



Cleveland Joint Audit Meeting Record – **OPEN SESSION**

Date: Wednesday 19 February 2025

Time: 12:30 – 14:00

Venue: PCC Meeting Room, CPHQ, Cliffland Way, Hemlington, TS8 9GL and MS Teams

Meeting Attendance:

Committee Members	
Stuart Green – Chair (SG)	
Liz Hall (LH)	
Jon Carling (JC)	
Catherine Dillon-Goodier (CDG)	

Office of the Police and Crime Commissioner	
Lisa Oldroyd (LO)	Chief Executive and Monitoring Officer
Michael Porter (MP)	Chief Finance Officer
Rob Cooney (RC)	Senior Business Support Officer

Cleveland Police	
Ian Wright (IW)	Director of Finance and Assets – Executive
Gerard Gallagher (GG)	Head of Financial and Payroll Services

External Auditors – Forvis Mazars:	
Cath Andrew (CA)	Senior Manager - Public and Social Sector Audit
Mark Kirkham (MK)	Partner

Apologies:

David Chefneux (DC)	Independent Member
Gill Rollings (GR)	Independent Member
Victoria Fuller (VF)	Deputy Chief Constable
Mark Webster (MW)	Chief Constable

Agenda Item:	Discussion / Action:	Action Owner:
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1.	<p>Apologies for absence:</p> <p>Apologies were noted from Independent Members Gill Rollings and David Chefneux as well as DCC Fuller and Chief Constable Webster.</p>	
2.	<p>Welcome and Introductions:</p> <p>The chair introduced the meeting and welcomed attendees and members.</p>	
3.	<p>Declarations of interests:</p> <p>No declarations of interest were made.</p>	
4.	<p>Open Minutes of the previous meeting held on 27 June 2024:</p> <p>The minutes of the previous meeting were deemed an accurate and reasonable record.</p>	
5.	<p>Final Accounts:</p> <p>Cleveland Police Audit Completion Report & Annual Audit Report 2023-24:</p> <p>Audit of Teesside pension fund recently occurred- the audit opinion will be disclaimed. Cleveland Police will obtain qualified opinions due to lack of assurance of pension fund assets.</p> <p>LH asked if all members of the Teesside pension fund will be affected- Due to backstop arrangements not enough time was had to complete work. Result of this is that audit opinion will be disclaimed. Applies to anyone who has material pension funds' assets within admitted bodies.</p> <p>LH also asked how it will affect next year's accounts and work MAZARS will be doing- MK confirmed that he had completed the audit of the Teesside Pension Fund for 23-24. The previous audit supplier did not complete the previous accounts until December last year, Mazars had planned to complete their audit in January this year. So, there was no time for assurance to be given to MAZARS.</p> <p>The Backstop Date of 28th February means an audit opinion is required, and so there was no choice but to disclaim the audit. The assurance gap only relates to one area of the fund however, which means that MAZARS could move to unmodified opinion following this year's accounts.</p>	

	<p>JC mentioned reputational issues that could have ensued; however, this is mitigated by the fact that it applies to all members. Not an ideal position to be in, but the situation could have been a lot worse if other imbalances had occurred.</p> <p>MP queried value for money good news story. Auditors annual report includes full value for money commentary. LH stated that it reflects the hard work of the force and PCC office, this was well received by members.</p> <p>Key changes to accounts that will be mentioned in next item, around pension fund disclosures and national issue that affected anyone part of pension fund.</p> <p>Reports noted and findings considered. Thanks were passed onto auditors by members also.</p>	
6.	<p>Final Statement of Accounts:</p> <p>Audited Statement of Accounts, Covering Report:</p> <p>The OPCC have been making changes to accounts to ensure they are completed by the back stop date.</p> <p>Covering report appended to statement of accounts setting out roles and responsibility of members.</p> <p>OPCC 2023-24 Statement of Accounts</p> <p>Members will make recommendations to PCC and Chief Constable.</p> <p>External auditors annual report and annual audit letter are reviewed as part of this.</p> <p>Accounts are produced before 31st May 24 deadline. This is the result of this.</p> <p>Changes to accounts were post balance sheet unadjusted event (National Issue, that was advisable to include) and the Asset Ceiling Adjustment involving disclosure of net obligations and fair value of assets, the auditors requested an additional table detailing this.</p> <p>MP touched on technical info provided, a good set of accounts has been produced. Thanks were given to GG. A clean audit occurred other than issues with pension fund.</p>	MP

	<p>Engagement from external auditors very helpful in terms of guidance with changes to accounts.</p> <p>SG asked if changes have any impact on cash or reserve balance. MP confirmed these do not change.</p> <p>JC queried table on page 7 of accounts, 4.8 million underspend from OPCC. Is this a percentage of the PCC's budget? MP confirmed it could be applied to overall group position, but the figure reflects that the group has all the income and not the expenditure as that goes to the force. MP confirmed this can be presented in future iterations.</p> <p>Action: JC would like to know percentage underspend in accordance with OPCC budget. MP to take away and bring next time.</p> <p>Cleveland Police Statement of Accounts:</p> <p>IW confirmed he is happy to take questions, but all info covered in his and Michael's report. SG confirmed he is happy with robustness and passed on his thanks, IW praised GG's team for their involvement.</p> <p>Members note they have reviewed the statement of accounts. No substantive items to raise with PCC or CC, happy for this to be passed for approval.</p>	
7.	<p>PCC Annual Governance Statement:</p> <p>Document has been through committee before, however final AGS must be published alongside statement of accounts. Only one change to doc since previous version. Item 5.15 audit opinion now added, along with comments in 5.18 RE value for money and arrangements. No additions to AGS other than this.</p> <p>Nothing management can do RE areas for focus. Therefore, these have not been included in action plan.</p> <p>Action: Action plan timelines to be brought to March meeting in terms of actions RE AGS. Members will be able to see steps taken.</p> <p>SG mentioned potential reputational issues, and if any considerations have been given in terms of including the Teesside Pension Fund issue for transparency to minimise any criticism. MP advised consideration was given around</p>	MP

	<p>the challenge this presented. No one in the organisation could mitigate the risk, it would therefore be counterproductive to include on this basis. If this was because of management this would have been flagged as a governance issue.</p> <p>LH asked if anyone from the OPCC or force sits on the governing boards for the Teesside Pension Fund. MP confirmed no trustees are appointed for this by the PCC or Chief. LH would have expected the board within the council to deal with the pension fund issue as its within their remit. IW stated that the pension fund committee have statutory members from four local authorities and independent members, they are from other admitted bodies rather than our organisations.</p>	
8.	<p>Cleveland Police Annual Governance Statement:</p> <p>This document has also been presented previously. 11.21 and 11.22 audit opinion will be added prior to publication.</p> <p>Report takes format of NOLAN principles.</p> <p>Key weaknesses: there are significantly less of these than in previous years. Progress made by the force.</p> <p>Next PEEL report will be due back between the end of this year to April next year.</p>	
9.	<p>Any other business:</p> <p>Nothing raised by members.</p> <p>MP advised that final accounts will be signed, as well as annual governance arrangements and will be published before 28th Feb along with closure notice.</p>	
	<p>Date of next meeting: 27th March 2025 10:00-12:30</p>	

	Pre-meet – 09:00 – 10:00	
	Venue: PCC Meeting Room, CPHQ and MS Teams	