



west midlands
police and crime
commissioner

CODE OF CORPORATE GOVERNANCE

1 INTRODUCTION

- 1.1 Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with, empower and, where appropriate, lead their communities.
- 1.2 The Police and Crime Commissioner has key statutory responsibilities as set out in the Police Reform and Social Responsibility Act 2011. This includes holding the Chief Constable to account for the exercise of his functions and those of persons under his direction and control.
- 1.3 The Police and Crime Commissioner recognises that he is responsible for ensuring that 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. In discharging this accountability staff will be responsible for putting in place proper arrangements for the governance of the Police and Crime Commissioner's affairs and the stewardship of the resources.
- 1.4 To this end the Police and Crime Commissioner has approved and adopted this Code of Corporate Governance, which replaces the previous Code.
- 1.5 The Chief Executive, who is also the Monitoring Officer, will be responsible for monitoring and reviewing the operation of the Code and reporting annually to the Joint Audit Committee. In this and the production of the Annual Governance Statement, she will be assisted by the Chief Finance Officer, the Head of Internal Audit and representatives of the Force including, but not limited to the Force's Chief Finance Officer and the Deputy Chief Constable.
- 1.6 The six core principles from the Good Governance Framework form the basis on which effective governance should be built. These six core principles of good governance are:
 - 1.6.1 **Focusing on the purpose of the Police and Crime Commissioner and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area**
 - 1.6.2 **Working together to achieve a common purpose with clearly defined functions and roles**
 - 1.6.3 **Promoting the values of the Police and Crime Commissioner and demonstrating the values of good governance through behaviour**
 - 1.6.4 **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**
 - 1.6.5 **Developing the capacity and capability to be effective and ensuring that personnel – including the statutory officers – also have the capability and capacity to deliver effectively**
 - 1.6.6 **Engaging with local people and other stakeholders to ensure robust local public accountability.**
- 1.7 The Code mainly relates to how the Police and Crime Commissioner carries out his role. Accordingly, it does not directly relate to the role and responsibilities of the West Midlands

Police ('the Force'). However, the Police and Crime Commissioner recognises he has a responsibility for ensuring that the Force also adheres to the principles of good governance and will require the Chief Constable to demonstrate that this is the case.

2 THE CODE OF CORPORATE GOVERNANCE

2.1 The Police and Crime Commissioner has developed a local Code of Corporate Governance which incorporates the core good governance principles, develops these in a local context, and sets out arrangements for reviewing their effectiveness.

2.2 The way in which each of the core principles of good governance is put into practice by the Police and Crime Commissioner is set out below.

2.3 Core principle (i)

Focusing on the purpose of the Police and Crime Commissioner and on outcomes for the community including citizens, service users and creating as well as implementing a vision for the local area.

To achieve this, the Police and Crime Commissioner will:

- develop and promote the Police and Crime Commissioner's purpose and the Police and Crime Plan, consulting with the local community and other key stakeholders
- review on a regular basis the Police and Crime Commissioner's plan for the local area and its impact on the Police and Crime Commissioner's governance arrangements
- publish reports at least annually to communicate the Police and Crime Commissioner's activities and achievements, its financial position and performance
- decide how the quality of service for users is to be measured and ensure that the information needed to review service quality effectively and regularly is available. The Police and Crime Commissioner will further ensure that this information is reflected in the Police and Crime Plan, the Medium Term Financial Strategy and other resourcing plans in order to achieve improvement
- decide how value for money is to be measured and make sure that the information needed to review value for money and performance effectively is available. The Police and Crime Commissioner will also ensure that the results are reflected in the Police and Crime Plan and in reviewing the work of the Police and Crime Commissioner
- put in place effective arrangements to deal with failure in service delivery
- develop a framework for the commissioning/awarding of grants incorporating intentions and priorities

The Police and Crime Commissioner's approach can be summarised as:-

The Police and Crime Commissioner is committed to ensuring high quality services to all stakeholders through the development of a clear Police and Crime Plan. The Police and Crime Plan will set out the priorities for the year ahead and the extent to which the aims and objectives have been delivered will be reviewed annually.

2.4 Core principle (ii)

Working together to achieve a common purpose with clearly defined functions and roles

To achieve this, the Police and Crime Commissioner will:

- set out a clear statement of the respective roles and responsibilities of the Police and Crime Commissioner and post holders within the West Midlands Office for Policing and Crime
- set out a clear statement of the Scheme of Governance, Standing Orders and Financial Regulations
- develop protocols to ensure effective communication between post holders in their respective roles
- appoint the Chief Executive who will undertake the role of Monitoring Officer
- appoint the Chief Constable who shall be responsible and accountable for the operational management of the Constabulary
- appoint a Chief Finance Officer (section 151 officer) who shall be responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control
- when working in partnership ensure that:
 - there is clarity about the legal status of the partnership and the respective liabilities of the partners
 - the roles and responsibilities of the partners are agreed so that there is effective leadership and accountability
 - representatives or organisations make clear to all other partners the extent of their authority to bind their organisation to partner decisions

The Police and Crime Commissioner's approach can be summarised as:-

The Police and Crime Commissioner is committed to ensuring that the roles and responsibilities are clear and fully understood.

2.5 Core principle (iii)

Promoting the values of the Police and Crime Commissioner and demonstrating the values of good governance through behaviour

To achieve this, the Police and Crime Commissioner will:

- develop and maintain shared values, including leadership values, for the organisation and its staff which reflect public expectations about the conduct and behaviour of those within and those associated with the Police and Crime Commissioner
- use the Police and Crime Commissioner's shared values to act as a guide for decision

making and as a basis for developing positive and trusting relationships

- adopt formal Codes of Conduct defining the standards of personal behaviour
- establish arrangements to ensure that personnel are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and to monitor the operation of these arrangements in practice

The Police and Crime Commissioner's approach can be summarised as:-

The Police and Crime Commissioner is committed to the highest standards of conduct and propriety. Personnel agree to abide by Codes of Conduct. The Police and Crime Commissioner also fully endorses for all personnel the principles of public life, first defined by the Nolan Committee. These are selflessness, integrity, objectivity, accountability, openness, honesty, leadership, respect for others, duty to uphold the law and good stewardship.

2.6 Core principle (iv)

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

To achieve this, the Police and Crime Commissioner will:

- maintain effective arrangements to challenge and scrutinise Force performance and compliance with other requirements
- maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based
- maintain arrangements to safeguard personnel against conflicts of interest and to monitor these to ensure that they continue to operate in practice
- develop arrangements for confidential reporting ('whistleblowing') to which personnel and all those contracting with the Police and Crime Commissioner have access
- develop a policy for Anti-Fraud and Corruption and a Protocol for the Management of Sensitive and Protectively Marked Information
- maintain effective, open and accessible arrangements for dealing with complaints
- in conjunction with the Chief Constable, maintain an effective Joint Audit Committee
- ensure that those making decisions are provided with information that is relevant, timely and gives clear explanations of technical issues and their implications
- ensure that professional advice on legal and financial matters is available and recorded well in advance of decision making and used appropriately when decisions have significant legal or financial implications
- ensure that risk management is embedded into the culture of the organisation with personnel recognising that risk management is part of their role

- actively recognise the limits of lawful activity placed on them but also strive to utilise their powers to the full benefit of their communities
- when working in partnership:-
 - put in place protocols for working together which include a shared understanding of respective roles and responsibilities of each organisation
 - ensure that there are robust procedures for scrutinising decisions and behaviour and that these decisions and behaviour are compliant with any Police and Crime Commissioner rules/codes or comply with any rules/codes developed for the purpose of the partnership

The Police and Crime Commissioner's approach can be summarised as:-

The Police and Crime Commissioner is committed to maintaining effective arrangements for the identification and management of risk. Mechanisms will exist for scrutiny and challenge of how the Police and Crime Commissioner and personnel conduct their business. Such arrangements may include, but not be limited to, public access to meetings and papers, through internal confidential reporting arrangements and through the work of Internal Audit and Professional Standards.

2.7 Core principle (v)

Developing the capacity and capability of personnel to be effective and ensuring that personnel – including the statutory officers – have the capability and capacity to deliver effectively.

To achieve this, the Police and Crime Commissioner will:

- assess the skills required by personnel – the Chief Executive (the Monitoring Officer) and the Chief Finance Officer - and make a commitment to enable those roles to be carried out effectively
- ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are understood
- develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed
- ensure that effective arrangements are in place for reviewing the performance of the West Midlands Office for Policing and Crime as a whole and address any training or development needs
- ensure that there are effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Police and Crime Commissioner
- when working in partnership, ensure that partners individually and the partnership share responsibility for appointing people to the partnership who have the required skills and are at an appropriate level.

The Police and Crime Commissioner's approach can be summarised as:-

The Police and Crime Commissioner is committed to ensuring that the appropriate skills are held or developed. This will be achieved through training needs analysis, training delivery, effective resource planning, recruitment, personal development and appraisal regimes.

2.8 Core principle (vi)

Engaging with local people and other stakeholders to ensure robust local public accountability

To achieve this, the Police and Crime Commissioner will:

- ensure clear accountabilities of the Police and Crime Commissioner to the community and stakeholders, and assess the effectiveness of the relationships and any changes required
- establish channels of communication with all sections of the community and other stakeholders and have in place monitoring arrangements to ensure that they operate effectively
- put in place arrangements to enable the Police and Crime Commissioner to engage with all sections of the community effectively. These arrangements will recognise that different sections of the community have different priorities and there will be explicit processes for dealing with these competing demands
- maintain a strategy on the types of issues on which the Police and Crime Commissioner will meaningfully consult or engage with the public and service users including a feedback mechanism for those consulted
- publish information on the Police and Crime Commissioner's plans and financial statements as well as information about its performance, achievements and the satisfaction of communities
- ensure that the West Midlands Office for Policing and Crime as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so
- when working in partnership, ensure that engagement and consultation undertaken by the partnership is planned with regard to methodology, target audience and required outcomes and that there is an appropriate and effective feedback mechanism.

The Police and Crime Commissioner's approach can be summarised as:-

The Police and Crime Commissioner is committed to effective consultation and communication with stakeholders, enabling all stakeholders to access information, including plans, policies and decisions which detail the Police and Crime Commissioner's plans and how these are being met through service delivery and effective feedback.

3 MONITORING AND REPORTING

- 3.1 The Police and Crime Commissioner will undertake regular, at least annual, reviews of governance arrangements to ensure continuing compliance with best practice as set out in

the CIPFA/SOLACE Framework and recognising the importance of ensuring that such reviews are reported externally with the published accounts, so as to provide assurance that:

- corporate governance arrangements are adequate and operating effectively in practice; or
- where reviews of the corporate governance arrangements have revealed gaps, action is planned that will ensure effective governance in future.

3.2 The Police and Crime Commissioner will prepare an Annual Governance Statement and in so doing recognises that the work of the Corporate Governance Working Group in preparing that Statement should itself add value to the Police and Crime Commissioner's corporate governance and internal control framework. It will be submitted to the Joint Audit Committee for consideration in June. The Annual Governance Statement will highlight areas of significant weakness in corporate governance and these will be monitored for progress over the subsequent year.

3.3 The Annual Governance Statement will include the following information:

- an acknowledgement of responsibility for ensuring there is an effective system of governance, including in particular the system of internal control
- an indication of the level of assurance that the systems and processes that comprise the Police and Crime Commissioner's governance arrangements can provide a brief description of:-
 - the key elements of the governance arrangements
 - the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including comment on the role of the Police and Crime Commissioner, the Joint Audit Committee, Internal Audit, risk management and other explicit review/assurance mechanisms.
 - an outline of the actions taken, or proposed, to deal with significant governance and internal control issues.

3.4 The Police and Crime Commissioner recognises that the Annual Governance Statement should cover all significant corporate systems, processes and controls, across the whole range of the Police and Crime Commissioner's activities, including in particular those designed to ensure:

- the Police and Crime Commissioner's policies are implemented
- the Police and Crime Commissioner's values are met
- compliance with laws and regulations
- adherence to required processes
- financial statements and other published information are accurate and reliable
- human, financial and other resources are managed efficiently and effectively
- high quality services are delivered efficiently and effectively.

3.5 The production of the Annual Governance Statement is a corporate responsibility. It should

be confirmed by the Police and Crime Commissioner.

- 3.6 In reviewing and approving the Annual Governance Statement, the Police and Crime Commissioner will be provided with assurances on the effectiveness of the governance framework, and in particular the system of internal control, and how these address the key risks faced. Those assurances will be available from a wide range of sources, including internal and external audit, a range of external inspectorates and key officers and staff from across the Force.

4 ARRANGEMENTS FOR REVIEW OF GOVERNANCE

- 4.1 The **Police and Crime Commissioner** is responsible for approving the local Code of Corporate Governance and for carrying out an annual review of its effectiveness. The Police and Crime Commissioner will approve the Annual Governance Statement. As noted above the Annual Governance Statement will be signed by the Police and Crime Commissioner.

- 4.2 The Police and Crime Commissioner recognises that this Code relates to the Police and Crime Commissioner's own governance arrangements. However, it also recognises that the Chief Constable is held accountable for corporate governance issues affecting the Force, ensuring that appropriate reviews, both pro-actively and reactively, are carried out into key areas and highlighted, including:

- professional standards and performance
- management of information, including Force security and data protection
- strategic co-ordination and planning, including risk management and strategic assessments

- 4.3 **The Chief Executive (Monitoring Officer)** will be responsible for:

- reviewing the Code annually, to provide assurance on the adequacy and effectiveness of the Code and the extent of compliance with it. Details of the extent to which the WMOPCC is complying with the Code will be included within the Annual Statement of Accounts and the Annual Governance Statement.
- preparing an annual Monitoring Officer's Report on compliance with the Code including any changes that may be necessary to maintain it and ensure its effectiveness in practice. This report will be part of the assurance required to be demonstrated in the Annual Governance Statement

- 4.4 **The Chief Financial Officer** will be responsible for:

- co-ordinating, throughout the year, the Police and Crime Commissioner's internal control assurances, including reporting regularly to the Joint Audit Committee, and culminating in the Annual Governance Statement
- co-ordinating the production of an Annual Governance Statement, in accordance with the Accounts and Audit Regulations 2011 which will represent the overall levels of assurance

4.5 **The Head of Internal Audit** will be responsible for:

- reporting annually to the Joint Audit Committee on audit activities during the year, with particular emphasis on the systems of internal control and the arrangements for corporate governance, providing some of the assurance required in the Annual Governance Statement
- providing regular update reports to the Joint Audit Committee, including areas of concern and any major control weaknesses
- referring any significant governance failures identified through general audit work to the Corporate Governance Working Group

4.6 **The Joint Audit Committee**

The Committee's terms of reference include the following key requirements in respect of corporate governance to:

- consider and comment on the adequacy of the local Code of Corporate Governance
- consider the Annual Governance Statements (AGS) from the Police and Crime Commissioner and Chief Constable
- monitor implementation and delivery of the agreed AGS Action Plan(s)
- obtain assurance that an annual review of the effectiveness of the internal audit function takes place
- consider and comment upon the adequacy and effectiveness of the assurance framework, and the specific governance and accountability policies, systems and controls in place, such as Financial Regulations; the Scheme of Governance; anti-fraud and corruption; whistle-blowing, and declarations of interest, gifts and hospitality

4.7 **The Corporate Governance Working Group**

The Working Group, which comprises senior officers from the West Midlands Office for Policing and Crime and West Midlands Police is responsible for:

- considering the draft local code(s) of corporate governance
- monitoring compliance with the Code(s) during the year, including the system of internal control
- preparing the draft Annual Governance Statement(s)
- recommending an Action Plan(s) to rectify significant areas of weakness
- monitoring the implementation of agreed action plans

Reports from the Working Group will be presented to the Joint Audit Committee.

4.8 External Audit

The external auditor will audit the financial statements of the Police and Crime Commissioner and Chief Constable, as well as the Group accounts and will also review the Annual Governance Statement(s).

External audit plans and reports, including the Annual Audit Letter, are considered by the joint Independent Audit Committee at appropriate times in the annual cycle of meetings.