



Appendix A (1)

Police and Crime Commissioner West Midlands **Annual Governance Statement**

Position as at 31st March 2018 including plans for the financial year 2018/19.

1. Scope of Responsibilities

The Commissioner is responsible for ensuring his business is conducted in accordance with the law and proper standards, and public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Commissioner also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which his functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Commissioner is also responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring a sound system of internal control is maintained through the year and arrangements are in place for the management of risk.

The Commissioner has adopted a Code of Corporate Governance, consistent with the principles of the CIPFA/SOLACE 2016 updated framework: *Delivering Good Governance in Local Government*, a copy of which is on the Commissioner's website at www.westmidlands-pcc.gov.uk or can be obtained by contacting the Commissioner's office, details at www.westmidlands-pcc.gov.uk/contact. This statement explains how the Commissioner has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1), which requires all relevant bodies to prepare an annual governance statement.

2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values by which the Commissioner directs and controls his activities through which he accounts to and engages with the community. It enables the Commissioner to monitor the achievement of his strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services, including achieving value for money.

The system of internal control is a significant part of the 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 but not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Commissioner'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.

The following paragraphs summarise the core principles of the Police and Crime Commissioner's Governance Framework and reflect the arrangement in place to meet the six core principles of effective governance, which are:

- 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. The Governance Framework

Although the Chief Constable is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Force, the Commissioner is required to hold him to account for the exercise of those functions and those of the persons under his direction and control. The relationship between the Commissioner, the Chief Constable, the Police and Crime Panel and the Home Secretary is guided by the [Policing Protocol Order 2011](#).

It therefore follows that the Commissioner must satisfy himself that the Chief Constable has appropriate mechanisms in place for the maintenance of good governance. For these to operate in practice, the Commissioner and the Chief Constable, as separate corporations sole, have separate but complimentary governance structures. These facilitate the achievement of effective governance arrangements, including the monitoring and assessment of performance in line with statutory responsibilities.

The Commissioner has adopted a number of systems and processes which comprise the Commissioner's current governance arrangements, the key elements of which are detailed below:

- The West Midlands Police and Crime Plan 2016 – 2020 sets out the Commissioner's objectives for policing and community safety, the policing to be provided, the financial and other resources that will be available, how performance will be measured, what grants will be made and how the Chief Constable will be held to account.

- 
- Translating the Commissioner's objectives into delivery plans.
 - The operation of the Strategic Policing and Crime Board that provides effective engagement, strategic direction and assists the Commissioner in holding to account West Midlands Police.
 - The Commissioner works with the Chief Constable to ensure there are processes and systems in place to deliver the Police and Crime Plan. This allows the Commissioner to be satisfied the Chief Constable has regard to the Police and Crime Plan through the operational plans of the Force, including the Force's Ambition Plan.
 - Measuring the quality of services, to ensure they are delivered in accordance with the Commissioner's objectives and represent the best use of resources and value for money.
 - Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication, in respect of the Commissioner and partnership arrangements.
 - Ensuring effective arrangements are in place for the discharge of the head of paid service and monitoring officer functions.
 - Ensuring the Commissioner's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014).
 - Ensuring compliance with the Commissioner statutory responsibilities, including:-
 - Setting the budget and precept
 - Issuing a Police and Crime Plan
 - Publication of an Annual Report
 - Publication of specified information
 - Duties to consult with victims of crime, the population as a whole and ratepayers
 - Safeguarding of children and promotion of child welfare
 - Having regard to the Strategic Policing Requirement
 - Duties relating to equality and diversity
 - Procedure rules, policies and internal management processes are established for Financial Management, Procurement, Health and Safety, [Confidential Reporting](#) ("Whistleblowing"), [Complaints Handling](#), [Anti-Fraud, Bribery and Corruption](#) and [Records Management](#), including security of information and information sharing.
 - Codes of conduct, defining the standards of behaviour for the Commissioner, Assistant Police and Crime Commissioners, Members of the Strategic Policing and Crime Board, Statutory Officers and Staff.
 - The Joint Scheme of Corporate Governance sets out in detail the respective roles and functions of the Commissioner and Chief Constable, outlining all significant decisions which are consented or delegated and which are of a statutory, financial or management nature.
 - A [Decision Making Policy](#) is in place which establishes the approach and principles of decision-making. All decisions made by the Commissioner are recorded and published on line for transparency.
 - A [Joint Audit Committee](#) (with the Chief Constable) is responsible for independent assurance on the adequacy of the risk management framework and the associated control environment, the independent scrutiny of the Chief Constable's and PCC 's financial performance to the extent that it affects the Chief Constable and PCC's exposure to risk and weakens the control environment. The Joint Audit Committee has an independent Chair, as identified by the Home



Office's Code of Practice for Financial Management and CIPFA's Audit Committee – Practical Guidance for Local Authorities. An independent member has also been appointed to the Joint Audit Committee.

- The PCC has a Corporate Risk Strategy and Register, prepared and reviewed by senior management. The Joint Audit Committee is responsible for independent assurance on the adequacy of the risk management framework.
- Procedural rules, policies and internal management procedures are established for financial management.
- Oversight of the management of change and transformation within the Force.
- Ensuring the Commissioner's assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why they deliver the same impact.
- An External Audit function reports to "those charged with governance" in respect of the Annual Accounts.
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
- Developing good governance arrangements in respect of partnership and other joint working arrangements.
- The Commissioner provides information to External Audit to enable them to provide assurance.
- The Commissioner also ensures External Audits recommendations are implemented.

4. Review of Effectiveness

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework.

The review of effectiveness is informed by the work of the executive managers within the Commissioner's Office, who have responsibility for the development and maintenance of the governance environment, the Internal Audit Manager's Annual report, and also by comments made by the External auditors and other review agencies and inspectorates.

In maintaining and reviewing the effectiveness of the governance arrangements, the following roles are undertaken:

- **The Commissioner**

The Commissioner is overall responsible for the maintenance and review of the governance arrangements and has asked his Statutory Officers, together with the Internal Audit Manager to continue with the review of the corporate governance arrangements, designed to assess and monitor:

- Code of Corporate Governance

- Review of the System of Internal Audit
- Performance / Assurance Protocols and associated information
- Production of the Annual Governance Statement

- **The Joint Audit Committee**

The Commissioner's and Chief Constable's Joint Audit Committee is responsible, on behalf of both Corporations Sole, to:

- Advise the Commissioner and the Chief Constable according to good governance principles.
- Provide independent assurance on the adequacy and effectiveness of the Commissioner's and Chief Constable's internal control environment and risk management framework.
- 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's and Chief Constable's exposure to risks and weakens the internal control environment.
- Oversee the financial reporting process.
- Ensure the Force is implementing agreed actions resulting from Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspections.

The [Terms of Reference](#) of the Committee, encompasses and reflects these duties by defining that they:

- Be the conduit through which the Governance work is channelled.
- Be responsible for risk management on behalf of the Commissioner.
- Recommend approval of the Statutory Accounts of the Commissioner and Chief Constable.

To ensure that it is ably qualified, assessments of its abilities in line with best practice are undertaken confirming that the Committee is well suited and equipped for such responsibilities. Members of the Committee will undergo regular training when required to ensure the Committee is effective in its role in advising the Commissioner and the Chief Constable.

- **Internal and Audit**

The system of Internal Audit is a primary tenet of corporate governance and is the joint responsibility of the Commissioner. The provision and maintenance of an effective Joint Internal Audit Service, has been delegated to the Chief Finance Officer (CFO). The Audit Committee oversees the provision of this service, reviewing associated plans and work outputs.

The standards of Internal Audit are assessed against the Public Sector Internal Audit Standards (PSIAS) and an external assessment of Internal Audit against the PSIAS standards was



undertaken in 2017/18. The results of the assessment were positive and service is currently implementing the recommendations from the review.

During 2017/18 Internal Audit has continued the approach of concentrating on the major risks faced by the PCC and the Force. This revised approach has allowed the Commissioner to have increased confidence in the governance, risk management and control processes.

- **Police and Crime Panel**

The West Midlands Police and Crime Panel (WMPCP) scrutinises the work of the Commissioner. The Panel acts as a critical friend to the Commissioner - assisting him through independent challenge.

The Panel has a number of powers and responsibilities, including:

- Reviewing the draft Police and Crime Plan to ensure local priorities have been considered
- Scrutinising the Commissioner's Annual Report
- Scrutinising the decisions and actions of the Commissioner
- Reviewing, and potentially vetoing, the Commissioner's proposed policing precept (the part of Council Tax collected for policing)
- Holding confirmation hearings for the proposed appointment of a Chief Constable, Deputy Police and Crime Commissioner and senior support staff

The Commissioner is compliant with all requests from the Panel including information and attendance at meetings. The Panel has also supported the Commissioner's precept proposals and the appointment of the Chief Constable and statutory officers in the Commissioner's office.

5. Collaborative Working

The Commissioner has in place a number of collaborative arrangements to deliver services in conjunction with both national and neighbouring Police and Crime Commissioners. These include:-

- A collaboration agreement in place for the counter-terrorism policing network.
- The Commissioner is the chair of the National Counter Terrorism Strategic Board, which supports the governance of counter-terrorism policing nationally.
- The National Ballistics Intelligence Service (NABIS) where the West Midlands Police is the co-host force. The arrangement also being subject to a collaboration agreement and the Commissioner is represented on the NABIS governing board.
- The West Midlands Regional Organised Crime Unit is the subject of a four-force collaboration agreement (Staffordshire, Warwickshire, West Mercia and West Midlands).

For the arrangements detailed above governance is conducted in compliance with the relevant collaboration agreements. Also collaborative working is supported by the appointment of two Regional Policy Officers working with the four West Midlands regional forces.



There is also a two-force Central Motorway Policing Group arrangement in place between Staffordshire and West Midlands.

The Commissioner is also a signatory to the National Police Air Service collaboration agreement and is working with regional PCCs to develop appropriate and proportionate oversight.

There are further collaborative arrangements that may come into effect through national programmes. This includes the specialist capabilities programme.

Through working with the West Midlands Combined Authority the Commissioner is collaborating on a wide range of issues this includes mental health and youth offending services.

The Commissioner is also in collaboration with other bodies this includes West Midlands Fire Service and local councils through the estates programme where policing is being delivered in shared buildings.

6. Significant Governance Issues

The development and embedding of governance arrangements and the working relationships between Commissioner and the Chief Constable continue to be a priority. A Scheme of Governance setting out the respective responsibilities and working arrangements between the Commissioner and Chief Constable is in operation. Work will continue during 2018/19 to ensure the governance arrangements are fit for purpose and meet the nature of the organisation.

The Strategic Policing and Crime Board, Community Safety Partnerships (CSPs) and the Police and Crime Panel have supported the Commissioner in discharging his governance responsibilities. In addition, to the local CSPs, the Commissioner has put in place a West Midlands wide Community Safety Partnership from April 2018. This will allow crime reduction activities to be commissioned more effectively and efficiently.

The Commissioner is sighted on any significant issues arising from the work of Internal Audit and will, where necessary, question the Chief Constable on any actions being taken to address the issues raised.

Internal Audit have completed a number of pieces of assurance work in relation to operation of the new financial systems that were implemented in July 2017. The Force have developed a series of action plans to improve the operation of the systems. This includes ensuring the benefits of the systems are maximised and the control framework is improved. Further assurance work is planned to be completed in this area in 2018/19 by Internal Audit and the project board will continue to monitor and scrutinise financial systems.

The Commissioner continues to ensure his office provides governance arrangements fit for purpose. Where new priorities are identified to deliver the Police and Crime Plan by the Commissioner resources are aligned to meet the priority.



The Innovation and Improvement Partner (IIP) that was appointed in 2014 works with the Chief Constable and the Commissioner to design and deliver a change programme, known as WMP2020, to address the service delivery and financial challenges over the medium term to long term. A Target Operating Model (TOM) has been developed and is amended when required to ensure it reflects how the police force will operate. This will inevitably result in changes to some existing governance arrangements, and pose new challenges for the Commissioner in holding the Chief Constable to account. To manage the WMP2020 programme governance arrangements have been put in place to make sure the Commissioner has effective oversight of the project. These arrangements include:-

- Members of the Commissioner's office and the Strategic Policing and Crime Board participating in the following boards:-
 - Organisational Change Board
 - Design Authority
 - Performance Operation and Review Forum

This ensures the Commissioner is well sighted on the delivery of WMP2020 and ensures the programme is in line the priorities of the Police and Crime Plan.

- Members of the Commissioner's office and the Strategic Policing and Crime Board are embedded in schemes at programme and project levels.

The continued significant changes to ICT infrastructure, organisational structure and procedures and the Corporate Estate, requires continued robust programme management.

The scale of change facing the Commissioner remains extremely challenging, at a time when the demand and need for sustained and improved service to the public continues to increase.

Alongside other changes the Commissioner continues to be responsible for the direct and indirect commissioning of services.

These changes will continue to require firm leadership, careful management, innovation and robust scrutiny. The Commissioner and his office will continue to monitor and update plans, policies and risk documentation as more information becomes available, confident that our overall governance arrangements are sufficiently robust and resilient to meet the demands and challenges resulting from these changes.

The Commissioner's office and the Force have put in place project plans and implemented actions to ensure there is compliance with the General Data Protection Regulations introduced in May 2018.

7. Delivering the Police and Crime Plan 2016-2020 – Action Plan

During 2018/19 work will continue to deliver the Police and Crime Plan 2016-2020. The detailed delivery plan to support the Police and Crime Plan is monitored by senior managers within the Commissioner's office on a regular basis. The delivery of the Police and Crime Plan assists the



Commissioner to secure and maintain efficient and effective policing services across the West Midlands. The Commissioner will continue to work with West Midlands Police in the delivery of the Force’s ambition plan.

The Commissioner’s delivery plan is aligned to the risk register and acts as an action plan for the achievement of the Commissioner’s priorities. The latest version of the Commissioner’s risk register was included on the agenda at the Joint Audit Committee in March 2018 and is available from:

<http://www.westmidlands-pcc.gov.uk/media/479948/07B-March-18-PCC-Risk-Register.pdf>

Drawing on the Commissioner’s risk register and the delivery plan referred to above the table overleaf details a summary of the key actions with target dates of delivery. Given the role of the Commissioner in holding the Chief Constable to account many of these actions are ongoing.

DRAFT

Police and Crime Commissioner – Action Plan		
Police and Crime Plan 2016 – 2020, Key Theme	Activity	Target Date
Protecting People from Harm	Reducing crime & harm – performance reports to Strategic Policing and Crime Board (SPCB)	Ongoing

	Reduce reoffending and supporting offenders away from criminality	Ongoing
	Production of a substance misuse plan & holding partners to account in the delivery of the plan	Report produced in September 2017 & ongoing
	Ensuring there is a safe and secure road network through holding to account	Ongoing
	Support the West Midlands Violence Prevention Alliance	Monitoring of project action plan throughout 2018/19
	Operation of Gangs and Violence Commission and implementation of report recommendations	Ongoing
Supporting Victims of Crime	Operation of the Victims Commission and updating the Victims Strategy	Strategy updated November 2017 and ongoing
Building Trust and Confidence in Policing	Confidence in policing increases – performance reports to board	Ongoing
	Oversight of the use of force & body worn video – report to SPCB	April 2018 on ongoing
	Ensure the Force continues to operate high standards of recording crimes accurately – Reports to Board	Ongoing
	Ensure the Force deals with complaints within the specified time period – Reports to board and holding to account	Ongoing
	Public satisfaction with services increases – reports to board on Force contact performance, new website etc.	Ongoing
	Operating effective accountability through the operation of the SPCB, HMICFRS recommendation tracker, Joint Audit Committee's work plan and the governance of WMP2020	Ongoing
Strengthening Communities and Growing the Economy	Ensure there is reduction in the fear of crime – performance reports	Ongoing
	Working with partners to prevent people with mental health illnesses being drawn into crime	Ongoing
	Develop and delivery of an economic strategy	Ongoing
	Develop collaboration across the criminal justice system to improve performance	Sept 2017 and ongoing
	Working with the elected mayor and the combined authority to reduce crime	Ongoing
Building a Modern Police Service	Recruitment of additional police officers & staff. Work with force to ensure recruits are representative of the West Midlands	Ongoing
Standing up for Young People	Support youth employment initiatives including apprenticeship programmes	Ongoing
	Support the introduction of a cadet scheme	Sept 2017 and ongoing
	Develop a young people's strategy and engage with young people across the region	Ongoing
Playing our Part in National Threats	Work with the Force to ensure the strategic policing requirement is comprehensive to threats	Ongoing
	Production and delivery of a cybercrime and digital strategy	April 2018 and ongoing

8. Issues Raised in Previous Year's Annual Governance Statements

The Commissioner's Annual Governance Statement of the 31st March 2017 included the continued implementation of the WMP2020 programme to ensure the Force operates efficiently and effectively within limited resources. The implementation of Force systems as part of the change programme has continued during 2017/18. Work will continue to ensure the benefits of these systems are maximized which includes cashable and non cashable benefits. An external review was completed



of the achievement of WMP2020 project benefits during 2017/18. The outcomes of this review have been factored into the Force's benefits processes. The achievement of WMP2020 benefits will be monitored and reported to the Commissioner through the OCB and Quarterly Relationship Management Forum.

During 2017/18 the Commissioner's board and Joint Audit Committee received reports on the security of systems and the improvements that have been made. Both the board and JAC felt assured by the updates provided. Further improvements will be made through the continued investment in the change programme during 2018/19. In addition, further assurance work will be completed in 2018/19 by Internal Audit the outcomes of this work will be reported to JAC.

9. Future Developments

Looking forward there are several initiatives that will potentially impact on the role and remit of the Commissioner that may require governance arrangements to be amended. These include:-

- Changes to the Commissioner's oversight role of police complaints including the option for PCCs to take on the responsibility for the front end of the complaints systems.
- The introduction of an independent Ethics Committee that will advise the Commissioner and the Chief Constable on whether proposed data analysis projects meet high ethical standards.
- Further collaborative working with police forces in areas such as serious and organised crime, counter terrorism, roads policing and uniformed operations, with a concurrent requirement to develop effective collaborative governance arrangements based on formal collaboration agreements.
- The implementation of a revised funding formula for policing will have implications on the level of resources available for policing services across the West Midlands.
- Impacts on policing from the United Kingdom's exit from the European Union.
- The implementation of an Estates strategy that was approved in March 2018. This includes the investment in new facilities and Force releasing vacant properties.
- The introduction of Force Management Statements that may impact on how the Force operates.
- The work of the elected Metro Mayor and West Midlands Combined Authority. This includes any future governance model for policing from 2020 onwards.
- The duty to cooperate across police, fire and ambulance services.
- Consider the future delivery of the WMP2020 programme when the existing IIP contract ends in July 2019.

10. Monitoring the Implementation of Actions

The systems the Commissioner has in place to monitor the implementation of the Police and Crime Plan through the delivery plan and the risk register will ensure activities detailed in this statement are implemented. Progress of the implementation of actions will be reported in next year's Annual Governance Statement.



Signed

David Jamieson
Police and Crime Commissioner West Midlands

Jonathan Jardine
Head of Paid Staff, West Midlands Police and Crime Commissioner

Mark Kenyon
Chief Finance Officer, West Midlands Police and Crime Commissioner

DRAFT