

Report of the Chief Finance Officer for the PCC to the Chair and Members of the Cleveland Audit Committee
28th March 2024

Presenting Officer: Michael Porter, PCC Chief Finance Officer

Status: For agreement

Audit Committee Terms of Reference, Schedule of Work and Meetings Schedule

1. Purpose

- 1.1 This report seeks approval from Members in relation to the agreed work plan for Committee for 2024-25, the timing of the information coming to the Committee and confirmation of the Terms of Reference of the Committee

2. Recommendations

Members are asked to agree:

- 2.1 The Terms of Reference for the Committee as set out at Appendix A
- 2.2 There is one change proposed to the Terms of Reference that are currently in place. There is a nomination from the PCC for the Audit Committee **'to be responsible for ensuring effective scrutiny of the treasury management strategy and policies'** – Members are asked to consider and accept this addition to the Terms of Reference.
- 2.3 The Schedule of Work for 2024/25 as attached at Appendix B.
- 2.4 The proposed meeting dates that align with the Schedule of Work as set out in 3.3 however these will be kept under review if the timelines for the Statement of Accounts requires different meeting dates.

3. Reasons

- 3.1 To ensure that Members can attend as many meetings as possible, and to ensure that those meetings will have at least the minimum number of Members to enable business to be undertaken, then the meeting dates for 2024/25 are set out for Member's information and agreement.
- 3.2 This report also sets out the schedule of works to come to each meeting during 2024/25, aligned with the area of the Terms of Reference covered by the reports,

so that Members can see the span of work to be covered and that the work covers their full Terms of Reference.

3.3 The meeting dates are proposed as follows:

- Thursday 27th June 2024
- Thursday 26th September 2024
- Thursday 12th December 2024
- Thursday 27th March 2025

3.4 If the Chair and Vice-Chair feel that meetings for pre-agendas are required, then these can be arranged. It would be proposed that these take place 10 days before the meeting to ensure any matters can be addressed and then for all papers to be distributed a week before the meeting.

3.5 In line with previous years the committee meetings are planned to take place on a quarterly cycle. This may need to be revisited if the timeframes for the Statement of Accounts does not fall into these timeframes.

3.6 The Terms of Reference for this Committee are provided at Appendix A for information and to support the schedule of work.

4. Implications

4.1 Finance

There are no financial implications arising from this report.

4.2 Diversity & Equal Opportunities

There are no diversity or equal opportunities implications arising from this report.

4.3 Human Rights Act

There are no Human Rights Act implications arising from this report.

4.4 Sustainability

There are no sustainability issues arising from this report.

4.5 Risk

There are no risk issues arising from this report.

5. Conclusion

5.1 This report sets out the schedule of work for the Audit Committee for 2024/25, the timing of the meetings for the year, which has been aligned with the Committee's slightly revised Terms of Reference.

APPENDIX A

AUDIT COMMITTEE - TERMS OF REFERENCE

Composition of the Committee

The Audit Committee comprises 5 members who are independent of the Office of the PCC and Cleveland Police. The executive of the Office of the PCC and the Command Team of the Police Force are required to be represented at each meeting of the Committee.

Quorum of the Committee

No business shall be transacted at the meeting of the Audit Committee unless at least 3 Members of the Committee are present.

Press and Public

The Public shall be admitted to all meetings of the Audit Committee unless excluded by resolution in accordance with the provisions of the Local Government Act 1972 (Schedule 12a), as amended by the Local Government (Access to Information) Act 1985.

A member of the public will not be permitted to speak or ask questions at the meeting except with the consent of the meeting chair.

Exclusion of Public Access

The public must be excluded from meetings whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that confidential information would be disclosed.

Confidential information means information given to the PCC or CC by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

Items will be considered '**Below the Line**' or 'not for publication' when they contain exempt information as defined by schedule 12 of the Local Government Act 1972.

Purpose

The Audit Committee is responsible for enhancing public trust and confidence in the governance of the Office of the PCC and Cleveland Police. It also assists the PCC in discharging statutory responsibilities in holding the Police Force to account. This is achieved by;

- Advising the OPCC and Chief Constable of Cleveland Police according to good governance principles
- Providing independent assurance on the adequacy and effectiveness of the OPCC and Cleveland Police internal control environment and risk management framework.
- Overseeing the effectiveness of the framework in place for ensuring compliance with statutory requirements (and in particular those in respect of health and safety and equalities and diversity.)
- Independently scrutinising financial and non-financial performance to the extent that it affects the OPCC and Cleveland Police exposure to risks and weakens the internal control environment
- Overseeing governance and monitoring of governance within the organisation.
- Overseeing the financial reporting process

To aid the Committee in delivering its purpose and objectives the PCC will make available funds for the Committee to take independent legal and financial advice where the Committee deems it is reasonably necessary to do so. Where the Committee deems this advice is necessary it should be discussed and coordinated with the PCCs Monitoring Officer and the Chief Finance Officer's of the PCC and CC.

Objectives

The Audit Committee meets at least four times a year (and in effectively discharging its function is responsible for:

Internal Control Environment

- Satisfying itself as to the effectiveness of the internal control framework in operation within the Office of the PCC and Cleveland Police and advising the PCC and Chief Constable of Cleveland Police as appropriate.
- Considering the Annual Governance Statement for publication with the annual accounts, together with associated action plans for addressing areas of improvement and advising the PCC as appropriate.

Corporate Risk Management

- Approving the Office of the PCC and Cleveland Police corporate risk management strategy and framework; ensuring that an appropriate framework is in place for assessing and managing key risks to the Office of the PCC and Cleveland Police.
- Considering the financial risks to which the Office of the PCC and Cleveland Police are exposed and approving measures to reduce or eliminate them or to insure against them.
- Providing assurance to the PCC and Chief Constable of Cleveland Police as appropriate on the effectiveness of the risk management framework in operation.
- Provide oversight and scrutiny of the risk registers of both the PCC and Chief Constable

Regulatory Framework

- Maintain an overview of the governance framework in respect of contract procedure rules, financial regulations and codes of conduct and behaviour and to review and approve on an annual basis any changes to the Code of Corporate Governance.
- Maintain an overview of the work of the Force's Professional Standards Department in relation to an overview of the number and types of complaints.
- To review any issue referred to it by the Statutory Officers of the PCC and Chief Constable and make recommendations as appropriate.
- To monitor the policies of both the PCC and Chief Constable on 'Raising Concerns at Work', anti-fraud and corruption strategy and complaints process.

Internal Audit

- Advising the PCC and Chief Constable of Cleveland Police on the appropriate arrangements for internal audit, the appointment of the Internal Auditors and approving the Internal Audit Strategy.
- Approving the internal audit annual programme.
- Overseeing and giving assurance to the PCC and Chief Constable of Cleveland Police on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.
- Considering the Head of Internal Audit Annual Report and annual opinion on the internal control environment for the Office of the PCC and Cleveland Police; ensuring appropriate action is taken to address any areas for improvement.

- Reviewing and monitoring the effectiveness of Office of the PCC and Cleveland Police on fraud, irregularity and corruption.

External Audit

- Advising the PCC and Chief Constable of Cleveland Police on the appointment of external auditors.
- Approving on behalf of the PCC and Chief Constable of Cleveland Police the external audit programme and associated fees
- Reviewing the external auditor's Audit Completion Report and any other reports; reporting on these to the PCC and Chief Constable of Cleveland Police as appropriate and including progress on the implementation of agreed recommendations.
- Reviewing External Auditor's Annual Audit Letter and making recommendations as appropriate to the PCC and Chief Constable of Cleveland Police.

Financial Reporting

- Reviewing the Annual Statement of Accounts and make recommendations or bring to the attention of the PCC or CC, any concerns or issues.
- To consider whether appropriate accounting policies have been followed and any changes to them.

Treasury Management

- To be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Inspection and Review

- Considering HMICFRS, external review agencies and any internal inspection reports that provide assurance on the internal control environment and/or may highlight governance issues for the Office of the PCC and/or Cleveland Police.
- Overseeing and giving assurance to the PCC and Chief Constable of Cleveland Police that appropriate action is taken in response to HMICFRS findings, including that all actions are implemented, delivered and embedded, particularly in areas of high risk.

Complaints

- Maintain an overview of Force complaints.
- Maintain an overview of complaints against the Office of the Police and Crime Commissioner and its staff and act as the appeals body when required.

Freedom of Information

- Act as the review body for Freedom of Information appeals

Civil Claims

- Maintain an overview of Civil Claims

Information Governance

- Review Corporate Strategy, policies and procedures in relation to Information Governance for both the PCC and CC.
- Review reports from the Senior Information Risk Owner (SIRO), of both the PCC and CC, relating to the implementation of the corporate strategy, compliance with Data Protection Act and other information Governance related legislation.
- Consider any implications for governance and the annual governance statements of both the PCC and CC from issues in this area.

AGENDA ITEM / ISSUE	TOR	RESPONSIBLE OWNER	AGREED DATES 2023/24		AGREED DATES 2023/24							
			28th MARCH 2024		27 TH JUNE 2024		26 TH SEPTEMBER 2024 NB: We may add another date for accounts sign off ONLY		12 TH DECEMBER 2024		27th MARCH 2025	
			REQU'D	DATE REQU'D	REQU'D	DATE REQU'D	REQU'D	DATE REQU'D	REQU'D	DATE REQU'D	REQU'D	DATE REQU'D
Internal Audit Reports and Plan Progress Update	Internal Audit	RSM	Yes	11 th Mar	Yes	10 th June	Yes	9 th Sep	Yes	25 th Nov	Yes	10 th Mar
External Audit Update	External Audit	Mazars	Yes	11th Mar	Yes	10th June	Yes	9th Sep	Yes	25th Nov	Yes	10th Mar
Internal Audit Recommendations Tracker	Internal Control Framework	Ian Wright/ Gill Currie – Force Michael Porter – OPCC			Yes	10th June			Yes	25th Nov		
In Year Financial Monitoring and MTFP	Financial Reporting	Ian Wright – Force Michael Porter – OPCC	Yes	11th Mar	Yes	10th June					Yes	10th Mar
Treasury Management	Treasury Management	Michael Porter - OPCC	Yes	11th Mar					Yes	25th Nov	Yes	10th Mar
HMIC Reports & AFI Trackers	Inspection & Review	Ian Wright - Force Force – Louise Solomon							Yes	25th Nov		
Risk Register and Business Continuity Overview	Corporate Risk Management	Paul Wyatt – Force Michael Porter – OPCC	Yes – OPCC	11th Mar	Yes – Force	10th June	Yes – OPCC	9th Sep	Yes – Force	25th Nov	Yes – OPCC	10th Mar
Approval of Internal Audit Programme	Internal Audit	RSM	Yes	11th Mar							Yes	10th Mar
Agreement of External Audit Plan and fees	External Audit	Mazars	Yes	11th Mar							Yes	10th Mar
Annual Internal Audit Report(s) and Opinion(s)	Internal Audit	RSM	Yes	11th Mar	Yes	10th June					Yes	10th Mar
Previous Annual Governance Statement Area for Development Update	Internal Control Framework	Ian Wright/ Tara Holford/Kirsten Gowland – Force Michael Porter – OPCC	yes	11th Mar							yes	10th Mar
Draft Accounts and Annual Governance Statement	Financial Reporting/Internal Control Environment	Ian Wright/ Tara Holford/Kirsten Gowland – Force Michael Porter – OPCC			Yes	10th June						
Final Accounts and Annual Governance Statement	Financial Reporting/Internal Control Environment	Ian Wright/ Tara Holford/Kirsten Gowland – Force Michael Porter – OPCC					Yes	9th Sep				
Civil Claims Overview	Civil Claims	Sam Rumins – Force			Yes	10th June			Yes	25th Nov		
AC Annual Report	Internal Control Framework	AC Chair					Yes	9th Sep				
Annual Ethics Committee Report	Regulatory Framework	Neal Gillson – Force							Yes	25th Nov		
Annual Health and Safety Report	Regulatory Framework	Karen lindburg / Nick Sutton - Force			Yes	10th June						
Annual Cyber Security and Information Risk Guidance for Audit Committees	Information Governance	Phil Brooke – Force					Yes	9th Sep				
Professional Standards Report	Regulatory Framework	John Miller - Force			Yes	10th June			Yes	25th Nov		
Contract Standing Orders – exemptions	Internal Control Framework	Nick Eyley – Force	Yes	11th Mar			Yes	9th Sep			Yes	10th Mar
Committee Terms of Reference		Michael Porter – OPCC	Yes	11th Mar							Yes	10th Mar
Code of Corporate Governance Update	Internal Control Framework	Michael Porter – OPCC	Yes	11th Mar							Yes	10th Mar
Schedule of Work Report		Michael Porter – OPCC	Yes	11th Mar							Yes	10th Mar
Equality & Diversity Monitoring Report	Internal Control Framework	Rachelle Kipling – OPCC							Yes	25th Nov		
Equality & Diversity Monitoring Report	Internal Control Framework	Karen Lindberg - Force							Yes	25th Nov		
Gender Pay Gap Annual Report	Internal Control Framework	Sara Lightfoot -Force							Yes	25th Nov		
Monitoring Officer Annual Report	Internal Control Framework	Lisa Oldroyd - OPCC					Yes	9th Sep				