West Midlands Joint Audit Committee

Information for applicants for the role of Independent Chair of the West Midlands Joint Audit Committee
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Dear Applicant

Welcome

Thank you for your interest in the role of Independent Chair of the five member Joint Audit Committee (JAC). The four Non-Executive members of the Commissioner’s Strategic Policing and Crime Board will make up the rest of the JAC.

The Committee will be key to the delivery of effective governance arrangements. To assist you in completing your application we have provided background information about the Commissioner’s office and West Midlands Police. However please do contact us on 0121 626 6060, asking for David Giles, should you wish to discuss the post(s) further.

We look forward to receiving your application. We hope that successful appointees can take up their posts with effect from May 2014.

Kind regards

Bob Jones
West Midlands Police and Crime Commissioner

Chris Sims
West Midlands Police Chief Constable
2. About the West Midlands and West Midlands Police

West Midlands Police is the second largest police force in the country after London’s Metropolitan Police Service. It covers an area of 384 square miles and serves a population of 2.74 million (over 1 million households). The region sits at the very heart of the country and covers the three major cities of Birmingham, Coventry and Wolverhampton. It also includes the busy and thriving districts of Dudley, Sandwell, Solihull and Dudley. The majority of the area is densely populated but there are some rural areas.

The region’s economy has diversified from its historic heavy industry roots of the Industrial Revolution. With the decline in traditional manufacturing, both the public and private sectors have rejuvenated the area. Birmingham now has a commercial and shopping area which is among the largest in Europe. This is complemented by a wide range of social amenities such as the National Exhibition Centre, National Indoor Arena, the International Convention Centre, theatres, galleries and many large conference facilities. The area boasts a thriving nightlife, centred around Birmingham City Centre. West Midlands hosts a number of Premiership and Championship football clubs together with many others in the other leagues.

The region is well served by rail and road links. Road and rail travel is supplemented by significant air traffic through Birmingham International and Coventry airports. The area is proud of its academic institutions, being home to a number of universities located in Birmingham, Coventry, Walsall and Wolverhampton.

The population of the West Midlands is diverse. At approximately 18%, the percentage of the population that are black and minority ethnic is significantly above the national average. Approximately 10% of the population were born outside of the UK. The average earnings and house prices for the region are lower than the national average.

There are seven local authorities within the area, Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton, each with a Crime and Disorder Reduction Partnership/Community Safety Partnership. The area is also served by three Local Enterprise Partnerships (LEPs), Staffordshire and West Midlands Probation Trust and a number of NHS structures, adding complexity to the partnership landscape.

West Midlands Police is one of the best performing metropolitan police forces in the country. Significant and sustained reductions across volume crime have been achieved. At the same time, through headquarter departments and formal collaborative arrangements with other forces and law enforcement agencies, resources and expertise have been focused on a range of inter and cross-force activities.

Local policing is delivered through ten local policing units (LPUs). Other than Birmingham, which because of its size has four LPUs, the other six LPUs are coterminous with local authority boundaries. Each LPU is headed by a Chief Superintendent. The work of the local LPUs is supported by a number of specialist central and support departments.

West Midlands Police has a reputation for continuous improvement, innovation and empowering leadership with a talent to continuously evolve and meet changing needs. The Force aims to deliver policing that is accessible and responds to the needs of local people. Neighbourhood policing provides a named team of local officers who can influence the policing priorities within their neighbourhood. They work with colleagues and partner agencies to address the concerns of their communities.
3. Roles of the West Midlands Police and Crime Commissioner and West Midlands Chief Constable

There are 41 police and crime commissioners in England and Wales covering each of the 41 forces outside of London. The governance of the Metropolitan Police Service is a duty of the Mayor of London and the City of London Corporation governs the City of London Police. Together with the Home Secretary and chief police officers, the Commissioner and Chief Constable are responsible for the management of policing in England and Wales.

The West Midlands Police and Crime Commissioner is the local governing body for policing in the West Midlands. The Commissioner has an over-arching duty to secure an effective and efficient police force. The Commissioner has a number of statutory roles, which include:

- representing all those who live and work in the communities in their force area and identifying their policing needs
- setting priorities that meet those needs by agreeing a police and crime plan
- holding the Chief Constable to account for achieving the Commissioner’s priorities as efficiently and effectively as possible
- setting the force budget and setting the precept
- hiring and, if necessary, dismissing the Chief Constable

To fulfill these roles, the Commissioner has a range of powers and responsibilities. The Commissioner:

- must produce a Police and Crime Plan
- must set the policing “precept”, which is the part of local council tax that goes to policing
- appoints and, if necessary, dismisses the Chief Constable
- makes Crime and Disorder Reduction Grants
- has oversight of how complaints against the police are managed
- must keep under review opportunities for collaboration
- has duties relating to national criminal threats, safeguarding of children, and consulting the public
- has a role in ensuring the effectiveness of the wider criminal justice system

The Commissioner is supported in his work by an executive team headed by the Chief Executive and Monitoring Officer, Jacky Courtney. The team also has the Commissioner’s Chief Financial Officer, Mike Williams together with a policy and administrative team of twelve staff and an Internal Audit Team of six staff.

The Commissioner is supported and scrutinised by a separate Police and Crime Panel. The Panel is made up of twelve councillors from across the West Midlands and two independent members.
Information on the work of the Panel can be found at www.birmingham.gov.uk/wmpcp. The Panel is set up under the provisions of the Police Reform and Social Responsibility Act 2011.

Further information on the work of the Commissioner and the statutory framework in which the Commissioner works can be found on the Commissioner’s website. www.westmidlands-pcc.gov.uk

The Chief Constable is responsible for maintaining the Queen’s Peace, and has direction and control over the force’s officers and staff. The chief constable holds office under the crown, but is appointed by the PCC.

Operational independence is vital to enable chief constables to act impartially. The concept is not defined in legislation, but the Police Reform and Social Responsibility Act 2010 states that the chief constables retain “direction and control” of the force’s officers. Police staff will be employed by the PCC, but under the direction and control of the chief constable. The PCC and chief constable will agree which police staff transfer to employment of the chief constable (before April 1, 2014) and which will remain in the employ of the PCC.

The Chief Constable has a number of responsibilities which include:

- Delivery of efficient and effective policing.
- Efficient management of resources and expenditure which delivers Value for Money
- Having regard in that delivery to the strategic direction and objectives outlined in the Police and Crime plan, the Strategic Policing Requirement and codes of practice issued by the Secretary of State.
- Maintain effective and efficient arrangements in respect to:
  - Collaboration Agreements Section 22A of the Police Act 1996
  - Engaging with local people (Section 34)
  - Value for money (Section 35)
  - Safeguarding of Children and in the promotion of child welfare.
- Maintaining operational independence in the service of the public.
- Impartial direction and control of all constables and staff within the police force.

The Chief Constable is supported in his work by the force Command team which includes the Deputy Chief Constable, 4 Assistant Chief Constables, the Director of Resources (Chief Finance Officer) and Director of Legal Services.

The terms on which the respective functions of the PCC and Chief Constable will be exercised is set out in the Scheme of Consents and Delegations. Information on West Midlands Police can be found at www.west-midlands.police.uk
4. Strategic priorities

Under section 5 of the Police Reform and Social Responsibility Act 2011 the Commissioner is required to issue a police and crime plan (the Plan). The Plan covers the period until March 2017 and sets the Commissioner’s police and crime objectives. A copy of the draft plan accompanies this information pack.

5. Joint Audit Committee

The Home Office Financial Management Code of Practice requires the Commissioner and Chief Constable, as separate corporations sole to establish a Joint Audit Committee, which amongst other things, will advise the Commissioner and Chief Constable about good governance principles, ensure appropriate risk management arrangements and consider internal and external audit reports to both the Commissioner and Chief Constable. In setting up the Joint Audit Committee the Commissioner and Chief Constable have taken due regard of the CIPFA Guidance for Local Authorities on Audit Committees. The arrangements and proposals are compliant with this and other guidance and do represent best practice, in this area.

The Joint Audit Committee (JAC) will comprise 5 members, made up of the 4 non-executive members of the Strategic Policing and Crime Board and 1 independent member, who will undertake the role of Independent Chair of the Joint Audit Committee. The terms of reference of the JAC, along with the role profile for the Independent Chairman, are detailed below. The Independent appointment will be made under the principles of public life set out by the Committee on Standards in Public Life (Nolan Principles)

Purpose

The Audit Committee is responsible for enhancing public trust and confidence in governance. It also assists the Commissioner in discharging statutory responsibilities in holding the Chief Constable to account. This is achieved by;

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

The Audit Committee will meet four times a year, most likely in (March, June, September, December) in public. In effectively discharging its core function, the Committee is responsible for:

Internal Control Environment

- Satisfying itself of the effectiveness of the internal control framework in operation and advising the Commissioner and the Chief Constable, as appropriate.
- Considering the Annual Governance Statement(s) for publication with the annual accounts, together with associated action plans for addressing areas of improvement and advising the Commissioner and Chief Constable, as appropriate.

Corporate Risk Management

- Approving the Commissioner's and Chief Constable's corporate risk management strategy and framework; ensuring that an appropriate framework is in place for assessing and managing key risks.
- Considering the financial risks to which the Commissioner and Chief Constable are exposed and approving measures to reduce or eliminate them or to insure against them.
- Providing assurance, as appropriate on the effectiveness of the risk management framework in operation.

Safety and Health

- Satisfying itself on behalf of the Commissioner and Chief Constable that an adequate and effective framework is in place to discharge legal duties in relation to health and safety. In particular with regard to the safety, health and welfare of police officers and police staff, people in the care and custody of the West Midlands Police, and all members of the public on police premises or property.

Equalities and Diversity

- Satisfying itself on behalf of the Commissioner and Chief Constable that an adequate and effective framework is in place to discharge statutory requirements in relation to equalities and diversity.

Regulatory Framework

- Maintain an overview of the governance framework in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
- Review any issue referred to it by the Statutory Officers of the Commissioner and Chief Constable and make recommendations as appropriate.
- Monitor the policies of both the Commissioner and Chief Constable on ‘Raising Concerns at Work’, anti-fraud and corruption strategy and complaints process.
**Internal Audit**

- Advising on the appropriate arrangements for internal audit and approving the Internal Audit Strategy.
- Approving the internal audit annual programme.
- Overseeing and giving assurance on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.
- Considering the Head of Internal Audit's, annual report and annual opinion on the internal control environment, ensuring appropriate action is taken to address any areas for improvement.
- Reviewing and monitoring the effectiveness of policies on fraud, irregularity and corruption.

**External Audit**

- Advising on the appointment of external auditors.
- Approving on behalf of the Commissioner and the Chief Constable, the external audit programme and associated fees.
- Reviewing the external auditor’s Annual Governance Report and any other reports; reporting on these, as appropriate and including progress on the implementation of agreed recommendations.
- Reviewing the External Auditor’s Annual Audit Letter and the Annual Accounts making recommendations as appropriate.
- Considering significant accounting policies and any changes to them.

**Financial Reporting**

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

**Inspection and Review**

- Considering Her Majesty’s Inspectorate of Constabulary, external review agencies and any internal inspection reports that provide assurance on the internal control environment and/or may highlight governance issues.
Complaints

- Maintain an overview of Force Complaints including dip sampling.
- Maintain an overview of complaints against the Office of the Commissioner and its staff and act as the appeals body when required.

Freedom of Information

- Act as the review body for Freedom of Information appeals

Role of the Independent Chair

The Joint Audit Committee Chair plays a key role in enhancing public trust and confidence in governance, and assisting the Commissioner in discharging his statutory responsibilities in holding the Chief Constable to account.

Key Responsibilities

1. To maintain an up to date knowledge and awareness of national and local policing and crime issues
2. Advise the Commissioner and the Chief Constable and/or their nominated representatives of key risk, compliance and governance issues that arise in conducting Joint Audit Committee business.
3. Attend regular meetings with the Commissioner and the Chief Constable and/or their nominated representatives to gain a good understanding of the internal control and operating environment.
4. Establish formal terms of reference for the Joint Audit Committee in line with best practice and covering its core functions, and review on an annual basis.
5. Ensure the Joint Audit Committee effectively discharges its key responsibilities:
   - Provide independent assurance on the adequacy and effectiveness of the internal control environment (including risk management) in operation.
   - Advising the Commissioner and the Chief Constable as appropriate.
   - Oversee the effectiveness of the framework in place for ensuring compliance with statutory requirements,
   - Independently scrutinise financial and non-financial performance to the extent that it affects the Commissioner and Chief Constable exposure to risks and weakens the internal control environment.
   - Oversee the financial reporting process.
• Advising the Commissioner and the Chief Constable on the appropriate arrangements for external and internal audit and ensuring an appropriate response to audit reports and findings.

6. Effectively chair meetings of the Joint Audit Committee ensuring all aspects of business are adequately covered in line with the agreed Terms of Reference.

7. Meet separately with the External Auditor and Head of Internal Audit, to discuss risk, compliance and governance issues arising as a result of external or internal audit activity

8. Provide assurance to the External Auditor on governance issues in their capacity as Joint Audit Committee Chair.

9. Conduct an annual review of the effectiveness of the Joint Audit Committee.

10. Promote equality of opportunity and work to eliminate unlawful discrimination.

11. Comply with all relevant codes of conduct and maintain the highest standards of conduct and ethics.

6. APPOINTMENT AND SELECTION PROCESS

The selection process will be based upon the principles set out in the Code of Practice published by the Commissioner for Public Appointments which relate to ministerial appointments to public bodies. The three basic principles are that appointments be made on merit by an objective, fair and open selection process.

The closing date for applications will be noon on 4 March 2014. Interviews will take place in April 2014. The interview panel will include the Commissioner and the Chief Constable, or their representatives. The appointment decision will be that of the Commissioner and Chief Constable, supported by advice from their representative, if appropriate.

Applications must consist of:

• a completed application form
• a covering letter stating the post(s), which the applicant wishes to be considered for:

TERMS OF APPOINTMENT

Persons appointed as Independent Members, to the JAC will not be members of the Commissioner’s or Chief Constable’s staff, nor will they be employees. They will be engaged on a contract for services with detailed terms and conditions which will secure the proper performance of their role in the public interest. A detailed list of the terms of appointment is set out in this pack.

Appointees will be engaged for an initial period of 3 years. The contract for services will be liable for termination by the Commissioner or Chief Constable, at any time with immediate effect without any further payment other than outstanding fees. The contract for services will include a requirement for regular reviews of performance under the contract.
Fees will be paid at the rate of £5,000 per annum in respect of the Independent Chairman’s role. The JAC is expected to meet 4 times a year. The time commitment expected of the Independent Chair is between 8 and 16 days per annum.

Attendance at required JAC meetings and associated events will be monitored and failure to attend meetings without good reason may lead to deduction from fees or termination of the contract.

All applicants will be required to demonstrate that they meet the following selection criteria for appointment to Joint Audit Committee:

- Experience in governance of a public body and governing board membership (essential), with Audit experience preferred
- Experience of acting as a Chair (desirable)
- Experience in governance in a policing body (desirable)
- Experience in Financial Management at a strategic level/CCAB Qualified (desirable)
- Independence of mind, objectivity and impartiality
- Skill in questioning, probing and holding to account
- Good interpersonal skills, including communication skills and the ability to co-operate with others in a committee setting
- Commitment to the general principles governing conduct, in general and matters of probity and integrity in particular.
APPOINTMENT OF INDEPENDENT MEMBERS OF THE JOINT AUDIT COMMITTEE

SUMMARY OF PROPOSED TERMS AND CONDITIONS OF APPOINTMENT

1. Terms and conditions of appointment:-
   a) Appointees will not be employees or members of staff of the Police and Crime Commissioner (PCC) or Chief Constable (CC) and will be engaged under a contract for services. The applicant must acknowledge that there is no contract of employment with the PCC/CC.
   b) Appointees will be required to provide the contracted services with due care, skill and to act in the best interests of the PCC/CC in accordance with the directions and powers of the PCC/CC.
   c) Qualification provisions – applicants must:-
      ➢ Be over 18 years of age;
      ➢ Have a knowledge and understanding of the West Midlands County;
      ➢ Not be a serving police officer or employed police staff;
      ➢ Not be subject to a bankruptcy or debt relief order or restriction;
      ➢ Not be subject to disqualification as a company director;
      ➢ Not, within 5 years prior to the date of the application, have been convicted in the UK, the Channel Islands or the Isle of Man of an offence and has had passed a sentence of imprisonment (whether suspended or not) for a period of not less than three months. (Full disclosure of previous convictions will be required.)
      ➢ Satisfy the citizenship condition as set out in Section 68 of the Police Reform and Social Responsibility Act 2011.
   d) Appointees will be responsible for payment of income tax and national insurance.
   e) Any claims made against the PCC/CC in respect of services provided to the PCC/CC under the contract for services shall be the responsibility of the appointee. This includes any claims for tax and national insurance liabilities. Appointees will be required to indemnify the PCC/CC in respect of any liability, costs and expenses.
   f) Appointees will be required to have indemnity insurance in respect of public liability and negligence in undertaking duties (appointees will however be indemnified when acting under delegation from the PCC/CC and carrying out PCC/CC duties and functions in good faith).
   g) Appointees will be contracted for a period of three years, and appointments will be terminated in the event of the PCC/CC giving formal notice.
   h) Appointments will be made to an individual person only and not to a corporate body and accordingly any fees will only be payable to the individual appointed.
i) The appointee will not be permitted under any circumstances to sub-contract the work involved in the appointment. Any additional work required by a third party will be subject to separate contractual arrangements undertaken through the PCC’s/CC’s office.

j) Notice of removal may take effect at any time and no period of notice will be required.

k) There will be no obligation on the PCC/CC to pay any fees or damages in the event of termination in respect of early termination except fees payable to the date of termination only.

l) Fees – will be paid gross on the first day of each month without any element of gratuity or additional fee on delivery of an invoice from the appointee. If the appointee is registered for VAT, VAT shall be charged at the prevailing rate.

m) Expenses will be paid for reasonable travelling and subsistence expenses incurred in respect of business undertaken on behalf of the PCC/CC at the same amounts as paid to the PCC/CC. Claims must be made in accordance with any expenses scheme and must be supported by receipts and only for expenditure actually incurred.

n) Vetting – appointees will be subject to vetting in accordance with the Vetting Policy of the PCC.

o) Conduct – appointees will be subject to the PCC’s code of conduct and will at all times be required to conform to the principles of conduct in public life (Nolan Principles).

p) Conflicts of interest – appointees will be required to declare pecuniary interests including detail of other paid offices held and such interests will be included in the published register of interests. Appointees will have an on-going obligation to immediately declare in writing any matter which may represent a conflict of interest between the service to be provided and other or personal interests of the appointee and to comply with such directions as may be given by the PCC/CC in order to avoid or mitigate the effect of such a conflict of interest.

q) Service commitment – appointees will be generally required to make themselves available for meetings and attendance at other events as required by the PCC/CC. Failure to attend meetings may lead to termination of the contract for services.

r) In the event of an appointee failing or being unable to provide services as required, the PCC/CC shall be informed without delay as to the reason for the failure or inability to provide service.

s) Appointees will be required to provide such equipment and resources as are required to effectively undertake their role. This includes office space, IT equipment (including email provisions), stationery and vehicles. The use of IT for the purpose of the provision of services will be subject to a policy which will require that any confidential or restricted information is subject to appropriate safeguards. PCC/CC resources may be used for sending out communications in the name of the PCC/CC in accordance with official PCC/CC business only.

t) Appointees are not subject to restriction on political activities but in undertaking the provision of services are required not to undertake any political activities in their own name whilst undertaking PCC business or give the impression that the resources of the PCC/CC as local policing body are being used for party political purposes.
u) Appointees will be required to comply with relevant policies and procedures as relate to staff.

v) Appointees authorised to exercise delegated powers on behalf of the PCC/CC shall be under a fiduciary duty to exercise such powers properly, in accordance with the law and professional advice of the statutory officers of the Office of the PCC/CC.

w) Appointees shall only have power to authorise expenditure in accordance with the authority and direction and in accordance with the policies of the PCC/CC.

x) Confidentiality clause – appointees will be under a duty of confidentiality to the PCC/CC and must indemnify the PCC/CC in respect of the consequences of any unauthorised disclosure of confidential information.

y) Data Protection – the appointee is responsible for determining whether the requirements of the service require registration as a data controller.

z) Freedom of Information – appointees have an obligation to ensure that the PCC/CC is able to comply with the requirements of the Freedom of Information Act 2000.

aa) Ownership of material – all material produced under the contract is to be owned by PCC/CC and shall not to be re-used for any purpose other than in connection with the PCC’s/CC’s functions without the consent of the PCC/CC.

bb) The appointee will be required and be under a continuing duty following termination of the appointment to account for and return to the PCC/CC all property and assets, including digital media used by the appointee in connection with the service.
The Ten General Principles of Public Life

Selflessness – members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

Honesty and integrity – members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly, and should on all occasions avoid the appearance of such behaviour.

Objectivity – members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

Accountability – members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.

Openness – members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.

Personal judgement – members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for others – members should promote equality by not discriminating against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority’s statutory officers and its other employees.

Duty to uphold the law – members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship – members should do whatever they are able to do to ensure that their authorities use their resources prudently, and in accordance with the law.

Leadership – members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.