



west midlands  
police and crime  
commissioner



**AGENDA ITEM 8**

**JOINT AUDIT COMMITTEE  
28 June 2019**

**ANNUAL GOVERNANCE STATEMENTS**

**1. PURPOSE OF REPORT**

- 1.1 To inform Members of the requirement to produce & publish an Annual Governance Statement on Corporate Governance along with the assurance processes and protocols that are associated with this production.

**2. BACKGROUND**

- 2.1 Good governance has been a growing area of focus since the early 1990's and various good practice documents have been produced and improved as reform has taken place and governance has played an increasingly important role in the public services.
- 2.2 The Accounts and Audit Regulations 2015 require that all principal authorities produce a statement on governance, having carried out a review of internal controls, at least annually. This requirement now takes the form of an Annual Governance Statement (AGS), which accompanies the Statutory Accounts.
- 2.3 The Commissioner and Chief Constable are respectively the responsible corporate bodies for the production of the AGS.
- 2.4 Attached to this report, at **Appendix A**, are the draft Annual Governance Statements for 2018/19. The Statements have been prepared in line with the framework produced by CIPFA and Solace in 2016 'Delivering Good Governance.' This includes CIPFA's Guidance Notes for Policing Bodies in England and Wales. Both statements were published in the draft statements of accounts for both organisations on the 24 May 2019.
- 2.5 To assist in this process, an analysis of the individual elements of the governance framework for each corporation sole is attached at **Appendix B**, which indicate good levels of compliance in each case.

### 3. PROCESS

3.1 The PCC's Chief Finance Officer and the Chief Constable's Strategic Governance Manager completed an assessment based on CIPFA's 'Delivering Good Governance' guidance notes. This including assessing both corporations governance arrangements against the core principles of the 'Delivering Good Governance' framework. The core principles are as follows:-

- 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

3.2 This assessment is included in **Appendix B** to this report. The assessment includes:-

- The expected behaviours from the Delivery Good Governance – Framework.
- How the PCC and the Chief Constable meets the requirements.
- Direction of travel and RAG status.

3.3 The Corporate Governance Working Group which includes membership from the Commissioner's office and the Force, reviewed the assessment at their meeting in April 2019 to ensure the assessment reflected the position across both organisations.

3.4 Having completed the assessment against the framework outlined above, the Annual Governance Statements were produced which, apart from commenting on the effectiveness of the arrangements, also identifies any significant issues that need to be addressed. These are reported upon in the attached statements and actions will be put in place to address any issues during the year. Again, the Annual Governance Statements were reviewed by the Corporate Governance Work Group at their meeting in April 2019.

#### **4. RECOMMENDATIONS**

- 4.1 The Committee is asked to consider and note the contents of this report.
- 4.2 The Committee is asked to consider the Annual Governance Statements for 2018/19, as attached at ***Appendix A***.
- 4.3 The Committee is asked to note the analysis of governance framework compliance, as attached at ***Appendix B***.

**Mark Kenyon**  
**Chief Finance Officer**  
**Police and Crime Commissioner**

**Neil Chamberlain**  
**Director of Commercial Services**  
**West Midlands Police**