



Annual Governance Statement

Position as at 31st March 2026 including plans for the financial year 2026/27.

Executive Summary

Following this review, governance and decision-making arrangements within the Office of the Police and Crime Commissioner (OPCC) continue to be regarded as fit for purpose, in accordance with both the local governance framework and the core areas identified in the 'Delivering good governance in local government framework.'

The review confirmed that the overall operation of governance arrangements was fit for purpose in 2025/26 and that the arrangements are assessed as operating effectively and support the achievement of the PCC's outcomes.

We are committed to ensuring that governance will continue to be fit for purpose and the governance framework within the OPCC has been reviewed and continues to be reviewed for its effectiveness by both the PCCs Chief Executive and Monitoring Officer and Chief Finance Officer.

There are no significant changes highlighted for action in 2026/27 but there are a few areas for continued focus that will improve our Governance arrangements going forward and these are set out in section 8.

There is also one area that is expected to significantly change the Governance arrangements of the OPCC in the future, and this relates to the abolition of the role of the PCC from May 2028. This is considered further in section 9.

We propose over the coming year to take steps to address the above matters to enhance our governance arrangements further. We are satisfied that these steps will continue to address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review

Signed:

Matt Storey
Police and Crime Commissioner for Cleveland

Lisa Oldroyd
Chief Executive and Monitoring Officer

Michael Porter
PCC Chief Finance Officer

Date: XXth January 2027

1. Scope of Responsibility

- 1.1 The PCC is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The PCC also has a duty to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the PCC is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. In exercising this responsibility, the PCC places reliance on the Chief Constable of Cleveland Police to support the governance and risk management processes.
- 1.3 The PCC has an overarching code of corporate governance in place to ensure the governance arrangements are easily accessible with all of the key documents captured in one place. The code is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government and while under constant review to ensure it meets the needs of the organisation it is the subject of formal review and publication annually.
- 1.4 Copies of the Code of Corporate Governance are available on our website at <https://www.cleveland.pcc.police.uk/publications/joint-corporate-governance-framework/>.
- 1.5 This statement explains how the PCC has complied with the code and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of a statement on internal control.
- 1.6 In drafting the PCC Annual Governance Statement reliance has been placed on the governance processes within Cleveland Police, as reflected in the Force's Annual Governance Statement which is published alongside the accounts of the PCC.
- 1.7 The two AGS's complement each other by:
 - outlining the key methods of assurance which operate in each body to ensure that, overall effective control is exercised
 - showing which key documents/reports of Cleveland Police are scrutinised by the PCC as part of wider accountability
 - demonstrating how the Police and Crime Plan is delivered by Cleveland Police and is underpinned by public consultation on the part of the PCC as part of wider accountability.
- 1.8 Both the PCC and Cleveland Police must produce separate accounts which are then consolidated into group accounts. This ensures that both individual and collective financial stewardship of public money is effective and is underpinned by annual external audit.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises both the culture and values, and systems and processes, by which the PCC is directed and controlled and their activity through which it accounts to and engages with the community. It enables the PCC to monitor the achievement of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.
- 2.2 2025/26 was the first full financial year for the current PCC, Matt Storey, who was elected in May 2024. Therefore 2025/26 was also the first full financial year for Matt's [Police and Crime Plan](#) which was launched in December 2024 after wide consultation, which started in July 2024, with criminal justice agencies, local partners and victims of crime.
- 2.3 He also consulted widely with Cleveland's communities. That was to ensure the Plan best meets the needs of everyone who lives, works or visits the area.
- 2.4 The Plan will shape Matt's vision of working together to build safe, strong and confident communities.
- 2.5 Matt's Plan has six strategic priorities to:
- Reduce crime, anti-social behaviour and harm
 - Deliver more visible and effective policing
 - Improve safety for women and girls
 - Ensure the right support for victims and vulnerable people
 - Build trust and confidence in policing and the justice system
 - Prevent offending and reoffending
- 2.6 The six priorities are listed in order of importance from the public.
- 2.7 The Plan acts as a strategic direction for Cleveland Police, who are measured on their performance against the plan on a regular basis.
- 2.8 These objectives help shape the governance framework of the OPCC.
- 2.9 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the PCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.
- 2.10 The overall governance framework has been in place at the PCC for Cleveland for the year ended 31 March 2026, and up to the date of the approval of the financial statements.

3. The Governance Framework

- 3.1 In April 2016 CIPFA published an updated version of their “Delivering Good Governance in Local Government: Framework” which was followed by specific guidance notes for Policing Bodies. The 2016 Framework sets out seven principles of good governance which are taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) ('the International Framework') and interprets them for local government.
- 3.2 In May 2025 an 'addendum' to this framework was published - this is the first update of the guidance since 2016 and replaces chapter 7 (Annual Review and Reporting) of the Framework publication. The 2016 publication and the seven principles of good governance remain unchanged.
- 3.3 The seven principles (A to G) are considered below and have been utilised in our review of governance and in developing this AGS.
- Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values, and respecting the rule of law.
 - Ensuring Openness and Comprehensive Stakeholder Engagement
 - Defining outcomes in terms of sustainable economic, social and environmental benefits
 - Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - Developing the entity's capacity, including the capability of its leadership and the individuals within it
 - Managing risks and performance through robust internal control and strong public financial management
 - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 3.4 The addendum sets out that the annual governance statement will need to provide assurance that certain core arrangements are in place and operating effectively, these are set out across each of the above 7 principles within the addendum and incorporated into the Behaviours and Outcomes that demonstrate Good Governance in Practice sections within each of the principles below.

4 PRINCIPLE A: BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

The PCC is accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The Policing Protocol 2023 requires all parties to abide by the 7 Nolan Principles; these will be central to the behaviour of everyone in the organisation. It also highlights the expectation that the relationship between all parties will be based on the principles of goodwill, professionalism, openness and trust.
- The Financial Management Code of Practice requires the PCC to ensure that the good governance principles are embedded within the way that the organisations operate.
- The PCC has set out their values in the respective corporate and strategic plans.
- The 2024 Code of Ethics for Policing

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- Arrangements to ensure ethical conduct for both members and officers, including codes of conduct, management of conflicts of interest, declarations of gift and hospitality, training and evaluation. Where appropriate, include how codes of ethics for the sector are implemented and supported. Sector requirements include the Code of Practice for Ethical Policing and the Police Code of Ethics, and the Core Code of Ethics for Fire and Rescue Services – England.
- Arrangements covering the ethical behaviour of external service providers.
- Arrangements to support whistleblowing.
- How compliance with laws and regulations and internal policies and procedures is ensured and arrangements to ensure expenditure is lawful.
- How breaches of ethical arrangements, laws, regulations and procedures are addressed and learning adopted.
- How all those in governance roles and senior managers demonstrate their leadership of an ethical culture.

The review noted that the OPCC have strong arrangements in place in this area, there are clear codes of conduct in place for the PCC and staff, there are clear processes for gifts and hospitality, whistleblowing and the values of the organisation are clear throughout the strategic plans.

The review noted that the amendment recently published addendum to Good Governance Framework refers to 'Arrangements covering the ethical behaviour of external service providers' – the review recommendation that this new area is looked at during 2026/27.

PRINCIPLE B: ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Public Services, including the Police, are run for the public good. Organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The PCC is accountable to local people and draws on this mandate to set and shape the strategic objectives for the force area in consultation with the Chief Constable, taking into account the Strategic Policing Requirement.
- The Police and Crime Plan clearly sets out what the strategic direction and objectives are to be and how they will be delivered.
- To complement this, the PCC's communication and engagement strategies set out how local people will be involved with the PCC to ensure they are part of decision making, accountability and future direction. This will be a mixture of being part of the yearly planning arrangements and becoming involved in issues of interest to local people as they emerge.
- The PCC has developed arrangements for effective engagement with key stakeholders, ensuring that where appropriate they remain closely involved in decision making, accountability and future direction
- The strength of the PCC's working relationship with the Police and Crime Panel, constituent local authorities and other relevant partners

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- How the authority ensures that decisions are made in the public interest and the rationale for decisions is recorded.
- How the authority achieves expected standards of openness and transparency, including a culture of internal challenge and self-assessment.
- The arrangements for consultation and engagement with citizens, service users and stakeholders and how these inform decision-making.
- The ways in which the authority communicates with the community and stakeholders.

This review recognised this area continues to be a key priority for the PCC.

The review noted and welcomed the [Communications and Engagement Strategy](#) had been refreshed and updated, in line with an action from last year's annual governance review, to align the strategy with the new Police and Crime Plan.

The review was pleased to see that building on the consultation around the Police and Crime Plan, and the precept proposal for 2026/27, there were also consultations in relation to the:

- Experiences and needs of victim-survivors to factor into the design of the new Independent Sexual Violence Adviser service
- Views of Cleveland residents, partners and stakeholders to understand the type of support people expect if they become a victim of crime or antisocial behaviour.

With ongoing consultation looking at the following areas:

- Feelings of safety for women and girls
- Parent/carer experiences of aggression and violence from a child, who they care for

The review recognised that the OPCC continues to have a strong decision-making process in place, each decision is reviewed by the Chief Executive and Chief Finance Officer who provide oversight, comment and advice before any decision is approved by the PCC. All decisions are published on the PCC website and a summary provided for the Police and Crime Panel to provide additional transparency.

The review welcomes that a review of the decision-making policy, which is currently published on the PCC website, has been undertaken in the early part of 2026/27 and the review will consider this in next statement.

The review was pleased to see that the new Cleveland Police Strategic Plan fully aligns with the Police and Crime Plan, ensuring the Strategic direction from the PCC, fully informed by comprehensive consultation and engagement with the public, partners and wider stakeholder, runs through the largest area that the PCC funds.

PRINCIPLE C: DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS

The long-term nature and impact of many of the PCC's responsibilities mean that they should seek to define and plan outcomes and that these should be sustainable. Decisions should contribute to intended benefits and outcomes and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The Act requires the PCC to issue a Police and Crime plan, which defines the police and crime objectives (outcomes) and the strategic direction for Policing. Each corporation sole must have regard to the plan, and the PCC must have regard to the priorities of the responsible authorities during its development.
- Each organisation will have a corporate/strategic plan which sets out how it will operate to support achievement of these outcomes
- Collaboration agreements will set out those areas of business to be undertaken jointly with other forces, local policing bodies and other emergency services, in order to reduce cost, increase capability, and/or increase resilience to protect local people.
- A medium-term financial strategy will be jointly developed and thereafter reviewed regularly to support delivery of these plans. Joint protocols will ensure proper arrangements for financial management
- A commissioning and award of grants framework will be developed by PCCs, incorporating commissioning intentions and priorities.
- A complaints protocol will be jointly agreed to provide clarity over the arrangements to respond to the breadth of concerns raised by local people, whether they be organisational or individual failures. This will complement other statutory arrangements.

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- How the authority establishes its vision, target outcomes, and associated long-term plans to deliver sustainable outcomes.
- Its decision-making arrangements and how it ensures consideration and demonstration of value for money and best value.
- Arrangements to achieve fair access to services.
- The authority's strategic approach to commissioning across the entity and its partnerships and collaborations.

The review was pleased to see that the OPCC has, in line with an action from the 2024/25 annual governance statement, reviewed and updated its [Commissioning Strategy](#) to align with the Police and Crime Plan.

The 2024/25 governance review recognised the continued challenge of managing demand within the financial resources available and noted that during both 2023/24 and 2024/25 there were challenges around the financial aspects of legal and insurance costs and claims, that resulted in overspends for both financial years. The review was therefore pleased to see that significant decisions had been taken during 2025/26 to ensure that the required level of provision for these costs was in place, that the projected future costs were set aside within an Earmarked Reserve, that the on-going annual costs of claims was fully embedded within the recurring revenue budget and that additional funds would be added to the reserve to ensure that it was appropriately funded in line with the most recent actuarial review of insurance claims.

The review welcomed that a balanced medium term financial plan was approved by the PCC in February 2026 but noted that commentary by the PCC's CFO that 'The overall financial position is now even more challenging than it has been in the recent years and the stable financial platform that has underpinned the improved organisational and operational performance that has been seen over the last 3 years, has certainly reduced due to some of the measures taken to manage the worst funding settlement in the country' is likely to lead to even more challenging decisions in the years ahead to balance competing and increasing demands for finite and potential reducing reduce in real terms.

PRINCIPLE D: DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

Local Government, including the Police, achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The PCC and the Chief Constable will maintain a medium-term financial strategy which will form the basis of the annual budgets, and provide a framework for evaluating future proposals
- There will be a comprehensive process of analysis and evaluation of plans, which will normally include option appraisal, techniques for assessing the impact of alternative approaches on the service's outcomes, and benefits realisation
- Processes will be in place to monitor efficiency and value for money, including benchmarking of performance and costs
- The PCC and the Force should maintain effective workforce development and asset management plans (e.g. Estate, ICT)

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- The arrangements for medium and short-term service planning, supported by projects and programmes, to ensure alignment to the vision and objectives.
- How budgets and resource strategies align to the delivery of objectives.
- How the authority uses self-assessment and continuous improvement to achieve value for money.
- The authority's performance management arrangements to ensure continued alignment to its objectives.
- Arrangements for the achievement of social value in commissioning, procurement and contracting.

The review continues to see very strong processes, controls and outcomes in this area, with specific reference to the following:

The review reflected on the opinion provided by the External Auditors on the 2024/25 accounts for both the PCC and CC which were 'unqualified' and without modification.

In addition to the Statutory account process the review also noted the Substantial Assurance that was provided from Internal Audit in relation to Financial Planning.

The review noted that the 2026/27 internal audit plan is reviewing the Police and Crime Plan process which should help further informed the arrangements within this area of governance.

PRINCIPLE E: DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

The PCC and the Police Force need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A public organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Both the individuals involved and the environment in which the Police operates will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership in the Police service is strengthened by the participation of people with many different types of background, reflecting the structure and diversity of communities.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The 'People' and personal development strategies of the Office of the PCC and the Force set the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for members of staff.

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- Member and officer protocols and clarity over roles and responsibilities, including schemes of delegation.
- Application of the Code of Practice on Good Governance for Local Authority Statutory Officers.
- How financial management roles align with:
 - CIPFA Financial Management Code (FM Code)
 - CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015), The Role of the CFO in Combined Authorities (2024) or The Role of Chief Financial Officers in Policing (2021), as appropriate.
- The arrangements in place for the discharge of the monitoring officer function.
- The arrangements in place for the discharge of the head of paid service function.
- Induction and development programmes to meet the needs of members and senior officers in relation to their strategic roles.
- Workforce planning and organisational development.
- Arrangements for learning and development, and health and wellbeing.

The review noted the strong arrangements in place for the Statutory Officers within the OPCC, the arrangements are clear, the staff have been in role for some time and have the required knowledge and experience to undertake the roles in line with the required legislation and codes of practice.

This knowledge has been enhanced during the year with Chief Executive undertaking a Diploma in Corporate Governance with further plans for continued professional development in 2026/27. The Chief Finance Officer has enhanced his knowledge through a collaboration with the North and Yorkshire Combined Authority, which has provided knowledge and learning around the transition of PCC Governance arrangements into a Combined Authority.

The review noted that there are clear arrangements in place in terms of deputy arrangements for the Monitoring Officer role, however this is not the same for the Chief Finance Officer role and it is an area that the organisation should consider as part of its business continuity and risk management arrangements.

Last year the review reflected positively on the almost seamless induction of a new PCC into the organisation, noting that it was clear that the planning and approach worked very well and that all areas of governance continued to operate without any issues. This should help with the transition to new governance arrangements in 2028 as well as ensuring that those who take on the responsibility for the governance then are well briefed.

The review was pleased to see that the OPCC continues to develop itself as an organisation, with bespoke values, PDR processes and team away days all contributing to this. The review was expecting to see how the PDR process was embedded during 2025/26 but this is expected to be more visible in 2026/27.

PRINCIPLE F: MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Public bodies need to ensure that the organisations and governance structures that they oversee have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management, business continuity and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The decision-making protocol sets out principles for how decisions will be taken by the PCC and the standards to be adopted
- It requires a combined forward plan of decisions, which brings together the business planning cycles for the Police and Crime plan, the Office of the PCC, and the Force integrated business management process. This will ensure proper governance by bringing together the right information at the right time
- The scheme of governance highlights the parameters for decision making, including consents, financial limits for specific matters, and standing orders for contracts
- The risk management strategy establishes how risk is embedded throughout the various elements of corporate governance of the organisation
- The Communications and Engagement strategies demonstrate how the PCC and Chief Constable will ensure that local people are involved in decision making
- The information publication scheme ensures that information relating to decisions will be made readily available to local people, with those of greater public interest receiving the highest level of transparency, except where operational or legal constraints exist
- The forward plan of decisions combined with open and transparent information schemes enables the Police and Crime Panel to be properly sighted on the decisions of the PCC

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- Risk management policy, strategy and arrangements for review.
- How financial management arrangements align with the Financial Management Code.
- Internal control arrangements including:
 - Cyber, AI and information security arrangements
 - information governance
 - asset management
 - procurement and contract management.
- Assurance frameworks across the three lines. The framework should set out how the leadership team obtains its assurance, including from management, risk and compliance arrangements, and internal audit.
- Internal audit arrangements in conformance with the Global Internal Audit Standards in the UK public sector (GIAS and the Application Note) and the CIPFA Code of Practice on the Governance of Internal Audit.

- Arrangements for formal overview and scrutiny (as applicable).
- Facilitation of internal and external challenge.
- Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2022).
- Counter fraud and anti-corruption developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).
- Governance, risk and control arrangements across companies, partnerships, collaborations and arm's length bodies.

The review noted that the 2024/25 Statement of Accounts were approved by the Statutory deadline and noted that the PCC in Cleveland was 1 of only 177 of the 460 local authority audits that received the highest level of audit assurance in 2024/25 (i.e. an unmodified opinion).

The review noted the continuation of [robust scrutiny arrangements](#) in place within the OPCC in relation to the Force, with 11 separate formal scrutiny sessions taking place during the year with published outcomes on the PCC website.

The review is satisfied that most of the areas covered by this principle continue to be well covered by the OPCC and well embedded.

Last year the review noted that the implementation of a new Risk Management package during 2024/25 needed to be better understood, used and managed within the OPCC so that Risk Management becomes a key part of the organisation and can help inform decision making and areas of key development. The review noted that work has progressed in line with this and this year the review has highlighted that the OPCC specific Risk Management Strategy/Policy should be reviewed in 2026/27 and updated accordingly with oversight by the Audit Committee.

PRINCIPLE G: IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- Legislation sets out the functions of the PCC and the Chief Constable. The Policing Protocol describes how these functions will be undertaken to achieve the outcomes of the Police and Crime Plan.
- The Police Reform and Social Responsibility Act requires the PCC to appoint a Chief Executive and a Chief Financial Officer. It prescribes that the Chief Executive will act as head of paid service and undertake the responsibilities of monitoring officer.
- The Act requires the Chief Constable to appoint a Chief Financial Officer
- The Financial Management Code of Practice sets out the responsibilities of the CFOs for both the PCC and the Chief Constable
- Internal audit, reflecting published guidance on standards
- The Scheme of corporate governance highlights the parameters for key roles in the organisation including consents from the PCC or Chief Constable, financial regulations and standing orders
- Officers, Police support staff and staff of the OPCC will operate within
 - OPCC or Force policies and procedures
 - The corporate governance framework
 - Disciplinary regulations
 - Codes of conduct
 - Code of Ethics
- A joint assurance protocol ensures effective monitoring of the organisations to ensure they are achieving their priorities
- A joint independent Audit Committee operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- Arrangements for the timely response and support to the work of external audit, internal audit and other inspection or regulatory action.
- Approach to welcoming external challenge and implementing recommendations.
- How learning and improvement are actioned.
- How transparency and accountability are maintained across collaborations and arm's length bodies, such as trading companies and joint ventures.
- Accountability to the public and stakeholders is supported by clear assurance and ensures core areas are covered to enable better accountability in practice.

The review continues to see this as an area of strength within the organisation will all corporate processes well embedded and fit for purpose.

The OPCC continues to be responsive to any area of inspection and audit and is open to external challenge. It has welcomed this as part of the oversight of its management of complaints, has pro-actively used internal audit and plans to pro-actively ask internal audit to look at Data Protections arrangements within the Office.

Prior to the use of internal audit to look at Data Protection in 2027/28, the review notes that Data Protection will be added to the OPCC Strategic Risk Register in 2026/27. The review recommends that further focus around this area of work is given in 2026/27 to address any issues prior to the audit and to identify any areas where improvements are needed.

The PCC website continues to be an area to publish significant levels of information to ensure transparency with the public across a vast number of areas and information, this is demonstrated by the majority of Audit Committee papers being fully published in the public domain, the publication of scrutiny outcomes and PCC decisions.

Given the importance and reliance on the website in this respect, the review recommends that the OPCC consider how it can assure itself and therefore the public on the accuracy of the information on the website and that everything is being updated in a timely manner.

5 Our Assessment and Review of Effectiveness

5.1 The PCC has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including: -

- The system of internal audit
- The system of internal control

5.2 The governance framework within the PCC has been reviewed and continues to be reviewed for its effectiveness by both the PCCs Chief Executive and Monitoring Officer and Chief Finance Officer.

5.3 The roles and processes applied in maintaining and reviewing the effectiveness of the governance framework are outlined below: -

PCC

5.4 The PCC has overall responsibility for the discharge of all the powers and duties placed on it and has a statutory duty to 'maintain an efficient and effective police force'. The review and maintenance of the governance framework is the responsibility of the joint audit committee which will discuss most governance issues, referring reports to the PCC when it is felt necessary. Given that the ultimate responsibility for Governance rests with the PCC and CC the Audit Committee requires a member of the management team of each organisation to attend each Audit Committee meeting. This provides the Committee with a direct opportunity to engage at the right level in the organisation but also develop strong working relationships. In addition to this and to further strengthen their role the Audit Committee has direct access to both the PCC and CC when required.

Cleveland Police

5.5 The Chief Constable has responsibility for conducting a review of the effectiveness of the governance framework within the Force at least annually. This review is informed by the work of the Chief Constable's Assistant Chief Officer, Head of Internal Audit and the Risk and Assurance managers within the Force who have responsibility for the development and maintenance of the governance environment. In preparing the Annual Governance Statement for 2025/26 the officers of the PCC have placed reliance on this review and the Force's resulting Annual Governance Statement.

Joint Audit Committee

5.6 Chaired independently, the PCC and Chief Constable operate a Joint Independent Audit Committee. The role of the Committee, in part, is to provide independent assurance on the adequacy and effectiveness of the internal control environment and risk management framework, advising the PCC and CC according to good governance principles and overseeing governance and monitoring of governance within the organisation.

5.7 The Joint Audit Committee receives regular reports on governance issues. This includes the review of the Annual Governance Statement and update reports on progress made in addressing significant governance issues included in it.

Head of Internal Audit

5.8 In maintaining and reviewing the governance framework, the PCC's Chief Finance Officer places reliance on the work undertaken by Internal Audit and in particular, the Head of Internal Audits independent opinion on the adequacy and effectiveness of the system of internal control. For the 12 months ended 31 March 2026, the Head of Internal Audit opinion for the Police and Crime Commissioner for Cleveland is as follows:

The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

External Audit

- 5.9 External Audit are an essential element in ensuring public accountability and stewardship of public resources and the corporate governance of the PCC's services, with their Auditor's Annual report providing comment on financial sustainability, governance and economy, efficiency and effectiveness.

Audit Opinion – 2025/26

- 5.11 TO BE COMPLETED ONCE THE 2025/26 AUDIT HAS CONCLUDED.

Value for money arrangements – 2025/26

- 5.13 TO BE COMPLETED ONCE THE 2025/26 AUDIT HAS CONCLUDED.

6 Evaluation

- 6.1 Following this review, governance and decision-making arrangements within the Office of the Police and Crime Commissioner (OPCC) continue to be regarded as fit for purpose, in accordance with the governance framework. This conclusion is broadly mirrored by the reviews, conclusions and opinions provided by Internal Audit.
- 6.2 The significant areas of concern within the Force, as highlighted previously by HMICFRS, have now been addressed and the recent inspection by HMICFRS show that the Force have no areas now graded as inadequate, this provides a validation of the revised scrutiny framework that was put in place by the OPCC which has continued to be improved and embedded.
- 6.3 The key roles and work of the PCC and the Office of the PCC has continued throughout the year and delivery on all aspects of the PCCs work, including oversight, scrutiny and governance has been developed and embedded throughout the year.
- 6.4 Alongside this the OPCC, working closely with the Force, continues to set out a balanced financial plan for the next 4 years, despite the challenge of receiving the worst financial settlement for 2026/27.
- 6.5 2025/26 has been a year that has announced significant reviews and changes that are likely to impact significantly on policing governance and police structure in future years. These changes will need to be appropriately resources and well managed to ensure that the impact of service delivery of public is not impacted.
- 6.6 While there continues to be much work to do and many areas that can be improved upon and some that require continued focus, this review has not found any Significant Governance issues that the OPCC/PCC currently needs to address.
- 6.7 To continue the improvement of the last few years the review has highlighted how governance arrangements were improved in 2025/26 and some areas for continued focus/further action for 2026/27. These have been set out in the sections below.

7 How we have improved our Governance arrangements in 2025/26

7.1 In line with the actions from the 2024/25 Annual Governance Statement, the following were delivered in 2025/26:

- The OPCC reviewed, updated and published a new Commissioning Strategy to align with the newly agreed Police and Crime Plan.
- A full review of the Risk Register was undertaken across the Senior Management Team, aligned to the new Police and Crime Plan. Access to the new system was reviewed and the ownership of each risk was reviewed; regular updates are now provided to ensure that risk management is an active part of the OPCC.
- The OPCC reviewed, updated and published a new consultation and engagement strategy in line with the current Police and Crime Plan.
- Progress was made in developing the reporting by the OPCC complaints team, along with lessons learned information to inform further scrutiny of the Force by the PCC and to enhance feedback into the Force to continue to improve interactions with the public.

8 Where our Governance needs to improve:

Action Plan for 2026/27 set out below.

- 8.1 We propose over the coming year to take steps to address the above matters to enhance our governance arrangements further. We are satisfied that these steps will continue to address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Areas which require further/continued focus	Action	Owner	Target Date
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	The Delivering Good Governance Framework addendum that was published during 2025/26 made several recommendations to enhance government arrangements. One of which was to review the 'arrangements covering the ethical behaviour of external service providers' This is a new area for consideration and one that the review thought would enhance the evidence of continued strong working in this area. ACTION: Review the arrangements covering the ethical behaviour of external service providers.	Head of Policy, Partnerships and Delivery	26th February 2027
Developing the entity's capacity, including the capability of its leadership and the individuals within it	The review noted that there are clear arrangements in place in terms of deputy arrangements for the Monitoring Officer role, however this is not the same for the Chief Finance Officer role and it is an area that the organisation should consider as part of its business continuity and risk management arrangements. ACTION: Consider, and document, what actions/arrangements the OPCC would put in place to ensure the Statutory role of the Chief Finance Officer is covered if an absence was to occur.	Chief Executive and Monitoring Officer	26th February 2027
Managing risks and performance through robust internal control and strong public financial management	Last year the review noted that the implementation of a new Risk Management package during 2024/25 needed to be better understood, used and managed within the OPCC so that Risk Management becomes a key part of the organisation and can help inform decision making and areas of key development. The review noted that work has progressed in line with this and this year the review has highlighted that the OPCC specific Risk Management Strategy/Policy should be reviewed in 2026/27 and updated accordingly with oversight by the Audit Committee. ACTION: Review, update and publish an updated OPCC Risk Management Strategy/Policy with appropriate oversight from the Audit Committee.	Chief Finance Officer	8th January 2027
Implementing good practices in transparency, reporting and audit to deliver effective accountability	The PCC website continues to be an area to publish significant levels of information to ensure transparency with the public across a vast number of areas and information, this is demonstrated by the majority of Audit Committee papers being fully published in the public domain, the publication of scrutiny outcomes and PCC decisions. ACTION: Undertake a review of the contents of the OPCC website and provide reports into the Senior Management Team to provide assurance and oversight on the accuracy of the information on the PCC website and that everything is being updated in a timely manner.	Head of Communications, Digital Media and Engagement	26th February 2027
Implementing good practices in transparency, reporting and audit to deliver effective accountability	Prior to the use of internal audit to look at Data Protection in 2027/28, the review notes that Data Protection will be added to the OPCC Strategic Risk Register in 2026/27. ACTION: Undertake a management review around Data Protection in 2026/27 to address any issues/gaps in current ways of working prior to the audit and to identify any areas where improvements are needed.	Head of Policy, Partnerships and Delivery	26th February 2027

9 Forward Look on Governance:

- 9.1 Police and Crime Commissioners (PCCs) in England and Wales will be abolished at the end of their current electoral terms in May 2028. Their oversight and accountability functions will be transferred to directly elected regional mayors or, in non-mayoral areas, new Police and Crime Boards.
- 9.2 It is expected that the functions of the PCC in Cleveland will transfer, via Parliamentary Order, to the Elected Mayor for the Tees Valley Combined Authority from the 5th of May 2028, with all staff properties, rights and liabilities transferring to the Combined Authority. As the functions of the PCC will continue, the Statement of Accounts will continue to be prepared on a 'going concern basis'.
- 9.3 There will be significant work involved to transfer the functions of the PCC to the Combined Authority, as well as significant changes to the Governance arrangements that are currently in place.
- 9.4 In addition to the removal of the role of the PCC, it is also expected that there will no longer be Police and Crime Panels, and the Statutory responsibilities of the Statutory Officers within the OPCC will become Statutory responsibilities of the Statutory Officers within the Combined Authority.
- 9.5 The above changes will clearly impact on the foundations of the current PCC Governance model and will therefore require significant thought and work over the next 2 years to ensure the sound governance arrangements that are currently in place are replicated for Policing and Crime within any new governance model.