminal behaviour and Members were reassured this issue is an area of focus for the Force.

Agreed that:

- 1. the report be noted with the amendment to paragraph 4.4.0 regarding wording.**

735

Item 6: Ethical Governance Report – Report of the Chief Constable

Members of the Committee were updated regarding the Ethical Governance of the Force. This included the new structures implemented to provide strategic oversight, monitoring and scrutiny of the standards of ethical and professional behaviour, including the prevention and investigation of complaints and misconduct matters.

The Force lead explained how the structure and reporting mechanisms worked with examples referenced in the report of the types of issues raised and discussed as part of the ethical governance process. Reference was made to the Appendices which details the items that had been discussed as part of this new process.

Members raised a question regarding how outcomes of this process are managed and utilised by the organisation. How did the organisation ensure that feedback was utilised to effect organisational change? Reassurance was provided to Members that outcomes were actioned as part of the process, an example was provided in respect of the use of mobile telephones where the outcome had led to a change in policy. The new policy had now been implemented by the organisation.

Members acknowledged the excellent progress made by the organisation and were reassured that some outcomes had already provided more clarity to Officers and staff, particularly in how they related to social media and in respect of gifts and gratuities.

Agreed that:

- 1. the report be noted.**

Item 7: HMICFRS Update on CSH Inspection – Report of the Chief Constable

The Head of Corporate Services presented her report which provided an overview of the Force's arrangements for the management, monitoring and tracking of areas of improvement and to provide assurance to the Committee that the Force had in place the appropriate mechanism to drive the required improvements.

References was made to the table detailed at 2.1. Members were advised that this table had been amended:

	Causes of Concern	Recs	Areas for Improvement
Local PEEL	10 (*)	38	19 (4)
National PEEL	3	5	2 (2)
National DA PEEL Thematic		2	
National Child Protection Inspection (NCPI)		7	
Crime Data Integrity (CDI)	1	2	
Other national thematic inspections	10	94(14)	10 (1)
Total on Force register	21 (**)	141 (14)	29 (5)
Total on HMIC monitoring portal	20	131 (***)	24

Note: Figures in brackets denotes records which do not appear on the HMIC monitoring portal.

(*) Includes a cause for concern for Cleveland Police which originates from a national overview report

(**) Includes a national cause of concern which the Force believes has been closed in error on the portal

(***) Includes 4 recommendations which have been closed by our FLL but are still awaiting central sign off so remain on the portal

The reasons were explained as to why there was a difference in what was recorded on the national portal in comparison to the local register. It was reported that there were currently 21 causes for concern recorded on the local register, one of which does not appear on the national portal. This related to a matter raised in 2017 and it is expected to re-appear on the national portal at some point in the future.

There were currently 141 recommendations held on the local register, 14 of these were not on the national portal. The inconsistency in these figures were explained in that there were 14 recommendations referenced in other inspection reports which had been added to the local register. Of the 131 recommendations on the national portal it was reported that 4 have been closed and 3 are pending closure; therefore a total of 7 recommendations will be closed in the near future.

It was reported that there was a difference of 5 areas of improvement on the local register in comparison to the national portal. It was explained that this was because the areas of improvement pre-dated the creation of the national portal.

Members acknowledged that this confusion with the tracking mechanisms may have caused the outgoing internal audit to advise that in their opinion, some recommendations had been missed. Members were grateful to have a full and detailed explanation on these differences at last.

Members were provided with reassurance that the local register was audited on a monthly basis and in the New Year an internal audit will be conducted by RSM which will provide an additional level of scrutiny. In addition to this it was reported that there had been significant changes to the overall governance within the Force to put in place the robust mechanisms required for the management and monitoring of this area of business.

Reference was made to Appendix A which detailed the terms of reference for the Executive led Inspection and Audit Monitoring Board, which is a key part of this internal structure. The key focus for this Board will be to monitor the areas identified to the Force as needing action. In addition, when new reports are published these will be pro-actively reviewed with action plans developed and tasked out. Members were informed there will also be the creation of an internal Inspection and Monitoring Team who will pro-actively gather evidence for external inspections; the Force also wants to raise standards and therefore identifying areas for improvement prior to inspections will put the organisation in a stronger position when scrutinised as part of these external inspections.

It was reported that the recent PPOG meeting had been cancelled owing to the Force being subjected to an Integrated Vulnerability review. It was reported this review had now concluded with the Inspection Team due to provide a de-brief to the Force on 18 December.

A question was raised as to whether or not the timescales for improvement were still on track, particularly owing to the impact of COVID on the organisation. It was confirmed that the work of the Service Improvement Team was still on track. It was reported there had been some slight slippage with the demand analysis work; this was being carried out by an external company and there had been some restrictions which had affected the timings and the Forces ability to host these.

Members were advised that whilst the primary focus of the Force had been on the six causes of concern, activity had now shifted to wider areas; these areas are currently being reviewed by the Executive lead to ascertain where the Force is and what level of focus and activity is required to continue the improvements required. Further the Force was also pro-actively pursuing the HMIC representative to secure closure of a number of historical issues where evidence was provided to demonstrate compliance. It is hoped by the next meeting of the Committee that the Force can report greater progress in the areas discussed.

Agreed that:

- 1. the report be noted.**

737 Item 8: Health and Safety Update on CSH Inspection – Report of the Chief Constable

It was noted that this report had previously been circulated to Members of the Committee and it was confirmed that the Force was now COVID compliant. There were no further issues raised.

Agreed that:

- 1. the report be agreed.**

738 Item 9: Internal Audit Recommendations Update – Report of the Chief Constable

The HMIC Liaison Officer for the Force presented the Internal Audit Update Report. This provided an update in relation to the actions arising from the Internal Audit Inspections. The report highlighted that 22 actions has been closed by the Internal Auditor in their November Follow Up report. Reference was made to 322 regarding Lone Working and an update was provided that this would go live on 5 January 2021, therefore this would be closed at the beginning of next year.

There were no questions raised by Members.

Agreed that:

- 1. the report be noted.**

739 Item 10: Progress Report – Report of Internal Audit

The Internal Auditor presented the Internal Audit Progress Report to Members which related to the delivery of the internal audit plan of which progress against this was detailed on page 3.

It was highlighted that the four reports listed on pages 4-5 had been completed and were listed as specific agenda items for this meeting.

Members were advised that in respect of the Forward Plan all the work was in progress; it was reported that despite COVID restrictions it was considered that work would continue in line with the agreed timeframes.

Members were informed of a change to the audit plan. It was reported that the Force had requested the whistleblowing review to be deferred to 2021/2020 in order to progress the review of Automatic Number Plate Recognition (ANPR). Members raised concerns regarding this change as it was considered an important area for scrutiny but understood the reasons and took reassurances that this will be reviewed in Quarter 1.

Agreed that:

- 1. the report be noted.**

740 Item 11: Follow Up of Previous Internal Audit Recommendations – Report of Internal Audit

The Internal Auditor presented to Members the report which detailed the follow up of previous Internal Audit recommendations.

It was reported to Members that there were 22 actions considered as part of this internal review. Reference was made to Appendix B of the report which detailed the actions, categorised as 21 implemented and 1 superseded. In respect of the superseded action, the Force had implemented new digital software that provides the capability to record and restore (databases, servers, data volumes, etc) over the last rolling 12 months therefore removing the need to manually update an audit log sheet.

Members were provided with reassurance that good progress had been made in implementing the agreed management actions.

There were no questions from Members, but Members acknowledged the consistency with agenda item 9.

Agreed that:

- 1. the report be noted.**

741 Item 12: Commissioning – Report of Internal Audit

The Internal Auditor presented to Members the Internal Audit Report on Commissioning. It was reported that the objective had been to review the commissioning conducted by the OPCC to ensure this was aligned to the objectives of the OPCC and that services commissioned offered value for money. Reference was made to page 2 of the report which detailed the sources of funding currently managed by the OPCC.

It was reported that the audit provided reasonable assurance that controls were in place to manage this area of business and these controls were suitably designed and consistently applied. The report identified three medium management actions that needed to be addressed in order to ensure that the OPCC's control framework was effective in managing the identified risk.

The management actions related to ensuring that appropriate performance indicators were in place to better manage underperforming contracts. Further, it was identified that wider staff within the OPCC required appropriate outcome-based commissioning training to support this method of performance management.

The Internal Auditor was questioned regarding the focus on outcomes rather than outputs for short term commissioned services; it was considered that outcomes are better suited to longer term contracts. It was agreed that it can be difficult to quantify outcomes for short term contracts. It was explained to Members that the OPCC deal with a range of grants and commissioned services that range from very small organisations to larger schemes that may be commissioned over a number of years, for example, victim support services; the aim was to get the balance right.

Conclusion: Reasonable Assurance.

Agreed that:

- 1. the report be noted.**

742 Item 13: Human Resources: Wellbeing – Report of Internal Audit

The Internal Auditor presented the Final Internal Audit Report relating to Human Resources: Wellbeing. It was reported that the objective of the review was to assess whether the appropriate framework was in place to support the Force's commitment to improving staff wellbeing in the workplace.

It was reported that as part of the review undertaken a pre-determined questionnaire had been used to interview 181 members of staff and this feedback is documented at Appendix A for Members' information.

The report concluded that the Force had made progress to improving wellbeing services as part of the Wellbeing Service Improvement Plan which had included a number of wellbeing initiatives and campaigns, the development of TRiM and the hiring of two on-site psychological counsellors.

Members were informed of the issues identified which related to limitations in reporting capabilities; the use of key performance indicators (KPI's) for wellbeing or TRiM would assist the Force identify wellbeing trends. Further the review highlighted the lack of record keeping in key areas, this related to the induction process which did not evidence new starters being provided with wellbeing information, TRiM assessments and wellbeing records within individual's Performance Development Reviews (PDR's). It was acknowledged that the Force is in the process of implementing a new case management system which will assist in the recording of occupational health and wellbeing services and cases.

Members were informed that taking into account the issues identified that reasonable assurance can be provided that the necessary controls are in place. There were four medium priority actions identified relating to the Force's established control framework with seven management actions documented, four graded as medium and three low. These were detailed on pages 6-13.

Conclusion: Reasonable Assurance.

Agreed that:

1. the report be noted.

743 Item 14: Purchases and Credit Cards – Report of Internal Audit

The Internal Auditor presented to Members the Final Internal Audit Report on Purchases and Credit Cards which had been undertaken as part of the agreed annual internal audit plan. The objective of the review was to determine whether expenditure is committed, approved and accounted for in line with the organisation's financial regulations and standing orders.

Members were informed that the review provided substantial assurance that the controls upon which the organisation relied to manage this area were suitably designed, consistently applied and were operated effectively.

It was reported that the Force would benefit from being able to document their structure of delegated authority more clearly and to ensure a process is set up to review their supplier listing on a regular basis. To support this the review had agreed three low priority management actions, these were detailed on page 5-7 of the report.

Conclusion: Substantial Assurance.

Agreed that:

1. the report be noted.

744 Item 15: Emergency Services News Briefing – Report of Internal Audit

The Internal Auditor made reference to the Emergency Services News Briefing which had been circulated for the information of Members.

745 Item 16: Verbal Update on External Audit Matters – Report of External Audit including follow up letter for the Audit Completion Report

The External Auditor informed that the final follow-up letter had been circulated with the papers for the meeting. This enabled the Audit Completion Report, presented to Members earlier in the year, to be signed off. It was reported the sign-off process was completed on 8 December 2020 much later than anticipated; the delay in the completion of this process was not as a result of issues arising from the Force.

It was explained that the audit deadline was extended as assurances were sought from the Pension Fund Auditor in respect of pension fund property assets and undecided members. A letter from the Pension Fund Auditor was received on 26 November, but this raised issues that

were unable to be resolved before the statutory timetable for audit completion on 30 November 2020.

It was reported that a paragraph would be included in the final report would make reference to property evaluations; this was linked to the valuation of Pension assets and had been included as an 'emphasis of matter' in the audit report of which this Committee had oversight of .

In accordance with the Accounts and Audit Regulations 2015 notices were published to explain the delay in the receipt of the audited financial statements to the Police and Crime Commissioner and Chief Constable.

The External Auditor wanted to formally record his thanks to key Officers within the OPCC and Force for their support, patience and co-operation in what had been a very protracted process this year.

The External Auditor provided an update on recommendations from the Readman Review which had now been published. This will have an impact on local auditing and financial reporting frameworks going forward.

Members were advised of the quality reviews directed as part the regulatory work of the Financial Reporting Council; these will focus on the quality of local audit which were criticised in the review. It was confirmed that Cleveland Police are not in scope for this quality review.

Reference was made to the public sector external reporting and that last year the Public Sector Audit Appointments (PSAA) reported that 55% of audits were not delivered within the statutory deadlines and Cleveland will be included in this figure, this linked back to the Redmond Report and indicated a fragile audit market. Members were advised of the impact of this on local audit and financial reporting.

Finally, the External Auditor advised the Committee of that the next steps would be to move to absolute completion, with the issue of an Annual Audit letter which would detail the issues highlighted. This would then need to be submitted for PSAA approval.

Members were advised regarding the national contract arrangements with the PSAA and that the Force had always provided robust feedback to improve customer focus.

Agreed that:

- 2. Members confirmed receipt of the report and noted explanation for the delay in the sign off process.**

746 Item 17: 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**