



west midlands
police and crime
commissioner



AGENDA ITEM 10

**JOINT AUDIT COMMITTEE
5 December 2024**

**Corporate Governance Review / Joint Scheme of
Governance**

1. PURPOSE OF REPORT

- 1.1 To inform Joint Audit Committee of the Police and Crime Commissioner's (PCC's) and the Chief Constable's (CC's) work on updating the joint Corporate Governance Framework. In addition, the report comments on actions highlighted in the 2023/24 Annual Governance Statements (AGS).

2. BACKGROUND

- 2.1 This Committee's terms of reference includes reviewing the Corporate Governance Framework of the PCC and CC. The Framework sets out how the Commissioner and the Chief Constable conduct their organisation's business both jointly and separately, in accordance with policy contained within the Statement of Corporate Governance. To do this, the Framework highlights key enablers for ensuring good governance.
- 2.2 The purpose of the Statement of Corporate Governance, is to give clarity to the way the two corporation's sole, the PCC and the CC, will govern both jointly and separately, to do business in the right way, for the right reason and at the right time.
- 2.3 The Framework includes the following sections:-
- Joint Statement of Corporate Governance
 - Joint Code of Corporate Governance
 - Core Principles of Effective Governance (Annex to Joint Code of Corporate Governance)
 - Joint Scheme of Corporate Governance
 - Annex A: PCC Contract Standing Orders
 - Annex B: Financial Regulations

3. PROCESS

Review of the Corporate Governance Framework

- 3.1 The joint Corporate Governance Working Group between the PCC's office and West Midlands Police has reviewed the Corporate Governance Framework over recent months to amend the Framework. The changes which need to be incorporated in this update will include:-
- Significant changes in the way that contracts are tendered which are due to the passage of the Procurement Act 2023. Secondary legislation brings in the changes in the Act with effect from 24 February 2025.
 - Contract standing orders are being revised to include processes which will be compliant with the new legislation
 - The price of goods and services have increased rapidly over the past 5 years due to inflation. This has made the old levels around purchasing authority increasingly out of date, bringing onerous exercises to bear on what is now relatively low level spend.
 - The bandings at which different tendering actions are required are being reviewed, with a view to amending them from 1 April 2025 to be consistent with the Procurement Act.
 - The PCC has made some changes to his governance structures since the start of his new term.
 - All references to the Strategic Police and Crime Board (SPCB) have been reviewed and replaced, where appropriate, by the Accountability and Governance Board.
- 3.2 The bandings at which different tendering actions are required have been compared to other Policing bodies and discussed at Financial Governance Board. They will then be proposed to the PCC and CC for consideration.
- 3.3 A final draft will be brought back to this Committee for review, prior to sign off by the PCC before the start of the new financial year. To the extent that the changes have any impact on the Accounting Policies for 2025/26, this can be brought to the same meeting for consideration.

Annual Governance Statements as at 31 March 2024 and Plans for 2024/25 - Actions

- 3.4 The significant governance issues highlighted in the 2023/24 Annual Governance Statement have been updated in the AGS' tabled alongside this report. Section 8 of the PCC's AGS contains those updates.
- 3.5 During 2023-24 no audits were issued with minimal assurance by the Joint Internal Audit team and neither the Chief Finance Officer nor Monitoring Officer took formal action. There is therefore no further formal action to followup in that regard.

4 FUTURE DEVELOPMENTS OF THE FRAMEWORK

- 4.1 The Framework will be kept under regular review through the Corporate Governance Working Group to ensure it remains fit for purpose. This is to ensure it reflects the role of the PCC and WMP from a statutory and organisational perspective.

5 RECOMMENDATION

5.1 The Committee are asked to comment on the report.

Jane Heppel
Chief Finance Officer