

Governance Update

SUMMARY

- 1.1 This report provides an update on the developments being made within the Council's governance framework.

RECOMMENDATION

- 2.1 To note the actions and the progress being made to enhance the governance framework.

REASONS FOR RECOMMENDATION

- 3.1 The Audit and Accounts Committee is responsible for providing assurance to the Council on the effectiveness of the governance arrangements, risk management framework and internal control environment.

SUPPORTING INFORMATION

Information Governance – Freedom of Information

- 4.1 This update on information governance covers the period 1 March 2013 to 31 May 2013.
- 4.2 The number of Freedom of Information (FOI) requests the Council has received over the last 8 years has increased each year. Table 1 below shows the number of FOI requests received each year since FOI came into being, and the number of requests received in 2013, as at 31 May. The number of requests received in 2013 is 458. This is an average of 91.6 requests per month. This compares to an average of 77 per month in 2012.

Table 1: Number of FOI Requests Received by Calendar Year

Year	Number of FOI Requests Received
Jan - Dec 05	183
Jan - Dec 06	239
Jan - Dec 07	250
Jan - Dec 08	358
Jan - Dec 09	581
Jan - Dec 10	685
Jan – Dec 11	913
Jan – Dec 12	923
Jan – May 13	458

- 4.3 A total of 271 FOI requests have been received in the period 1 March 2013 to 31 May 2013. In the same period, 292 FOI requests were completed. The total recorded officer time taken to complete these requests was approximately 564 hours. Based on the level of charges determined by regulation 4 of the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004, the calculated charge for staff costs is £14,090.

Note: The regulation specifies that the standard hourly rate that all authorities must use to calculate the staff costs of answering requests is £25.

The average response time per request in the period was 7.05 days. For the year to date the response time is an average of 8.2 days per request.

4.4 Source of FOI Requests

The Council does not just receive FOI requests from members of the public. A large proportion comes from commercial organisations, local and national media and political pressure groups. An analysis of requests for information sorted by category of requester for the period from 1 March 2013 to 31 May 2013 is shown in Table 2. Table 3 breaks these same figures down by the Council Directorate responsible for supplying the information.

Table 2: Number of FOI Requests by category of requester

FOI Request from	March 2013	April 2013	May 2013
Commercial	28	32	29
Media	5	9	16
Personal	52	57	35
Other Local Authority		3	0
Political	2	3	0
Total	87	104	80

Table 3: Number of FOI Requests by Lead Directorate

Directorate	March 2013	April 2013	May 2013
Adults, Health & Housing	6	13	12
Chief Executive's Office	3	4	4
Children & Young People	11	14	10
Neighbourhoods	39	25	22
Resources	25	47	31
Public Health	1	0	0
Council Wide	2	1	1
Total	87	104	80

4.5 FOI Appeals

To date in 2013, 6 requestors have exercised their right of appeal under the Freedom of Information Act and Environmental Information Regulations. All appeals are considered by the Head of Governance and Assurance. There are currently 2 appeals that are being reviewed. Following his review of each FOI appeals, the Head of Governance and Assurance has determined that 2 of the 4 completed appeals should be upheld.

Information Governance – Data Protection

- 4.6 As reported at the March meeting, the mandatory data protection e-learning programme has now been rolled to all directorates via Service Directors and Heads of Service. As at 31 May 2013, 1924 employees had completed the training.

Information Governance - Framework

- 4.7 The Information Governance framework sets out the way the Council handles information, in particular, the personal and sensitive data relating to our customers and employees. The framework determines how we collect and store data, and specifies how the data is used and when it can be shared. The structure of the framework was brought to the March meeting. Work is on-going in respect of 2 key documents, the Information Governance Strategy and the Records Management Strategy. Both documents will be brought to a future meeting of the Committee.

Risk Management

- 4.8 At the March meeting, Committee was informed that Chief Officers were reviewing the Strategic Risk Register. The report outlined the risks that had been removed from the register as they no longer deemed to be a risk, or have been downgraded to an operational risk.
- 4.9 The strategic risk list is attached at Appendix 2. Work is still on-going in respect of analysing current controls in place and scoring each risk for “Impact” and “Likelihood”.

Audit Commission’s Annual Fraud Survey

- 4.10 Every year the Audit Commission issues a survey to gather data on frauds encountered by authorities during the previous 12 months. This data is used to highlight trends and helps identify areas for concern.

- 4.11 The table below contains the figures submitted to the Audit Commission, together with the figures for the previous 3 year's submissions.

Fraud Area	2009/10	2010/11	2011/12	2012/13
<i>Housing Benefit;</i>				
Number of frauds	145	187	222	129
Value of frauds	£507,399.46	£469,369.71	£672,972.44	£513,211.93
Number involving employees	2	2	4	3
Value of employee cases	£10,973.90	£111,854.75	£6,525.40	£6,877.61
Prosecutions begun in period	38	69	55	40
Guilty in period	42	64	62	34
<i>Housing;</i>				
Tenancy subletting	3	7	6	10
Housing applications/ other frauds	0	0	Yes – (number not recorded)	2
RTB	1	0	0	0
<i>Other frauds;</i>				
Blue badge	18	1	5	0
Fidelity guarantee claims	2	0	0	0
Insurance	0	0	0	0
Council Tax	0	0	0	0
Non-Domestic rates	0	0	0	0
Procurement	0	0	0	0
Social services	0	0	0	0
Economic and 3 rd sector	0	0	0	0
Debtors	0	0	0	0
Investment	0	0	0	0
Payroll (including expenses)	0	0	0	0
Abuse of position	0	0	0	0
Recruitment	0	0	0	0

- 4.12 Further information on the fraud areas identified in the survey is given below.

Benefit fraud

Benefits continue to be a high profile area of fraud. 2012/13 is the first year when a drop in both the number and value of benefit fraud has been reported. This is because 2010/11 and 2011/12 contained cases which were part of a large scale organised fraud which the benefit fraud team were instrumental in breaking.

Housing tenancy fraud

There has been a slight increase in the number of tenancy sub-letting frauds. This is a high profile area and Derby Homes are continuing work to tackle this issue. Two instances of other housing frauds were also reported. One case was a fraudulent application where a tenant lied about having resident children in order to qualify for a bigger house. This fraud resulted in an eviction. The other case related to a joint operation with the benefit fraud team to identify a case where a tenant was not living in the dwelling allocated to them as their principle home.

National Fraud Initiative (NFI)

- 4.13 The most recent NFI cycle began in October 2012 with data being submitted to the Audit Commission. The data was matched and the majority of the resulting reports were issued to individual authorities for checking on 29 January 2013, with a further tranche being released on 11 February 2013. As in previous cycles, some reports contain “mandatory” matches where the Audit Commission require a response.
- 4.14 The reports to be checked have been distributed to the relevant services and work is on-going. These are:

Table 4: Number of matches

Service	Number of reports	Number of matches	Number of "mandatory" responses required
Housing benefit	44	2719	546
Payroll	5	103	4
Derby Homes	6	162	137
Blue badges	2	361	321
Residential care homes	1	112	32
Creditors	10	6424	592
Concessionary travel	1	1487	1487
Mixed data source reports	5	205	94
TOTAL	74	11573	3213

- 4.15 As has been the case in previous NFI exercises, there are a high number of creditors matches. This is due to many suppliers being listed twice, as they are suppliers to both the Council and schools.
- 4.16 The total number of matches for the Council to investigate has reduced from 14,542 in 2010/11 to 11,573 in this cycle. Those matches designated as mandatory matches have increased from 1961 to 3213. The majority of this increase relates to the concessionary travel matches.

Regulation of Investigatory Powers Act 2000

- 4.17 The Office of the Surveillance Commissioner's (OSC) oversight inspection (April 2013) is covered in a separate report from the Monitoring Officer.

Bribery Act 2010

- 4.18 There have been no reports of suspicions of bribery made under the Anti-Bribery Policy during the year.

OTHER OPTIONS CONSIDERED

5.1 N/A

This report has been approved by the following officers:

Legal officer	N/A
Financial officer	N/A
Human Resources officer	N/A
Estates/Property officer	N/A
Service Director(s)	N/A
Other(s)	Chief Officer Group

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Strategic Risk List 2013/14

IMPLICATIONS

Financial and Value for Money

- 1.1 None directly arising

Legal

- 2.1 None directly arising

Personnel

- 3.1 None directly arising

Equalities Impact

- 4.1 None directly arising

Health and Safety

- 5.1 None directly arising

Environmental Sustainability

- 6.1 None directly arising

Property and Asset Management

- 7.1 None directly arising

Risk Management

- 8.1 The effective management of risk is a core principle of good governance.

Corporate objectives and priorities for change

- 9.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.

Appendix 2

Strategic Risk List 2013/14

Risk Ref:	Risk	Lead Officer
SR1	Because of the economic downturn the Council is not able to achieve a balanced budget	Chief Officer Group
SR2	Due to a reduction in the number of staff the Council's ability to deliver / meet statutory duties and key services will be impaired	Chief Executive
SR3a Revised	Inability to support and protect vulnerable children to ensure that they are healthy, safe and have the opportunity to reach their potential.	Strategic Director of Children & Young People
SR3b Revised	Insufficient resource and coordination to prevent serious harm or abuse to vulnerable adult(s) in Derby resulting in death or serious injury	Strategic Director of Adults, Health and Housing
SR5	Changes to pay or pension arrangements through job evaluation leads to Trade Union dispute or industrial action.	Strategic Director - Resources
SR8	External objection/review means the Council fails to deliver the current waste strategy	Strategic Director of Neighbourhoods
SR10 Revised	Failure to implement the 'one Derby' Innovation Programme results in the Council not being able to provide effective leadership and transform the city through the provision of services in the face of Government cuts.	Chief Executive
SR12	The Council does not manage its data properly.	Senior Information Risk Owner (Strategic Director – Resources)
SR13	Infrequent testing of business continuity plans, poor prioritisation and lack of resources result in an inability to provide 'business as usual' services.	Strategic Director of Neighbourhoods
SR14	The Council's planning for civil emergencies is inadequate due to infrequent testing of plans, poor prioritisation and lack of resources.	Strategic Director of Neighbourhoods
SR15		Strategic Director of

Risk Ref:	Risk	Lead Officer
	The Council suffers a major health and safety incident which is investigated by the HSE.	Neighbourhoods
New (SR16)	Council cannot respond to a large scale Public Health issue.	Director of Public Health
New (SR17)	The Council's duty to educate cannot be implemented where education services move away from Council control i.e. Academies.	Strategic Director of Children & Young People
New (SR18)	Following the failure of a major employer in Derby, the Council does not have sufficient resources to assist.	Chief Executive
New (SR19)	Sudden failure of a major Housing or Social Care provider in the city, financially or due to standards compliance in the case of social care.	Strategic Director of Adults, Health and Housing