

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

- 4.1 This update on information governance covers the period 1 January 2012 to 29 February 2012.
- Freedom of Information:
- 4.2 An annual report on freedom of information covering requests made in 2011 was presented to Committee in February 2012.
- 4.3 The number of FOI requests the Council has received over the last 7 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 2012, as at 29 February. The number of requests received in 2012 is slightly below the average for last year (72.5 compared to 76 in 2011).

[Table 1: Number of FOI Requests Received by Calendar Year](#)

Year	Number of FOI Requests
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 – Feb 12	145

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 January 2012 to 29 February 2012 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	Jan 2012	Feb 2012
Commercial	21	26
Media	18	16
Personal	38	25
Other Local Authority	0	0
Political	0	1
Total	77	68

Table 3: Number of FOI Requests by Lead Directorate

Directorate	Jan 2012	Feb 2012
Adults, Health & Housing	9	9
Chief Executive's Office	7	2
Children & Young People	8	13
Neighbourhoods	28	21
Resources	21	22
Council Wide	4	1
Total	77	68

Data Security: Senior information Risk Owner

- 4.5 The 2007 HMRC CD incident and subsequent developments have brought the information assurance agenda further up the corporate agenda. The Data Protection Act clearly states that organisations must look after personal data. The Information Commissioner's Office (ICO) now has powers to impose large fines against public authorities who breach the Act. Following the loss of data by HMRC and several other security breaches, the Government conducted a review of its data handling procedures and one of its recommendations was that all Government departments should designate a board member as Senior Information Risk Owner (SIRO). At Derby, this would be at Chief Officer level. At its meeting on 29 February 2012, Chief Officer Group (COG) agreed that the Strategic Director – Resources would fulfil the SIRO role.
- 4.6 The SIRO should be the officer who:
- is ultimately accountable for the assurance of information security at the Council
 - champions information security at Chief Officer level
 - owns the corporate Information Security policy
 - provides an annual statement of the security of information assets for the Annual Governance Statement; and
 - receives strategic information risk management training at least once a year.

Data Security Breaches:

- 4.7 Over the last few years a number of potential and actual security breaches have been reported to the Council's Information Governance Manager. In 2011, we were made aware of 10 instances. A data security breach can happen for a number of reasons:
1. Loss or theft of data or equipment on which data is stored
 2. Inappropriate access controls allowing unauthorised use
 3. Equipment failure
 4. Human error
 5. Unforeseen circumstances such as a fire or flood
 6. Hacking attack
 7. 'Blagging' offences where information is obtained by deceiving the organisation who holds it
- 4.8 A report was presented to Chief Officer Group on 29 February, outlining the measures being put in place to increase the level of security over the Council's data. There are a number of actions proposed or in development to help reduce the Council's susceptibility to data security breaches. These are:
- Each directorate will nominate an Information Asset Owner who will be a member of an Information Governance Security Group
 - An Information Governance session is planned for the Managers' Briefing in April
 - Face-to-face training will be delivered to those teams directly processing personal data. This will be followed up by mandatory Information Governance training across whole authority using an e-learning package which is currently being procured.
 - EDRMS – electronic document records management system is being implemented initially for those teams returning to the Council House (all others in the following 2 years). This means that all records will ...
 - Have a protective marking
 - Have a retention schedule attached to it
 - Only be available to those who need access to it restricted by access rights
 - The 'Think Privacy' awareness raising campaign is being planned
 - A data security review / self assessment is in progress
 - New ways of securely sharing personal and sensitive data is being investigated – for example encrypted email
 - GCSX accounts and Citrix are being rolled out for employees returning to the Council House
 - New mail handling procedures based on protective marking are being implemented in the new Council House
 - Use of faxes will be reduced in the new Council House but in the meantime safe haven fax guidelines have been issued.

- 4.9 Under sections 55a and 55b of the Data Protection Act 1998, the Information Commissioner may serve a monetary penalty notice on a data controller where there has been a serious contravention of Section 4(4) of the Act. Section 4(4) provides that, subject to some exemptions, -
“... it shall be the duty of a data controller to comply with the data protection principles in relation to all personal data with respect to which he is the data controller”

The monetary penalty can not exceed £500,000.

- 4.10 In 2011, the Council self notified 2 data security breaches. The Information Commissioner's office (ICO) has now requested further information on both instances.
- 4.11 It has recently been reported that the Information Commissioner is asking the government for stronger powers to audit local councils' data protection compliance, if necessary without consent.

Annual Governance Statement

- 4.12 All local authorities have been required to produce an Annual Governance Statement (AGS) since 2007/08. The AGS appears in the published annual accounts and is signed by the Chief Executive and the Leader of the Council. Our AGS has followed the CIPFA/SOLACE prescribed framework for the AGS which requires authorities to document the scope, purpose and responsibility of the Governance Framework as well as reporting on its effectiveness and documenting any significant control weaknesses, and actions taken to mitigate them.
- 4.13 In 2011, Grant Thornton produced a briefing paper on the AGS based on research it had carried out involving the review of a number of 2009/10 AGSs across the country. The paper stated that "It is our view that most authorities are still in the 'compliance' phase of their development and their main focus is ensuring compliance with the specified CIPFA/SOLACE framework. Many of the statements we review lack much local flavour or perspective and are often anodyne and bland. Conversely, others contain excessive commentary on local process, making it difficult to draw out the key messages. Most tellingly, it is often difficult to understand why governance failings recorded in the document are deemed significant." The research also highlighted that Grant Thornton had found very few examples where assurances obtained from internal governance procedures are documented or evidenced.
- 4.14 The Governance Working Group is currently reviewing how we can best assess the governance framework each year and how we could incorporate the findings of Grant Thornton's research.

Insurance and Risk Management

- 4.15 The Council's contract for Insurance Broker services ends on 31 March 2012. A tender exercise has recently been completed and the contract was awarded to Jardine, Lloyd, Thompson, who are our current brokers.

- 4.16 Our primary insurance lawyers, Berryman, Lace, Mawer LLP, ran a mock trial for Highways and Parks on 6 February. This was a very successful exercise which was based on a highways trip case. The mock trial highlighted the importance of the case of *Wilkinson v City of York Council* (January 2011). The salient point is that where it is argued that a system of inspection is inadequate in its frequency and the highway authority relies on a section 58 defence, the allocation of the council's resources (budget cuts etc) will not be considered when deciding whether the council has done what is reasonably required to ensure that the highway was not dangerous.
- 4.17 The reputation and risk workshop was well attended. Five sessions were run for Directors and Heads of Service, with 32 officers attending overall. Feedback from attendees was that the workshop was good.
- 4.18 In order to ensure that our property values are as accurate as possible and to enable Zurich Municipal (ZM) to make an accurate assessment of the insurance risk profile for property insurance, we plan to work with ZM to assess and to obtain more relevant property insurance costs. The specifics of this work have yet to be determined as ZM are currently liaising with Property Services. This work will incur costs that will be met from the ZM Risk Fund. This work will also inform the property information that will be included in the tender specification when the Council re-tenders its primary insurance contract to run from 1 April 2013.

National Fraud Initiative

- 4.19 Work is still ongoing with the NFI matches issued in January 2011. We received a total of 12263 matches within 82 reports. As reported previously many areas have been cleared in full. At the 9 March 2012, the NFI work had identified 360 errors, but no frauds.
- 4.20 At the December meeting it was reported that the new extract of Council Tax data had been prepared and submitted. This is matched against Electoral Roll data to identify potential cases of fraudulent or erroneous Single Person Discount (SPD) claims, and will also provide information for data cleansing purposes to both teams. The Electoral Roll data was submitted in December 2011. The matches for this part of the NFI exercise were released on 20 February 2012. The matches have been produced in 2 reports –
- report 801 (SPD to Electoral Register) – 1869 matches
 - report 802 (Rising 18s) – 410 matches
- 4.21 The Audit Commission's NFI Team plan to publish a report outlining the successes from the 2010/11 NFI and Council Tax SPD exercises in May 2012. This report will be based on outcomes entered on the NFI web application up to 31 March 2012.

OTHER OPTIONS CONSIDERED

- 5.1 n/a

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	
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Background papers:	None
List of appendices:	Appendix 1 – Implications

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.

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.