

## **Derby City Council Annual Governance Statement - 2013/14**

### **1. Scope of Responsibility**

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

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Derby City Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website or can be obtained from the Council's Head of Governance and Assurance. This statement explains how Derby City Council has complied with the code and has been prepared to meet the requirements of regulation 4 (3) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of an annual governance statement ("AGS") that accompanies the annual accounts.

### **2. The purpose of the Governance Framework**

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is designed to identify and prioritise the risks to the achievement of the Council's objectives, to evaluate their likelihood and impact, and to manage them effectively.

### **3. The Council's Governance Framework**

The governance framework has been reviewed against the six core principles of effective governance. The arrangements for delivering against these 6 principles are fully outlined in our revised Code of Corporate Governance which was approved by Audit and Accounts Committee on 12 December 2012. The Council has been working to the revised Code for the year ended 31 March 2014 and up to the date of approval of the Annual Report and Statement of Accounts. The Council's assurance framework is shown in the diagram below:

## Where do we need assurance?

Delivery of corporate priorities  
Service performance and quality  
Financial planning and performance  
Partnership governance and effectiveness  
Project management and delivery  
Procurement processes  
Management and engagement of our staff  
Clarity of roles and responsibilities  
Decision making protocols  
Leadership effectiveness  
Standards of conduct and ethics  
Compliance with laws, regulations etc.  
Effectiveness of the scrutiny function  
Effectiveness of internal control  
Effectiveness of safeguarding arrangements  
Management of risks  
Training and development of elected members and staff  
Community engagement  
Research  
Openness and transparency

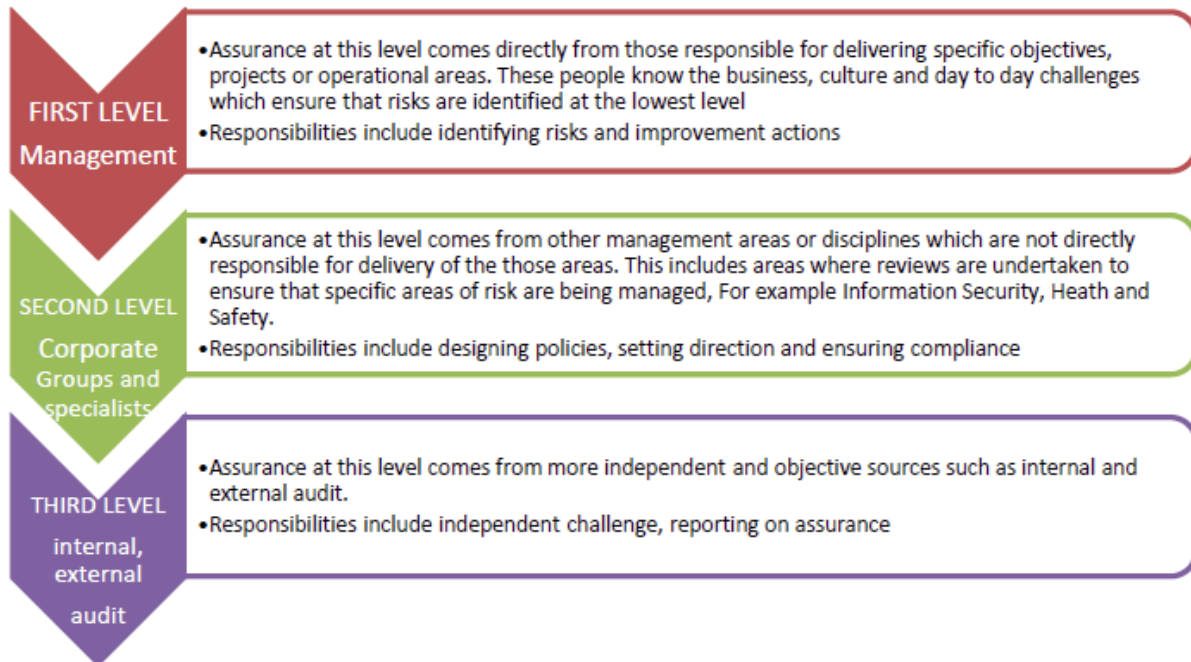
## What do we have in place?

Derby Plan  
Council Plan  
Departmental Business Plans  
Council Constitution, democratic arrangements, scheme of delegation for decision making  
Audit & Accounts Committee and Standards Committee  
Policy framework  
Performance Frameworks (service and employee)  
Effective financial management e.g. Annual Statement of Accounts, Medium-term Financial Plan, regular reporting of performance  
Engagement mechanisms and Complaints processes  
Partnership governance framework  
Project management methodology  
Corporate procurement strategy  
Consultation Policy  
HR strategy, policies and procedures  
Specific job roles for CEO, S151 Officer and Monitoring Officer  
Member/officer protocols  
Terms and conditions for remuneration  
Officer and member codes of conduct  
Registers of interest/hospitality  
Anti-fraud and corruption policy and whistleblowing arrangements  
Financial Procedure Rules & Contract procedure Rules  
Staff and member training  
Risk management framework  
Corporate Safeguarding Group  
Equalities framework  
Core Values  
Effective systems, processes and controls  
Electronic Policy management and E Learning system

## What are our sources of assurance?

External auditor reviews and reports  
Internal Audit reviews and reports  
Internal audit planning linked to governance framework and risk  
External reviews and inspectorate reports  
Self-assessments  
Peer reviews  
Staff surveys  
Benchmarking/VFM data  
On-going review of governance  
Partnership boards  
Council's democratic arrangements e.g. scrutiny and 'audit' committees  
Customer feedback  
Community Engagement through:  
Reach-out Consultation Panel  
Statutory Surveys  
Service User Forums  
Diversity Forums  
ViA Youth Council  
Neighbourhood Boards/Forums  
Streetpride Champions  
Your City, Your Say

Assurance can come from many sources within the Council. The Governance Board is responsible for mapping out where those assurances come from in order to identify any gaps. The Council uses the standard model of assurance within its governance framework, enabling it to understand how each contributes to the overall level of assurance and how best they can be integrated and mutually supportive. The key areas of assurance that underpin the governance framework are shown below:



### Key Developments to the Governance Framework:

The Council is always looking to improve its governance arrangements. The key developments made in 2013/14 and in 2014/15 prior to the approval of this statement were:

- The creation of the Innovation Programme Board to replace the ODOC Strategic Board. This Board monitors progress across the five key workstreams as well as the progress of some of the Council's key projects. The 5 workstreams are:
  - Leadership of Place
  - Customer Experience
  - Commissioning and delivery
  - Operational and Business Support
  - Managing the Council's People
- The introduction of the Big Conversation engagement programme which is designed to:
  - inform residents and stakeholders about the extent and severity of central government cuts to Council funding over the next three years and beyond
  - inform residents and stakeholders accurately and honestly of the impact of these cuts on Council services over the next three years and beyond
  - inform residents and stakeholders of the impact of central government cuts to the public sector on the city

- initiate and sustain dialogue with residents and stakeholders about service and therefore budget priorities
  - stimulate a wider dialogue with all stakeholders about the types and levels of services the Council should provide in the future
  - establish whether residents and stakeholders are prepared, wherever it is possible, to pay (in addition to their Council Tax) to enhance statutory services and ensure the provision of non-statutory services
  - stimulate a wider discussion with stakeholders about their role in meeting the needs of communities through the provision of services and support.
- Improvements continue to be made to the Council's Information Governance Framework. This 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.
  - Business planning - every directorate has refreshed their three-year business plan for 2014/15. The Council Plan has also been updated for 2014/15 and reflects the new Derby Plan 2013-15.
  - Electronic Policy management and e-Learning system has been rolled out across the Council – this reinforces key policies and requires completion by all staff, with follow-ups being issued to those who fail to undertake the on-line training.
  - Council House Security – trialling screen filters on monitors to protect confidentiality of data. Following a review of Council House Security, a trial is taking place of screen filters on monitors within the open plan working areas to prevent confidential data being accessible to unauthorised persons
  - The following key policies have been reviewed, refreshed and approved by the Audit and Accounts Committee
    - Anti-money Laundering policy
    - Whistleblowing policy
    - Information Governance Strategy
    - Information management strategy
    - Information risk policy
    - Records management policy
    - Anti-Fraud and Corruption Policy and Strategy
    - Fraud Response Plan
  - The Audit and Accounts Committee Terms Of Reference have been refreshed in line with CIPFA guidance “ Audit Committees – Practical Guidance for Local Authorities and Police” (published December 2013)
  - The roll-out of Electronic Mail is progressing through the Council House.
  - A new customer feedback policy has been developed which includes an updated and simplified complaints procedure. The policy emphasises the importance of capturing wider unsolicited feedback such as comments, compliments etc.

#### 4. Review of Effectiveness

The Governance Board reviews the effectiveness of the Council's governance framework including the system of internal control on an on-going basis. The review of effectiveness is informed by the work of senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the work of the internal auditors which informs the Head of Governance and Assurance's Annual Audit opinion and by comments made by the external auditors and other review agencies.

The in-year and year-end review processes that have been applied in maintaining and reviewing the effectiveness of the governance framework include:

- the responsibilities of the Head of the Paid Service for the Council rest with the Chief Executive. The Head of Paid Service is responsible for the overall corporate and operational management of the Council.
- the council has designated the Strategic Director of Resources as the Chief Finance Officer under Section 151 of the Local Government Act 1972. This Officer has statutory responsibility for the proper planning, administration and monitoring of the Council's financial affairs. The council's financial management arrangements also conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). This statement sets out 5 principles that define the core activities and behaviours that belong to the role of the chief financial officer and the governance requirements needed to support them. The financial management of the council is conducted in accordance with the Financial Procedure Rules set out in the council's constitution. The financial management system includes;
  - A Medium Term Financial Strategy, which is reviewed and updated annually, to support the delivery of the council's Strategic Priorities
  - An annual budget cycle incorporating council approval for revenue and capital budgets, as well as treasury management strategies
  - Financial Procedure Rules that are reviewed at intervals of not more than 3 years, with the latest review having been carried out during 2012/13.
  - Process and procedure guidance manuals.
  - Annual Accounts supporting stewardship responsibilities, which are subjected to external audit and which follow Code of Practice on Local Authority Accounting in the UK in line with International Financial Reporting Standards.
  - Regular budget monitoring by budget holders including monthly financial forecasting
  - Reporting of the council's financial position to COG and Members, stating financial and performance information
  - Management of risk in key financial areas

The Council's internal governance procedures highlighted issues within a major project which led to the Strategic Director of Resources being suspended from his duties in July 2014. The Council has appointed an acting s151 Officer in the interim. The Constitutional amendment was made on 23 July 2014 by Full Council.

- effective arrangements are in place for the discharge of the monitoring officer function. The Constitution covers the key statutory role of the Monitoring Officer; it

also includes the requirement for the Council to ensure that the Monitoring Officer has access to sufficient skills and resources to deliver the role. The Monitoring Officer has confirmed that she had the skills and resources needed and continues to monitor this. There is a specific job description and person specification for the Director of Legal & Democratic Services which reflects the monitoring officer duties. Under the current Council structure, the Monitoring Officer is managed by the Strategic Director – Resources. However, the suspension of the Strategic Director has highlighted concerns with this line management structure and the Chief Executive as Head of the Paid Service has now taken over the management role. This will provide assurity in respect of promoting good governance.

- the Council's internal audit coverage, which is planned using a risk based approach. The outcome from the internal audit coverage helps form the Head of Governance and Assurance's Audit Opinion on the overall adequacy of the Council's internal control framework, which is reported in his annual report. The Head of Governance and Assurance complies with the CIPFA Statement on the Role of the Head of Internal audit in Public Service Organisations (2010). The above statement contains 5 principles split into:
  - Governance requirements
  - Core Head of Internal Audit responsibilities
  - Personal skills and professional standards
- In June 2013 the audit and accounts committee received a report which included a review of the Council's compliance with the Public Sector Internal Audit Standards which came into effect on 1 April 2013. These new standards cover the CIPFA statement on the role of the Head of Internal Audit.
- The Council has set out the terms of reference for internal audit; these were reviewed in March 2014, by the Audit and Accounts Committee, and approved by Council on 11 June 2014.
- The Head of Internal Audit requires sufficient status to facilitate the effective discussion of internal audit strategies, plans, results and improvement plans with senior management in the organisation. The position of the Head of Internal Audit in the management structure should reflect the influence he or she has on the control environment. Therefore, the Council's Head of Internal Audit (Head of Governance & Assurance) reports to the Chief Officer Group and will also be managed at that level, through the Strategic Director - Resources. Following the suspension of the Strategic Director – Resources, the Head of Governance and Assurance is reporting directly to the Chief Executive/Head of Paid Service.
- the annual review of the effectiveness of the internal audit function by the Strategic Director - Resources
- external audit review of the work of the internal audit service and comment on corporate governance and performance management in their Annual Audit Letter and other reports.
- the External Auditor's opinion on the Council's financial statements
- the Council's internal management processes, such as performance monitoring and reporting; the staff performance appraisal framework; monitoring of policies, such as

the customer feedback and health and safety policies; and the corporate budget challenge process.

- external inspection reports, the findings from serious case reviews and correspondence from the Local Government Ombudsman.
- the Sector Led Improvement (SLI) approach is applied across the Council with strong regional working in adult social care and children's services. This involves producing a self-assessment on an annual basis, benchmarking of key performance indicators and director challenge sessions. In 2013, the Council received three peer challenge visits focusing on adult social care, children's services and leisure services. These were reported to members and recommendations were incorporated into improvement planning.
- the council maintains and operates an Audit and Accounts Committee which is independent of the Executive (Cabinet). The work of the Audit and Accounts Committee includes reviewing the outcomes from the annual internal audit plan and the annual opinion report of the Head of Governance & Assurance. The Committee's terms of reference have been updated to take account of the new CIPFA guidance and the Committee operates to these. Committee members do have scrutiny functions, but this has been agreed as part of the constitution by full Council. In 2014/15, the Council will make sure that no Scrutiny Chairs are members of the Audit and Accounts Committee.
- the work of the Overview and Scrutiny Commissions
- the annual review of the constitution
- the work of the Standards Committee, which includes monitoring the operation of the members' Code of Conduct and the Member and Officer Protocol.
- the work of the Governance Board and its sub boards (Information Governance Board, Controls Board, Anti-Fraud group) in reviewing the Council's own governance arrangements against a best practice framework endorsed by CIPFA/SOLACE to identify areas for improvement.
- established systems for receiving whistle blowing complaints and general service based complaints. There is a publicised Corporate Whistle Blowing Policy in place, which covers all staff and contractors and there are separate arrangements for housing benefit fraud. This whistle blowing policy was reviewed by the Audit and Accounts Committee in December 2013.
- Improved systems for tracking, monitoring and learning from complaints following a review of current procedures. DMT's receive quarterly analysis reports on complaints (and wider customer feedback) for evaluation and action.
- The Corporate Safeguarding Group has undertaken a baseline assessment of arrangements and has developed an action plan to make improvements and minimise risks in this area.
- Challenge of performance has taken place at scrutiny led surgeries, with 10 performance measures reviewed during the year including, children in care,

homelessness and sickness absence. Extensive improvement activity has also been undertaken by Directorate Improvement Boards during the year.

## **5. Significant Governance Issues**

### **Previous years**

Progress continues to be made on significant governance issues raised in annual governance statements in previous years. Appendix 1 contains an update on progress made.

### **2013/14**

The following governance issues are deemed significant to report within the AGS. An action plan detailing how the Council is working to improve these governance issues is contained in Appendix 2.

The key issue identified through the Council's governance framework this year was of a formal process not being followed in the job evaluation project as outlined below.

#### **Job Evaluation**

The Council's Monitoring Officer raised concerns about contractual issues related to its strategic partner for the job evaluation project. This has led to the Council now entering into a contract with Hay Group to complete the job evaluation process including the process for non-teaching staff at the Council's schools. Work is to commence on 1st October 2014 for a period of six months, with Hay Group providing support for a further two years thereafter. The work will cost the Council approximately £1.1m which is being funded from the Job Evaluation Reserve.

The Council has received a number of Freedom of Information requests about the job evaluation exercise. One of these requests was referred to the Information Commissioner's Office challenging the Council's disclosure that it did not hold certain information requested. The Commissioner's Decision Notice stated that Derby City Council "has correctly confirmed that no further information is held and that it does not hold the information and that in doing so, it complied with section 1(1) of the FOIA." The information requestor has now appealed the ICO's decision to the First-tier Tribunal (Information Rights).

During an internal audit investigation into the job evaluation process, the auditors found information that would have been covered by the FOI request. The Monitoring Officer wrote to the ICO to explain this. Because this information was held at the time of the request and that individual(s) on behalf of the Council may have deliberately blocked or concealed it from both the requestor and the ICO, this action is contrary to section 77 of the Freedom of Information Act 2000. The ICO is currently seeking further information from the Council so that it can determine what action, if any, the ICO will take in respect of this allegation. The ICO may pursue this matter, but has stated that any criminal prosecution is dependent on a number of factors and is ultimately a decision made by the ICO Prosecutor (in line with the CPS Code for Crown Prosecutors). One of those factors is whether the Council supports the ICO investigating and potentially prosecuting any person suspected of committing an offence contrary to section 77 of the Act.



### Due legal process

The Council is satisfied that appropriate governance arrangements are in place across the Council and that overall informed decisions are made in full consultation with the Director of Legal and Democratic Services. However as highlighted by the job evaluation project, whilst project governance itself is managed appropriately, recent evidence suggests that decisions have been made without the Director of Legal and Democratic Services' input.

### Suspension from duty of a Statutory Officer

In July 2014, the Council's s151 Officer was suspended from his duties. This was followed by the suspension of another senior manager. There are a range of matters currently being investigated around project governance. This work has not concluded and therefore we are not able to determine or quantify at this stage the impact on the overall governance framework of the Council. A thorough review of the Council's governance framework has been commissioned to make sure that a robust culture continues to exist to protect both the Council and tax payers' money. The review will detail any lessons to be learnt from recent project governance issues and will provide the Council with an action plan for improvements.

### Data breaches

The Council reported a data breach to the Information Commissioner's officer (ICO) in October 2013. The ICO is currently reviewing the case. Appropriate remedial action was taken when the breach came to light.

### Department of Health Information Governance requirements

From 1 April 2013, the Council took on responsibility for Public Health. The team still require links to NHS data to perform their tasks. The Department of Health is requiring Local Authorities to comply with its information governance standards via its Information Governance toolkit. This is a major exercise in aligning the Council's current information governance arrangements with the standards set by the Department of Health.

### Risk Management Audit Report

During 2013/14 an Internal Audit report into corporate risk management processes was only able to provide limited assurance. In response to a previous review by its Insurer, Zurich Municipal, the Council had engaged ZM's risk consultants to assist with specific work on the risk management framework.

### Payroll Audit Report

Internal Audit was unable to examine the majority of the payroll sample selected for verification. As such, the basis on which payroll transactions had been processed and paid could not be substantiated. From the documents that we were able to examine, there was also a lack of clarification from Payroll on the anomalies identified, which left potential errors unresolved. Therefore, it was not possible to provide assurances to management on the accuracy and validity of payroll transactions in 2013/14.

## Unforeseen financial risk

During the period of refurbishment of the Council House, the Council entered into a lease for office space in the Heritage Gate Complex. The Council had the option to surrender any part of the Lease at any time on or after the 29th September 2012, subject to giving the Landlord not less than six months written notice and full compliance with the terms of the lease up to the surrender date. On 23 August 2012, the Council gave notice of intention to surrender part of a lease. The Council had left Heritage Gate by 28 February 2013. The Council entered into negotiations with the landlord regarding the financial settlement for early surrender and dilapidation costs. In April 2013, the Council settled a £940,000 liability with the landlord for the early termination of the lease for Heritage Gate.

The council has received a number of Freedom of Information requests from the media about the Heritage Gate lease issue.

## **6. Certification**

To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year with the exception of those areas identified in section 5. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangement. We are satisfied that these steps will address the need for improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Ranjit Banwait  
Leader of the Council

Adam Wilkinson  
Chief Executive/Head of Paid Service

Mark Tittley  
Chair of Audit & Accounts  
Committee

Janie Berry  
Monitoring Officer

## Governance Issues – Update on outstanding issues from previous years:

Governance Issues	Progress made/Comments
<b>Issues from 2010/11</b>	
<p><i>Council Budget</i></p> <p>The Council felt the impact of the Comprehensive Spending Review with central government funding being significantly reduced to all councils. The Council had to find £27 million saving for 2011/12 in a very tight timescale. This was partly achieved through staffing reductions with as much as possible being through voluntary redundancy.</p>	<p>The Council has a three-year budget to 2014/15. We are also working through a number of budget implications following the recently circulated Government proposals for local authority funding from 2013-14.</p>
<b>Issues from 2011/12</b>	
<p><i>Risk management</i></p> <p>Following the review by ZM it is clear that risk management is not embedded into all Council processes. To improve the management of risk within the Council, it also needs to be integrated within the Council's performance monitoring process.</p>	<p>A risk management action plan was produced. Improvements highlighted in the 2012 work by ZM have been added.</p> <p>Additional improvements have been highlighted following an Internal Audit Report in 2013/14 and are in the process of being implemented.</p>
<b>Issues from 2012/13</b>	
<p>In June, the Information Commissioner's Office visited the Council as part of an investigation into a data security breach. Following this investigation the ICO recommended that the Council received an audit of its data protection practices. This was agreed and the audit took place in September. The final report from the ICO was received in November 2012. The overall assessment for the Council</p>	<p>A follow up audit by the ICO was able to provide "reasonable assurance".</p>

Governance Issues	Progress made/Comments
<p>is that the arrangements for data protection compliance with regard to governance and controls provide only limited assurance that processes and procedures are in place and are being adhered to. An action plan had been drawn up by the Information Governance Board to address the recommendations made by the ICO. The action plan is a living document which will be amended to take account of new legislation, changes in procedures/processes within the Council and other developments both internal and external that could affect our information governance framework. The plan covers the period to April 2014 and progress on actions is monitored on a regular basis by the Information Governance Board,</p>	
<p>RIPA</p> <p>On 12 April 2013, the Office of Surveillance Commissioners conducted a comprehensive inspection of the Council's use and governance arrangements for conducting covert surveillance.</p> <p>The Council was inspected by the Office of Surveillance Commissioners on 12 April 2013. The inspection included an examination of the Central Record of Authorisations. Three authorisations were reviewed (1 from 2011 and 2 from 2012). The examination found that the quality of the authorisations and the application for one, were not of a suitable standard. The inspection also found that not all of the recommendations made at the 2011 Inspection had been fully implemented.</p> <p>To respond to the recommendations made by the Office of Surveillance Commissioners, an action plan has been drawn up. Actions will include mandatory training for officers in respect of the use of covert surveillance. The Director of Legal &amp; Democratic Services</p>	<p>15 members of Staff have received mandatory training over a two day period. On 14<sup>th</sup> October 2013, the training covered all aspects of covert surveillance whilst on 15<sup>th</sup> October 2013, staff received training in respect of covert human intelligence surveillance (CHIS).</p> <p>The Audit and Accounts Committee approved the Council's Action Plan in respect of RIPA activity on 26<sup>th</sup> June 2013. This approved Action Plan has also been shared with the Office of Surveillance Commissioners who have welcomed the Council's response to the Inspection.</p> <p>The Action Plan has been updated to reflect:</p> <ul style="list-style-type: none"> <li>• Mandatory training of all relevant staff has now taken place;</li> <li>• The number of Authorising Officers has been reduced to 3;</li> <li>• Amendments to the Council's Constitution will be taken to Full Council on 18<sup>th</sup> December 2013;</li> </ul>

Governance Issues	Progress made/Comments
<p>will also provide an annual report to the Audit &amp; Accounts Committee to enable Members to consider the fitness for purpose of the Council's policy and also provide quarterly reports in respect of the Council's usage of covert surveillance.</p>	<ul style="list-style-type: none"> <li>• Internal procedures are now being established to strengthen the RIPA procedure such as establishments of an equipment library, development of a bespoke Sharepoint area for Investigating Officers and Authorising Officers to access;</li> <li>• Arrangements are being made to formally introduce an Internal Audit of RIPA procedures;</li> <li>• Regular Reporting the Audit and Accounts Committee is now taking place</li> </ul> <p>An annual report will be submitted to the September 2014 meeting of the Audit and Accounts Committee.</p>
<p>Electoral fraud</p> <p>Following the May 2012 local elections, 6 people were charged with electoral fraud offences. The charges include personation, misconduct in a public office, attempting to pervert the course of justice and perverting the course of justice. Following a court hearing, 4 people have been sentenced. At the conclusion of the case, the Judge commended the City Council on its diligence with the issue. Derbyshire police has also praised the Council's co-operation throughout the whole investigation.</p>	<p>Following publication of the Electoral Commission's Electoral Fraud Report the newly appointed Returning Officer and Deputy Returning Officer were keen to ensure that the highest levels of integrity were met in respect of all aspects of planning for the 2014 European Parliamentary Elections and the Local Elections. Both also sought to develop strong relationships with Operational and Strategic colleagues from Derbyshire Constabulary. The Returning Officer and Deputy Returning Officer gave a strong public commitment in attending all briefing and training sessions and acted swiftly to resolve any complaints or concerns which were raised.</p> <p>Performance data was regularly submitted to the Electoral Commission and an "above standard" accreditation was received in almost all instances.</p>
<p>Welfare Reform Act</p> <p>The Welfare Reform Act has impacted on several services across the Council and led to many processes and procedures being reviewed, rewritten or replaced, not least the development of</p>	<p>The Local Welfare Assistance scheme came into effect 1/4/2013. In the first year of operation there were 5 attempted frauds with a total value of £1093. It is expected that this is an area where attempted frauds will continue to be made and likely to be a</p>

Governance Issues	Progress made/Comments
<p>the Local Council Tax Support Scheme which replaces Council Tax benefit and the introduction of the benefits cap and the under-occupancy provisions. Not all of the effects of this Act have come into force, as the change within the benefit system to move to Universal Credit will take several years.</p> <p>Within the Council a project board was established. The Board assigned individual work packages to the Project Team. The Team consisted of representatives from those services which would be impacted by the Welfare Reform provisions, and ensured a consistency of approach from across the authority. The Project Team reported progress to the Board on:</p> <ul style="list-style-type: none"> <li>• The local council tax support scheme</li> <li>• Preparations for universal Credit</li> <li>• How Supported housing would be affected by Welfare Report</li> <li>• The development of the Single fraud investigation service</li> <li>• Data sharing issues</li> <li>• The impact on Derby Homes and the strengthening of their links with Credit Unions</li> <li>• Briefings to members, Customers and staff</li> <li>• The Housing Benefit cap</li> <li>• The Local assistance scheme</li> <li>• The under occupancy provisions.</li> </ul> <p>These provisions started to come into effect on 1 April 2013</p>	<p>growth area.</p> <p>Additionally, Council Tax Reduction came into effect on the same date. This replaced Council Tax Benefit and during the first year 20 frauds took place valued at £23,097. In the past, this had been a benefit with frauds and attempted frauds being investigated by the team who currently investigate Housing benefit. This team are due to transfer to the DWP in December 2015, reducing the Council's scope for investigating such cases.</p> <p>The implementation date for Universal Credit in this area has not yet been established.</p>

## Action Plan – Significant Governance Issues 2013/14

Action(s)	Responsible Officer	Timescale	Progress to date	Impact and measures
<b>Governance</b>				
To review the Council's Governance framework	Chief Executive	December 2014	Review commissioned	<ul style="list-style-type: none"> <li>Any lessons to be learnt published.</li> <li>Governance Action Plan produced to be monitored by Audit and Accounts Committee</li> <li>New Code of Governance written.</li> </ul>
<b>Information Governance Toolkit</b>				
Review the evidence in support of the 40 requirements of the IG Toolkit	Head of Governance & Assurance	July 2014	Assessment of evidence is on-going.	To complete initial assessment against the IG toolkit.
Identify areas of non-compliance with Level 2 and produce improvement plan.	Head of Governance & Assurance	November 2014	Identification of areas of non-compliance should be complete by 31 July 2014	To achieve compliance with the NHS IG toolkit.
<b>Risk management</b>				
Re-constitute the Strategic Risk Group	Strategic Director of Neighbourhoods/Head of Governance & Assurance	October 2014	Meeting with Chair of Audit & Accounts Committee	To implement recommendations from internal audit report
To review the current risk management framework	Strategic Risk Group	December 2014	Basic work around RM Strategy.	To strengthen risk management processes and procedures.
<b>Payroll</b>				
Full implementation of the recommendations made in the Internal audit report.	Interim Payroll Manager	October 2014		Recommendations from internal audit report completed within timescale detailed in the report.
Report outlining the problems/issues arising from the internal audit work to be presented to Audit and Accounts committee for scrutiny.	Head of Governance & Assurance	September 2014	Report produced for Committee	Committee being satisfied that they have assurances that the problems will not happen in the future.

## Summary of the Code of Corporate Governance

## Appendix 3

1 Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area	2 Members and officers working together to achieve a common purpose with clearly defined functions and roles	3 Promoting the values of the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour	4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risks	5 Developing the capacity and capability of members and officers to be effective	6 Engaging with local people and other stakeholders to ensure robust public accountability
Exercising strategic leadership by clearly communicating the authority's purpose and vision and its intended outcome for citizens and users	Ensuring effective leadership throughout the authority by being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function	Ensuring council Members and officers exercise leadership by behaving in ways that uphold high standards of conduct and exemplify effective governance	Exercising leadership by being rigorous and transparent about how decision are taken and listening and acting upon the outcome of constructive scrutiny	Making sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles	Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountable relationships
Ensuring that users receive a high quality of service whether directly, or in partnership or by commissioning	Ensuring that a constructive working relationship exists between elected Members and officers and that the responsibilities of Members and officers are carried out to a high standard	Ensuring that organisational values are put into practice and are effective	Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/ needs	Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group	Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery
Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money.	Ensuring relationships between the authority and the public are clear so that each know what to expect of each other		Making sure that an effective risk management system is in place	Encouraging new talent for membership of the authority so that best use can be made of resources in balancing continuity and renewal	Making best use of human resources by taking an active and planned approach to meet responsibility to staff.
			Recognising the limits of lawful action and observing both the specific requirements of legislation and the general responsibilities placed on local authorities by public law, but also accepting responsibility to sue their legal powers to the full benefit of the citizens and communities in their area.		



## Framework for the Annual Governance Statement

## Appendix 4

