



Cleveland Joint Audit Committee Meeting Record – OPEN SESSION

Meeting: Cleveland Joint Audit Committee

Date: Thursday 28 September 2023

Time 10:00 – 12:30

Venue: PCC Office, CPHQ and MS Teams

Meeting Attendance:

Committee Members	
Joanne Gleeson (JG)	
Gill Rollings (GR)	
Andrew Prest (AP)	
Liz Hall (LH)	

Office of the Police and Crime Commissioner	
Lisa Oldroyd (LO)	Chief Executive and Monitoring Officer
Michael Porter (MP)	Chief Finance Officer – OPCC
Emma Keay	Executive Assistant

Cleveland Police	
Victoria Fuller (DCC)	Deputy Chief Constable
Gillian Currie (GC)	HMIC Liaison Officer
Ged Gallagher	Head of Financial & Payroll Services
Phil Brooke (PB)	Information Security Manager

Internal Auditors – RSM UK Risk Assurance Services	
Philip Church (PC)	Senior Manager

External Auditors – Mazars:	
Gavin Barker (GB)	Director - Public and Social Sector
Campbell Dearden	Manager – Public and Social Sector

Apologies:

Stuart Green – Chair (SG)	
Ian Wright (IW)	Director of Finance and Assets – Executive

Agenda Item:	Discussion / Action:	Action Owner:
1.	<p>Apologies for absence: Jo Gleeson (Chair)</p> <p>The Chair acknowledged apologies from Ian Wright and Stuart Green. Jo Gleeson, chaired the meeting in Stuart Green's absence.</p>	
2.	<p>Declarations of interests:</p> <p>AP flagged his seat on Cleveland Police's Internal Ethics Committee.</p> <p>No further declarations of interest were made.</p>	
3.	<p>Open Minutes of the previous meeting held on Thursday 29 June 2023: Jo Gleeson</p> <p>The minutes of the previous meeting were deemed an accurate record.</p>	
4.	<p>Internal Audit Reports and Plan Progress Update: Philip Church</p> <p>Progress Paper:</p> <p>As a standard agenda item, this report updates members and management on the progression against the internal audit plan for 2023/24, that was approved by the Committee in March 2023.</p> <p>The final report for 2022/23 is Criminal Disclosure, this will be discussed in the closed session.</p> <p>From the 2023/24 plan, Overtime, Sickness Absence and the first Follow-up Visit have been completed. A summary of these internal audits is included in the report, alongside opinions and the number of recommendations raised.</p> <p>Since the report RSM have had their 6 monthly meeting with the OPCC CFO and Cleveland Police DoFA to look at the Internal Plan priorities. Here it was agreed the HMICFRS Recommendation Tracker would be deferred and reported to the Committee in December 2023.</p> <p>The only changes to the Internal Audit Plan, is the timing of the Seized Property Review.</p> <p>There are currently no negative assurances.</p>	

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	<p>Overtime:</p> <p>The objective of the review was to ensure that overtime was undertaken to maintain a specific level of service, or to complete a specific task, and that overtime had been undertaken in accordance with the police regulations.</p> <p>When overtime was reviewed in 2021, it resulted on a partial assurance opinion. RSM can see there has been good progress in increasing this opinion rating.</p> <p>Whilst ultimately this is governed by the police regulations, the Force has an Overtime Policy in place, and this is approved by executive management.</p> <p>The conclusion is a reasonable assurance opinion, and this is based on one medium and six low priority management actions. The controls are in place and are working effectively.</p> <p>JG, this progress is good to see and a reflection of the work taking place.</p> <p>DCC, the Force has seen a reduction in overtime and strategic governance is in place via the Impact Board. When a department reaches establishment, and vacancies reduce the Chief Officer team expect to see a parallel reduction in overtime.</p> <p>Sickness Absence:</p> <p>The objective of the review was to consider the application of the Force's sickness absence policy and communication with payroll to ensure pay is calculated accordingly in line with the length of absence.</p> <p>The Force utilises the Oracle system to manage its sickness absence record, operating in line with the Police Federation Guidance for officers and the Police Staff Council Handbook for staff.</p> <p>Police officers receive full pay for the first six months and half pay for the following six months. For police staff, sickness absence pay is governed by the Staff Handbook, and is based on length of service which will determine full, or half pay. Any variations to pay decisions require approval from the Deputy Chief Constable.</p> <p>The conclusion is a reasonable assurance, this is based on two medium and one low priority management actions. The controls are in place, well designed and operate effectively. The People and</p>	

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	<p>Development team have embedded clear absence management procedures across the Force which are largely being complied with.</p> <p>One medium action relates to training, the completion of training was at 43% at the time of the audit, this needs to be improved. The second medium action relates to auditing, including the tracking of return to work and fit notes.</p> <p>JG, training again appears to be key, the Committee would hope to see the 43% significantly increase in the 6-month review.</p> <p>Follow-up:</p> <p>This is the first of two follow-ups by RSM, they are completed to provide assurance to the committee and management, the closed actions are supported by the appropriate evidence.</p> <p>Across 11 previous audited areas, RSM followed up 34 management actions closed off as complete, these comprised of 6 high, 12 medium and 16 low. Overall, RSM were provided with satisfactory evidence for 28 of the actions, resulting in reasonable progress.</p> <p>In terms of action implementation 4 were considered as ongoing, and in all, RSM recognises the work underway by the organisation. This has resulted in a reprioritisation from either a high to a medium or medium to a low.</p> <p>EH, agree this is positive progress, sustainability and longevity is required.</p> <p>PC, agree with EH a few cycles ago the report identified poor implementation progress. It is excellent to now see for those actions not yet implemented there is a significant amount of work being done to reduce from a medium to a low.</p> <p>It was agreed by all, this is a positive report.</p> <p>Emergency Services News Briefing:</p> <p>The Emergency Services servicing briefing are prepared for each meeting, to document key sector developments and publications since the last meeting. It includes information on the state of the policing report published by the HMIC, CFRS, UH some information on non-hate crime incidents and highlights UK police data.</p> <p>ACTION: Members agreed these are a useful resource, JG requested as soon as completed these briefings be shared with the Force and the PCC, even if prior to the meeting.</p>	<p>Philip Church</p>

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	<p>Annual Report:</p> <p>This report was presented at the last meeting, at the time one report had not been finalised, this report is now available and will be reviewed in today's closed session. PC confirmed no other material changes to documents or the opinions of the Commissioner and the Chief Constable have been made.</p>	
5.	<p>Proposal to JAC to approve the Force closing 'Low Priority' Actions from RSM Audit: Gill Currie</p> <p>JG, confirmed members had discussed the report submitted by GC. Members recognise the tremendous job GC does and extended their thanks.</p> <p>EH, expressed concern the systems GC has implemented have not been in place long enough for EH to have assurance over a sustained period.</p> <p>JG confirmed the Committees decision is to continue with the existing process, for at least six months, to enable a full year of good progress.</p> <p>ACTION: To be re-considered at the end of the financial year.</p>	Members
6.	<p>External Audit Update: Gavin Baker</p> <p>JG confirmed it was discussed and agreed at the pre-meet, members are happy to attend an additional Committee to close any outstanding issues.</p> <p>GB extended Mazars thanks to MP and IW and their respective teams for their cooperation, their good work has enabled progress.</p> <p>2020/21 Audit Certificates:</p> <p>These are now fully complete; the pre-read provides rationale for the delays.</p> <p>2021/22 Audit - Follow Up Letter to the Audit Completion Report:</p> <p>The 2021/ 22 audit has been delayed for a number of technical reasons, these are set out in detail in the follow-up letter to the Audit Completion report.</p> <p>GB assured members none of the delays are caused by the Chief Constable or the Police and Crime Commissioner.</p> <p>GB identified the tri-annual re-evaluation as the cause for the delay, Mazars are engaged with Middlesbrough Council and Teesside Pension Fund to follow-up on discrepancies identified by the Pension</p>	

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	<p>Fund Auditor. GB is confident, these will not be real discrepancies, but caused by the lack of follow-up by the Pension Fund Auditor. This work will be completed as quickly as possible.</p> <p>2021/22 Draft Auditor's Annual Report:</p> <p>Mazars are unable to issue this Final Auditors report, until Mazars provide their opinion on 2021/22, and this is delayed for reasons explained in the previous item. GB hoped it would be helpful to share a draught for consideration.</p> <p>The 2021/22 Audit Certificate is subject to clearance from the National Audit Office (NAO), Mazars are aware the NAO is working towards completion of their whole of Government accounts by the end of March 2024.</p> <p>ACTION: EK to circulate the Updated VFM Significant Weakness from the 2021/22 Draft Auditor's Annual Report.</p> <p>JG, recognises the work by GB and his team and members appreciate their frustrations.</p> <p>The Audit Strategy Memorandum: Campbell Dearden</p> <p>There are no changes to the overall audit responsibilities from the previous year, and no changes to the significant risks from the previous year, these include management override of controls and IS 19 local government pension valuations and property, plant, and equipment valuation. There are also no changes from the previous year, for the value for money including, the reporting criteria, financial sustainability, governance and improving economy efficiency and effectiveness.</p> <p>2022/23 Audit Completion Report: Campbell Dearden</p> <p>Mazars anticipate the issuing of an unqualified opinion on the financial statements, and a significant weakness and recommendations for value for money. Mazars are unable to commence work in respect of Whole of Government Accounts until they receive group instructions from the NAO.</p> <p>MP, does not anticipate any of the outstanding items will fundamentally impact the finances of the organisation or the outcome.</p> <p>JG, gave thanks to all involved and requested it be noted this standard of sound financial statements has become expected from Cleveland Police, and it is pleasing to see.</p>	

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	On behalf of members JG gave thanks to CD for his good standard of work.	
7.	<p>Final Accounts: Ged Gallagher / Michael Porter</p> <ul style="list-style-type: none"> • Audited Statement of Accounts Covering Report • 2022-23 Statement of Accounts Cleveland Police • 2022-23 Amended Statement of Accounts - Group PCC <p>MP, the Committee were presented with the draft accounts at the last meeting, MP confirmed they have since been subject to external audit. The misstatements in the previous report have been corrected and are reflected in the appendices.</p> <p>The several outstanding issues are highlighted in the Annual Completion report, and MP is confident these issues will not impact the outturn of the organisation and provided assurance in terms of the stability of the organisation from this perspective. Albeit it is challenging to have this number of accounts open, MP gave assurance in relation to timeframes and timelines. A notice will be added to the OPCC website to reflect the delay in terms of statutory timelines.</p> <p>JG gave recognition to the strong financial leadership it is reassuring to see there are no significant issues.</p> <p>AP, asked if the organisation has fully realised the value from the sale of Ladgate Lane. MP, confirmed yes, the last payment was received in November 2022.</p> <p>2022-23 Report on Financial Management Code Assessment Final: Ged Gallagher</p> <p>Since the last report 12 months ago, GG gave assurance some good progress has been made on the carbon strategy and the development of the leadership programmes is working very well.</p> <p>JG agreed this is a good visual report and the Committee agree is a useful information resource.</p>	
8.	<p>Annual Governance Statement: Ged Gallagher / Michael Porter</p> <ul style="list-style-type: none"> • Force Annual Governance Statement - Final • PCC Annual Governance Statement <p>The statements were agreed as good piece of evidence.</p>	

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9.	<p>Audit Committee Annual Report: – Michael Porter</p> <p>Members gave thanks to MP for preparing the report. Members were content it highlights all the relevant areas.</p> <p>ACTION: MP asked members to expedite any changes or issues for remedy, prior to the Joint Strategic Board scheduled for Friday 08 December 2023, to enable MP to discuss with the PCC and Chief Constable.</p>	Members
10.	<p>Annual Cyber Security and Information Risk Guidance for Audit Committees: Phil Brooke</p> <p>PB gave assurance no significant structural changes have occurred in the government processes since the previous year. Ian Wright has been appointed Deputy Senior Information Risk Owner (SIRO), providing additional resilience.</p> <p>AP, requested assurance control measure are in place for external suppliers.</p> <p>VF, this is linked the IT Health Check the Force can remediate and keep track, including Ransomware, to a certain extent. But it cannot provide complete protection, VF and PS are working with the Operational Planning Unit, to ensure exercises are completed for cyber security issues, similar to that for major incidents. Ian Wright is also establishing a Digital Data and Change Board to align with national strategy.</p> <p>ACTION: MP asked members to review the ToR and reflect on the level of information provided at this meeting in this area, and determine if it is providing sufficient assurance, or is a review required.</p> <p>ACTION: JG, requested PB return in six months, to discuss the strategy and the policies, in a format that is easily processed.</p>	<p>Members</p> <p>PB</p>
11.	<p>Monitoring Officer Annual Report: Lisa Oldroyd</p> <p>Members gave thanks, the report was accepted.</p> <p>AP, was given assurance of the transparent, accessible mechanism to raise whistleblowing concerns.</p>	
12.	<p>OPCC Risk Register: Michael Porter</p> <p>MP gave assurance, no significant changes have been made since the last report. A number of actions are in progress and are expected to be delivered towards end of 2023.</p>	

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	MP expects, when this item returns in March 2024 significant transactions will be finalised.	

Date of next meeting: Thursday 14 December 2023, 10:00 – 12:30

(Pre-meet) – 09:00 – 10:00

Venue: PCC Meeting Room, CPHQ and MS Teams