



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

Date: Thursday 26 March 2026

Time: 10:00 – 12:30

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

Meeting Attendance:

Committee Members	
Elizabeth Hall (EH)	
Catherine Dillon-Goodier (CDG)	
David Chefneux (DC)	
Jon Carling- Acting Chair (JC)	

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

Cleveland Police	
Ian Wright (IW)	Assistant Chief Officer
David Felton (DF)	Deputy Chief Constable
Nick Eyley (NE)	Commissioning & Procurement Manager
Louise Drummond (LD)	Head of Performance, Quality & Review
Gillian Currie (GC)	HMIC/Governance Officer

External Auditors – Forvis Mazars:	
Cath Andrew (CA)	Senior Manager

Apologies:

Stuart Green (SG)	Committee Member (Chair)
Mark Kirkham (MK)	Partner (FORVIS MAZARS)

Agenda Item:	Discussion / Action:	Action Owner:
1.	Apologies for absence:	

	Apologies received from Stuart Green (Chair) and Mark Kirkham.	
2.	Welcome and Introductions: JC Deputised for SG as chair and welcomed committee members to the meeting.	
3.	Declarations of interests: None raised.	
4.	Power BI Demonstration: LD provided members with a demonstration of the Power BI dashboards, outlining how the system is used across the force to monitor and drive performance. The dashboards give real-time visibility of key indicators at individual, team, and organisational levels, and support data-driven performance improvement.	
5.	Review of Action Log: IW's action relating to an offline conversation with members regarding the restructuring of the force remains ongoing and has not yet been arranged. The proposal from IW and DCC Felton is for the report to be presented to the committee in June. DC asked for an update on the neighbourhood policing guarantee. MP advised that information on funding and requirements has now been provided and confirmed that an overview will be brought to the next meeting. ACTION: MP to bring an overview of the Neighbourhood Policing Guarantee, including funding and requirements, to the next meeting.	MP
6.	Open Minutes from the previous meeting held on 23rd February 2026: The previous minutes were deemed a reasonable and accurate record and were approved by members.	
7.		

	Internal Audit Reports and Progress Plan Update: Follow up of previous Internal Audit Management Actions: No queries or additional comments from members. Legal Litigation: Members welcomed the substantial assurance rating provided. There were no additional queries or comments. Vetting: A couple of medium-level actions and one low-level action were identified, giving an overall medium level of assurance. DF noted that a neighbouring force recently underwent a vetting and integrity review which had a poor outcome. Cleveland Police have reviewed that report and taken on the learning to help ensure we avoid similar issues. Horizon scanning continues regularly to identify best practice in this area. Management of IT Assets: DC noted that this area currently has a partial assurance rating, with concerns raised about tracking processes and software updates. IW welcomed the findings from a management perspective and acknowledged the issues highlighted. The force is acting around resourcing and accountability, and a restructure has taken place in the department. Recruitment for a new Head of DDAT has been successful, subject to vetting. A plan is in place for managing software updates, with information security mitigation measures applied until a long-term solution is identified. IW noted that unclear lines of responsibility have contributed to the partial assurance rating, and the force is addressing this. DC asked whether a follow-up review will take place later in the year. This will occur and will be carried out by RSM. Progress Report March 2026: DC queried page 10, Appendix B, noting that several audits listed in Note 1 were still shown as draft. These had in fact been presented to the December Audit Committee and were issued as final. This was an error, and the audits have already been completed and circulated as final versions.	MS/IW
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	On page 10, item 2, JC asked how decisions are made about which audits are removed from the programme, noting that 'Learning and Development' and the 'Police and Crime Plan' had been taken out. DH explained that the programme of work had been oversubscribed. At the mid-year point, RSM meet with IW and MP to agree the approach for the remainder of the year and to prioritise which audits will progress. The programme has been scaled back for 2026–27, and RSM are confident they will deliver all audits listed under item 5. Emergency Services News Briefing February 2026: No queries or additional comments from members. Quality Assurance and Improvement Programme: No queries or additional comments from members. Employment Rights Bill Timeline: JC queried the section on page 27 regarding dismissal rights, noting that these will be removed. ACTION: RSM will check this with their specialist team and confirm whether there are any inaccuracies. IW will also provide confirmation from a force perspective Human Resources- Recruitment and Selection including Progression and Promotion: IW reminded the committee that this audit was included due to concerns about the suitability of recruitment. The report provides reassurance, confirming that recruitment pathways remain strong, with a high number of applicants and consistently good-quality candidates.	
8.	Internal Audit Plan 2026/27: DH noted that the programme is now slightly more condensed, and that improvements continue to be made. IW and MP confirmed they are comfortable with the revised programme following discussions with RSM. MP added that the organisation has invested heavily in internal audit over recent years, and the fact that the programme can now be scaled back reflects the organisation's strengthened internal controls and the consistently high quality of previous internal audit reports.	

9.	Cleveland Police Audit Strategy Memorandum 25/26: There is no change to the significant risks or the audit approach. DC noted that the timing of the audit, which comes in October/December, is a long period after year-end. While this is the nature of this type of work, it does present challenges for both the force and the PCC's office. CA confirmed that pension fund audits must take priority. MP added that we may need to consider scheduling an additional Audit Committee meeting, likely towards the end of January. The organisation will continue to liaise with RSM on this. ACTION: A date will now be arranged and added to diaries, with the PCC's office taking this as an action	RC
10.	2026/27 Budget Report: This is an introductory report. Responsibility of the approval of the 2026/27 budget rests with the PCC. Robustness of Estimates and Adequacy of Financial Reserves: This report provides members with an overview of the organisation's financial position, including the risks and challenges currently being faced. EH asked for an update on the special grant for historical investigations. MP confirmed that the organisation will receive the special grant for next year, with the amount allocated in line with the budget at just over £2.6 million. DC queried whether the Home Office had provided any rationale for Cleveland receiving a lower level of funding compared to other areas. MP advised that the funding formula methodology had been applied as usual, but no further detail or explanation had been provided to date, despite follow-up enquiries. DF added that the Chief Constable had also raised concerns directly with Home Office representatives, echoing the view that the funding settlement does not reflect the level of challenges faced locally. DC also asked for an update on the current financial position of the PCC's office for this year. MP confirmed that the office is expected to break even, although additional money will need to be directed into reserves and insurance provisions. Issues relating to insurance for this period have been	

	addressed, and it is hoped that available funding will meet these pressures. Current reserves are sufficient to cover known claims. JC raised a question about the assumed 3% pay rise for this year and how the organisation will manage any financial impact. MP noted that most police forces nationally have budgeted on this basis, although pay rises have exceeded assumptions in each of the last four years. Reserves include funds set aside for pay and pensions, which would be used first to support any pay award. This remains one of the key financial risks. In local government, employers have currently offered 3.3%, and police pay settlements take effect in September. JC also asked about the reduction in reserves and the potential seriousness of this. MP confirmed that reserves are currently stable but at the lower end, and that a balance of around £12.5 million is considered manageable. Ideally, reserves would be around 5% of annual spending rather than the current level of approximately 3%. MP advised that if the next funding settlement is worse than anticipated, reductions may have to be made in areas such as staffing. Long Term Financial Plan (LTFP) 2026/27 to 2029/30 and Capital Plans 2026/27 to 2029/30 including Reserves Strategy: This has been encompassed in the previous reports which include details around what the PCC has approved. Cleveland Police Long Term Financial Plan (LTFP) 2026/27 to 2030/31: IW noted that the report reflects MP's earlier points, highlighting a funding gap that is placing pressure on officers and staff and limiting investment in technology. He emphasised the challenge of balancing staff wellbeing with public service demands and raised concerns about future pay awards and the neighbourhood policing guarantee, noting that without additional funding it is unclear how these commitments can be met.	
11.	Contract Standing Order 10- Exceptional Situations and Procurement Performance Report: IW outlined national police reform pressures, noting the Home Office and national bodies are pushing forces to use national contracts, which creates challenges for value for money and	

	local arrangements. He confirmed several exceptions have been approved and that the Head of Comms police staff post has now been filled. IW also noted the limited market for digital forensics. In response to JC's query around one of the figures in the report, he confirmed the £102,000 relates to funding of the Head of Comms post.	
12.	Previous Annual Governance Statement Area for Development Update: PCC's Annual Governance Statement 2024/25- Update: MP noted that although the report was signed off earlier in the year, some actions remain outstanding. The report provides updates, showing reasonable progress across the four actions. These areas were reviewed at the OPCC SMT meeting yesterday and are ready to be moved forward. The next steps will be considered for the 25/26 AGS update, which will be presented at the June meeting. Cleveland Police Annual Governance Statement 2024-25 Update: IW reported good progress on outstanding issues. Delivery of the neighbourhood policing guarantee remains on track for 25/26, though ongoing risks persist. He confirmed a positive position regarding external audit but noted that general grant governance arrangements must continue to be closely monitored. IW also advised that updated AGS guidance will change the format of next year's draft.	
13.	Treasury Management: MP confirmed that all documents were formally approved by the PCC at the end of February and have been brought to this meeting to support members' scrutiny responsibilities. He noted that several points in the report reflect earlier budget discussions, including higher interest costs and increased borrowing. MP highlighted that net revenue and financing costs will continue to rise annually due to the need for further borrowing, as shown in Appendix A. The high borrowing levels are linked to funding the capital programme, particularly as there is limited estate spending and no available funds to contribute to capital at present. In response to member's questions, MP explained that most capital expenditure relates to ICT and fleet rather than long-term assets, and the current £6m annual capital requirement cannot be met as we only have £1m of available funding. He also confirmed an agreed overdraft facility of £7.5m from April	

	to mid-July, after which the pensions grant will carry the organisation to December, when borrowing will be reassessed. Borrowing rates have already risen by 0.4% in the past month. Regarding long-term planning, MP advised that future capital requirements remain uncertain, and IW supported this, noting that although progress has been made through horizon scanning, further work on the capital programme is needed. IW added that if prioritisation were required, reductions to staffing levels would be considered before reductions to the capital programme. DC asked if we receive capital grant contributions from the Home Office. MP confirmed that this no longer takes place, with the last grant issued approximately ten years ago. Minimum Revenue Provision 2026/27: Report included for member's information. MP confirmed that we need to set money aside for repayment from this perspective. If we do end up having to borrow money this will be paid back over the life of the asset.	
14.	Joint Audit Committee Schedule of Work & Terms of Reference: Members agreed the schedule of work and meeting schedule. LO also mentioned additional items that have been included as requested by members.	
15.	Risk Register: PCC's Strategic Risk Register Report: MP confirmed a six-monthly review of risks has been completed, and the current risk software is considered adequate, with additional training planned. The report appendix outlines the current risk positions. Two emerging risks, government proposals to abolish PCCs and wider policing reforms are not yet reflected in the AGS. LO confirmed that over £350k savings have been required within the office, limiting the ability to continue funding some commissioned services. JC queried local service impact and partner engagement; LO noted this remains challenging due to funding reductions and ongoing reforms, which is why it is included as a risk. MP also highlighted the potential for partners to disengage once implications of PCC abolition become clearer.	
16.	Date and Time of Next Meeting:	

	Tuesday 29th June 2026: 10:00-12:00 Cleveland PCC Meeting Room, Central Headquarters, Hemlington	
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