

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

**A meeting of the Joint Audit Committee was held on Thursday 30<sup>th</sup> June 2022.**

**Present:** Mr Stuart Green (Chair), Ms Joanne Gleeson (Vice-chair), Ms Gill Rollings, Mr Andy Prest and Ms Liz Hall.

### **Officials:**

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

Mr Michael Porter, Chief Finance Officer  
Mrs Lisa Oldroyd, Chief Executive and Monitoring Officer  
Ms Heidi Spencer, Community Hub Advisor (minutes)  
Mrs Sarah Wilson, Commissioner's Officer for Consultation and Engagement.

#### **Cleveland Police:**

Mr Ian Arundale, Deputy Chief Constable  
Mr Simon Hart, Chief Finance Officer  
Ms Gill Currie, HMIC Liaison Officer  
Mr Nick Sutton, Operational Planning & Safety Officer  
Mr John Miller, Directorate of Standards and Ethics Superintendent  
Ms Xanthe Tait, Director of Evolve Legal Services  
Ms Elizabeth Byrne, Service Improvement Programme Manager  
Ms Louise Solomon, Head of Corporate Services

#### **External Audit – Mazars:**

Mr Gavin Barker

#### **Internal Audit – RSM:**

Mr Philip Church

#### **Apologies for Absence.**

No apologies noted.

#### **824 - Declarations of interests**

No declaration of interests raised.

#### **825 – Item 3: Open Minutes of the previous meeting held on 4 May 2022**

The Chair advised members that he had noted minor grammatical and typing errors in minutes and had requested that these be amended.

Ms Rollings highlighted the incorrect spelling of her surname within the minutes and requested that this be updated accordingly. GR also indicated that she had not received future meeting dates. MP agreed to arrange recirculation of meeting dates.

As a matter arising, noted on P.5 of the previous minutes (821-822), SH advised that the CDSOU Section 22 had come to an end in May. The armed and road policing capabilities of the collaboration had been decoupled from the collaboration and were now under the direction of the Cleveland Police Specialist Operations Unit (CPSOU). As part of the decoupling process a capability mapping process had been completed to ensure no capability capacity had been lost. The Tactical Training Centre remains as a collaboration with Durham Constabulary, and work is ongoing by Durham Legal Services to refresh the Section 22 to reflect revised arrangements.

In the previous meeting, point 815 it was agreed a report of the Youth Commission would be brought to the next meeting, this is listed as agenda Item 14.

**It was agreed that:**

- **The minutes of the meeting held on 4 May 2022 signed as a true record.**

#### **826 – Item 4: Internal Audit Recommendations Tracker**

GC provided the Committee with an update on the Internal Audit Recommendation Tracker which captures actions arising from Internal Audit Inspections. The current register includes 65 recommendations; 8 of the actions are from the previous auditor, TIAA, with the oldest having been published in March 2020. GC noted, all of the old TIAA actions have been reviewed by RSM and where appropriate the action has been reworded and new delivery dates agreed.

15 recommendations were closed by RSM in March 2022 and a further 5 have been closed as 'superseded' following discussions with RSM. Of the 65 recommendations a further 14 have been identified, so far, as complete by the Force; as these have to be signed off by the auditors, they will remain on the action plan as "Closed locally awaiting sign off" until this is fulfilled.

SH acknowledged that the Force's internal management procedure and processes in this space needed to improve, and as such the Force had recently adjusted the process where actions submitted for closure have to be accompanied with supporting evidence. It was noted by Committee Members that co-ordination and timescale sequencing were a factor.

SH noted that the Force needed to highlight the importance of these recommendations and required actions, and the Chief Constable had expressed the importance Chief Officer ownership.

**It was agreed that:**

- **The report be noted**

#### **827 – Item 5: HMIC Cause of Concern / Towards 2025 Update**

EB highlighted that since the last report to the Audit Committee progress has been made on all workstreams across T2025 programme. A single overarching programme to cover all major change activity across the Force has been developed and planned, and this will be refined and updated further through the Force strategic planning process.

EB noted that that the Force Change programme is currently reporting red status where resourcing the programme and embedding new practice continue to be the main issue to be addressed. A business case had been presented and approved at the Futures Board, and this will be presented to the Executive Board for final approval and investment decision in July 2022.

AP noted that a consolidated and planned programme of change is fundamental, and its existence is monumental in the Force's strategic planning process. JG noted the volume of change activity and highlighted the importance of prioritisation to enable progress. Committee members noted that this was a good piece of work.

**It was agreed that:**

- **The report be noted**

#### **828 – Item 6: Force Draft Annual Governance Statement (AGS)**

SH presented the Force's draft AGS to Committee Members for comment.

He noted that further updates were made to AGS and would arrange circulation of the updated version by the end of the week and asked for comments to be returned no later than the end of August so any recommendations could be considered.

Approval for the final document is required by the end of Q3 where the final draft will be brought to the September meeting.

**It was agreed that:**

- **Updated AGS to be circulated by SH**
- **Committee members to review and feedback comments to SH by the end of August 2022.**
- **Final draft to be presented to the Committee meeting in September 2022.**

#### **829 – Item 7: Report of the PCC CFO: PCC Annual Governance Statement (AGS)**

MP presented the PCC's AGS to Committee Members for comment.

MP highlighted that the report describes the areas we think need to be reviewed over the next year with some areas being carried forward from last year. The significant areas of concern, as highlighted previously by HMICFRS, within the Force have needed a review of the way that work is undertaken within the OPCC to provide the PCC with the assurance that governance and assurance arrangements within the Force can be relied upon.

It is noted the key roles and work of the PCC and the office of the PCC has continued throughout both the pandemic and the leadership changes during 2021/2022. Delivery of all aspects of the PCC's work, including oversight, scrutiny and governance has been developed and embedded throughout the year.

However, there continues to be a number of significant Governance issues, linked directly to the Force, and these will be set out in an Appendix to this particular document when it is finalised, and any additional comments and feedback have been received.

Similar to the Force AGS, MP welcomed comments and feedback from Committee Members. The final draft of the AGS will be brought to the September meeting.

**It was agreed that:**

- **Committee members to review and feedback comments to MP.**
- **Final draft to be presented to the Committee meeting in September 2022.**

## **830 – Item 8: Report of the PCC CFO: PCC and CC Draft Statements of Accounts**

MP presented the draft Statement of Accounts to the Committee.

MP explained that it is Committee's role to review the accounts and make any recommendations and bring to the attention of the PCC or Chief Constable any concerns and issues and to consider whether appropriate accounting policies have been followed and note any changes to them.

MP reminded Members that the accounts will be published for public inspection on the PCC and Force's websites. The audited accounts will be presented for further scrutiny and comment at the meeting.

It was highlighted that the accounts had been completed earlier than the target of the 30<sup>th</sup> July, demonstrating that the organisation has exceptional good processes in the delivery of the accounts, with the strength of the Force's financial planning recognised by HMICFRS in the 2019 PEEL inspection.

It was explained that the organisation had underspent in the previous financial year and that there are ongoing challenges in 2022/23 linked to recruitment and retention of staff, and the level of inflation which is affecting households and business running costs.

LH raised a query relating to the disposal of assets which were in excess of £3m. MP explained that this related to the sale of the former Police HQ site at Ladgate Lane, and periodic payments that were received linked to disposal of land schedule, with the final payment expected next year.

The Chair asked how the level of reserves compared to similar sized Force. MP advised that the position reflects 3% of the net budget which is comparable to national levels which range between 3%-5%.

### **Agreed that:**

- **The report be noted.**

## **831 – Item 9: Civil Claims Overview**

XT provided Members with an overview of the Evolve Legal Services collaboration arrangements, which provides in-house legal advice and representation across a broad range of legal matters and has expertise in civil litigation, employment litigation, commercial and operational law.

In terms of civil and employment claims against the Force between 1<sup>st</sup> September 2021 to 28<sup>th</sup> February 2022 (6 months), XT explained that there had been 9 Employment Tribunal claims received and 47 civil claims received. Public liability and motoring liability continue to account for the highest number of civil claims. Of the 17 civil claim cases finalised during the period, 5 were successfully defended/withdrawn (29%).

XT expressed that at a strategic level, the Force takes its risk around civil litigation very seriously and works tirelessly to ensure that liability is reduced wherever possible and lessons learnt from finalised cases are incorporated into operation and organisational learning, planning and delivery.

### **Agreed that:**

- **The report be noted.**

### **832 – Item 10: Audit Committee Chair – Annual Report – Verbal Update from Michael Porter**

MP informed Members that on annual basis he prepares a draft annual report for the Committee capturing the work which has been completed during the last 12 months, which once completed and agreed by Members is presented to the Chief Constable and PCC.

MP indicated that he has all the information needed to draft the annual report for 2021/22, which he will complete for presentation at the next meeting. MP invited any further comments from Members.

#### **Agreed that:**

- **A draft Annual Report to be prepared by MP and presented at meeting scheduled for September 2022.**

### **832 – Item 11: Annual Health and Safety Report**

NS provide an overview of the Cleveland Police Annual Health and Safety report for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.

It was reported that during 2020-21, the overall number of injuries on duty sustained by Police Officers and Police Staff, including PCSOs and Special Constables, fall from 251 to 179. Members noted concern in the recorded reduction of the number of injuries sustained on duty, with presented data suggesting a 28.7% decrease when compared to the same period in the previous year.

It was explained that the highest volume of injuries continues to be the outcome of two causal factors. Across the reporting period the Force saw a substantial decrease of 20.7% in the number of Officers being assaulted whilst on duty. The period also saw a significant decrease of 57.5% in the number of those injured whilst restraining persons prior to arrest. These two factors are responsible for the large overall fall in the number of injuries recorded and are set against the backdrop of the phased release of lockdown restrictions in England during the Spring and Summer of 2021.

LO highlighted the sensitive content of the report detailed at 3.15 – 3.16, IA noted that this section of the report should be revised prior to publication.

#### **Agreed that:**

- **The report be noted.**
- **The content of the report to be reviewed prior to publication.**

### **833 – Item 12: Professional Standards report**

The report provided members with an update in relation to the priorities and ongoing demand of the Forces Directorate of Standards and Ethics. JM explained that the department continues to evolve, and the added resources secured through the Force Management Statement process will ensure performance improvement.

During the reporting period a breadth of work has taken place across Complaints and Conduct, Counter Corruption Unit (CCU) and the Information Management Unit. (Data, information security, vetting and DBS).

The highlight in the reporting period are the positive conclusions contained within the HMICFRS update report that included recognition of improved leadership and governance and that the code of ethics is evident throughout recruitment and induction processes. Across the Force Ethics Advocates are now embedded, and ethical dilemmas are now being discussed regularly and productively.

Significant improvements and progress have been made against all AFIs, all of which are currently subject to HMICFRS review and consideration for formal sign off. All AFIs that remain live will be subject to formal review as part of the 2022 HMICFRS review of CCU in September.

During the reporting period the Vetting Unit have faced significant demand given the high rates of recruitment campaigns, including the Officer Uplift Programme. The Vetting Unit are currently not resourced to meet the demand for vetting renewals generated each month. In turn a backlog of expired clearances has developed over time. To address this issue, funding for additional resources has been approved.

**Agreed that:**

- **The report be noted.**

#### **834 – Item 13: Gender Pay Gap Report**

As an employer of over 250 people, the Force is required to report gender pay gap data each year to demonstrate commitment to the Equality Act 2010.

Reporting pay gaps for underrepresented groups enables organisations to understand the size of their gap, to monitor it, and prompts employers to act upon issues the report raises and monitor the effectiveness of our interventions.

SH explained, the gender pay gap report includes 4 calculations regarding gender and payroll data. The calculations are based on a snapshot of the staff who worked for Cleveland Police on the 31st March 2021. The 2021 snapshot includes a total of 2,300 people; 982 identified as female, 1,318 identified as male, giving a representation ratio of roughly 4 males to every 3 females.

SH provided presented the median and mean pay rate calculations and comparisons, where overall year on year the organisational pay gap has continued to increase between males and females.

AP expressed concern at the median hourly rate gap between male and females in the organisation where it is reported males have a 23.95% higher median hourly rate than females. SH explained that this dataset is skewed due to the to the higher representation of men in the higher paid group and women in the lower paid groups. AP requested further clarity on this position.

**Agreed that:**

- **The report be noted.**
- **SH to provide further details on the median hourly rate gap between male and females**

#### **835 – Item 14: Report of PCC Chief Executive: Youth Commission End of Year Report**

SW provided an overview of the work of the Youth Commission, where over the last 2 years the PCC has grant-funded an organisation called Leaders Unlocked to run a Youth Commission to lead OPCC youth engagement to inform policing and community safety priorities.

The Cleveland Youth Commission gives young people a voice on police and crime issues within their local communities. Through leadership training, Commission members created 6 engaging peer-led workshops that were delivered to other young people. These peer-to-peer conversations created wide-ranging responses from young people with lived experiences of the priority issues in Cleveland. Research collected during the Big Conversation with the findings and recommendations presented to the PCC, Cleveland Police, and partners at the Cleveland Youth Commission 'Big Conversation conference' held 15th March 2022.

SW explained the PCC recognises the importance of understanding the views of young people and as such is currently out to tender for an organisation to develop and deliver a youth independent advisory group (IAG), which include the development of a youth ethics panel.

**Agreed that:**

- **The report be noted.**

**836 – Item 15: Report of Internal Audit: Progress Report June 2022**

PC provided an Internal Audit progress update, highlighting that the COVID-19 has required the need for clients and internal audit to work differently. He confirmed that they continue to understand and recognise the organisations strategic risks, and that the audit programme is flexible and agile to ensure it meet current needs.

As requested at page 7 of the report, Members were requested to note that the assurances given in audit assignments are included within the Annual Assurance Report. PC also highlighted that any negative assurances opinions will need to be noted in the annual report and may result is a qualified or negative annual opinion.

To date in 2021/22, 14 final reports have been issued. PC advised the committed that any negative opinions will affect the year end opinions but may not result in a qualification. Two negative opinions have been issued to date that will change, but not in isolation qualify the opinions. A number of issues have also been named in the advisory review on Whistleblowing, as detailed in report.

**Agreed that:**

- **The report be noted.**

**837 – Item 16: Report of Internal Audit: Annual report 21/22**

PC explained that Annual Report provide annual internal opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation' risk management, control and governance processes. The opinions should contribute to the organisations' annual governance planning.

As detailed on page 2 of the report, for the 12 months ending in March 2022, the Head of Internal Audit opinions for the PCC and Cleveland Police states that both organisations have adequate and effective framework for risk management, governance and internal controls. However, the work of Internal Audit has identified further enhancement to the framework of risk management, governance and internal controls to ensure they remains adequate and effective.

Page 4 – 5 of the report detail the factors and findings which have informed the opinion, which includes:

- Governance - Positive assurance opinions of governance frameworks.
- Risk - Two reasonable assurance opinions (negative) and substantial assurance opinions issues.
- Control – 13 audited have been undertaken to date and concluded that the organisation could take partial assurance (negative), six reasonable assurances (positive) and four substantial assurances (positive). The partial assurances specifically referred to the review of Evidence Led Prosecutions and Victims Code.

As discussed earlier at agenda item 4, and detailed on page 7, follow up reviews of the implementation of internal audit findings have found that reasonable and poor progress has been made in implementing agreed actions, which has been acknowledged by the Force.

**Agreed that:**

- **The report be noted.**

### **838 – Item 17: Report of Internal Audit: Complaints Report**

The Police (Complaints and Misconduct) Regulations 2020 (the Regulations) came into force on 1 February 2020. This new legislation was introduced in order to simplify the complaints system, making it easier to navigate, and puts a greater emphasis on handling complaints in a reasonable and proportionate manner, along with an enhanced role for police and crime commissioners to strengthen independence.

The review considered the control framework in place for receiving, recording and resolving expressions of dissatisfaction from the public.

In summary the review found that while the Force and OPCC follow the Independent Office for Police Conduct (IOPC) Statutory Guidance for managing complaints, there is no overarching policy which details the internal processes as well as the responsibilities of the individual organisations.

Both organisations have, published on their respective websites how members of the public can make a complaint and how their complaint will be managed, and there is an internal intranet site which walks staff through the District Complaints Process and where relevant documentation can be found such as template letters and the Policy Log, on which the entire complaints handling process is recorded.

While there is sufficient reporting on the number, types, and causes of complaints, there is currently no analysis undertaken of themes and/or trends emerging from the investigation and outcomes of complaints and any lessons learned.

The review tested samples of 10 closed and 10 live complaints, as well as of 10 expressions of dissatisfaction resolved through service recovery, the result of which was that the organisations are mostly meeting their requirements under schedule three of the regulations; noting exceptions listed on pages 3-4 of the report.

Overall, taking into account the issues identified, the PCC and Chief Constable can take reasonable assurance that the controls upon which the organisations rely to manage this area are suitability designed, consistently applied and effective.

**Agreed that:**

- **The report be noted.**

### **839 – Item 18: Report of Internal Audit: Follow up of previous Internal Audit Visit 1**

The Review found that the PCC and Chief Constable have demonstrated reasonable progress in implementing agreed management actions. Satisfactory evidence was supplied for 23 out of 34 actions of the actions declared as complete by the respective action owner with a further one action being suspended. Out of the remaining 10 actions it was concluded that six have been partially but not fully completed with a further four actions having not been completed at all.

**Agreed that:**



- **The report be noted.**

#### **840 – Item 19: Report of Internal Audit: Follow up of previous Internal Audit Visit 2**

The Review found that the PCC and Chief Constable have showed poor progress in implementing agreed management actions. Satisfactory evidence was supplied for 13 out of 28 actions which were declared as complete by the respective action owner with a further two actions being suspended. Out of the nine actions concluded to have been implemented, eight can be attributed to a lack of information received.

**Agreed that:**

**The report be noted.**

#### **841 – Item 20: Report of Internal Audit: Internal Audit Plan 22/23**

PC presented the Internal Audit Plan for 2022/2023 for consideration by Members, noting that as developments around Covid19 continue to impact on all areas of the organisations' risk profile, RSM will work closely with management to deliver an internal audit programme which remains flexible and agile.

As detailed on page 7, the table provided details of the reviews that RSM propose to undertake as part of the internal audit plan for 2022/23. The table details the strategic risks which may warrant internal audit coverage. The review of these identified risks will ensure that the proposed plan will meet the organisations' assurance needs for the forthcoming and future years. As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes: time for tracking the implementation of actions and an audit management allocation.

**Agreed that:**

- **The report be noted.**

#### **842 – Item 21: Report of Internal Audit: Key Financial Controls Report**

A review of key financial controls process has been completed to supply assurance that the Forces financial system is appropriately managed to ensure that all financial transactions are adequately recorded. PC explained that the review also considered the controls that are in place for both accounts payable and accounts receivable and that they are working as intended.

As a result of the review, one low priority management action has been agreed. In addition, one suggestion has been raised for management consideration.

The review saw the completion of IDEA data analytics testing with a summary of the results in Appendix B of the report. Following this testing sample testing was conducted to figure out any discrepancies – however no issues were found. Management should consider and review the results of the IDEA testing to decide if there are any areas of concern.

Overall, taking into account of the issues identified the PCC and Chief Constable can take substantial assurance that the controls upon which the organisations rely to manage this area are suitability designed, consistently applied and effective.

**Agreed that:**

- **The report be noted.**

#### **843 – Item 22: Report of Internal audit: HMICFRS Recommendation Tracking Report**

As a result of the review, one medium priority management action has been agreed in relation to ensuring decisions to submit recommendations and AFIs to the HMICFRS for consideration for closure are clearly documented with the rationale, date, and person responsible.

The review has considered the framework in place to show and continually monitor HMICFRS actions, local and nationally. It has been concluded through discussions with management, testing of a sample of recommendations and AFIs, and review of documents that the Force has implemented a governance and monitoring framework for its HMICFRS recommendations and AFIs, and that internally significant progress has been made in progressing and closing recommendations and AFIs. It should be noted that the level of work undertaken by the Force in progressing and closing its recommendation and AFIs is not reflected on the Monitoring Portal as this is outside the Forces control but has been raised with the HMICFRS Force Liaison Lead.

Overall, taking into account of the issues identified the PCC and Chief Constable can take reasonable assurance that the controls upon which the organisations rely to manage this area are suitability designed, consistently applied and effective. However, RSM have identified issues that need to be addressed in order to ensure that control framework is effective in managing the identified area.

**Agreed that:**

- **The report be noted.**

#### **844 – Item 23: Report of Internal Audit: Emergency Services Briefing June 2022**

PC advised that RSM produce an Emergency Services Briefing for each Joint Audit Committee that covers the key developments and publications. In this briefing, there is a focus on latest reports from HMICFRS and the Police, Crime, Sentencing and Courts Act, Fire Reform proposals and an analysis of secure remote working and operational resilience audits.

**Agreed that:**

- **The report be noted.**

#### **845 – Item 24: HMIC Update**

LS reported that the Force continues to take a robust approach to tackling the required improvement activity found by HMICFRS with significant progress being made. New governance arrangements are working effectively with regular monitoring and scrutiny in place and added resources have been invested to ensure that the Force is well prepared in advance of future inspections and has a clear understanding of any gaps against the required standards.

Since the last update provided to the Audit Committee in December 2020:

- the six causes of concern issued following the 2019 PEEL inspection have been subject to a series of revisits by HMICFRS which resulted in 11 of the 30 associated recommendations being closed. The remaining 19 will be reassessed as part of the HMICFRS continuous assessment process of the Force in 2022.
- 41 other actions were referred to HMICFRS for closure assessment in April 2021 and to date six have been closed with feedback provided for a further four. The remainder are awaiting HMICFRS assessment.
- A further 28 actions were referred to HMICFRS for closure assessment in September 2021, all of which are yet to be assessed.

- Work is ongoing to prepare the next batch of actions for submission to HMICFRS for closure assessment.

It was highlighted that resource pressures within HMICFRS have resulted in a delay in closure assessments being undertaken, however the Force has been assured that an additional resource has been identified to support HMICFRS work in Cleveland from February 2022 and assist in reviewing the recommendations that remain open alongside the Force Liaison Lead.

LS noted the ongoing continuous assessment process will supply a comprehensive assessment of the Force's progress and the Force is confident that improvements will be shown and acknowledged across a number of areas.

**Agreed that:**

- **The report be noted.**