AUDIT AND ACCOUNTS COMMITTEE
24 SEPTEMBER 2009

ITEM 9

Report of the Head of Audit and Risk Management

DERBY CITY COUNCIL

Governance Update

RECOMMENDATION

1.1 To note the report.

SUPPORTING INFORMATION

2.1 This report provides Members with an update on progress with several key governance issues.

Risk Management Issues

2.2 At the June meeting, it was reported that a draft list of strategic risks were to be considered at a workshop on 13 July 2009 by the Strategic Risk Group. This workshop would also identify any other future risks. This workshop proved to be a useful exercise and the risks have now been categorised by the nature of the risk. Consultation is currently taking place on these risks and it is intended that the completed register will be presented to Committee on 3 December 2009.

2.3 The new Risk Management System, JCAD Risk, has been populated with departmental risks from the 2009/10 business plans. The next stage is for the Risk Management Team to review these risks and advise each department on the methodology to use with the new system.

2.4 A draft action plan (see appendix 2) has been drawn up to help with the further embedding of risk management within the Council. The views of the Committee are sought on this draft plan.

2.5 Through Zurich Municipal, the Council's insurers, we have run a training course on embedding Risk Management. This course was aimed at members of the SRG and GWG. We have also run several general risk awareness courses for staff. These have been successful and we are planning to be running these again in the New Year. We have also been working with ZM on providing e-learning package for Members and it is planned that this can be rolled out via the intranet for all staff.

National Fraud Initiative 2008/9

2.6   In June 2008 the Audit Commission notified all Local Authorities that the National Fraud Initiative (NFI) 2008/09 exercise would also include a requirement to submit council tax and electoral register data for a Council Tax Single Person Discount data match. The council tax data is now required to be downloaded on 15 October 2009. The Electoral Registration data will need to be submitted from 1 December 2009. The deadline for data to be submitted is 29 January 2010 and the matches will be available from 15 March 2010.

2.7   In August 2009, the Council received a letter from the Minister for Housing, Rt Hon John Healey MP, asking all authorities to join a national drive to crack down on the unlawful sub-letting of properties in the social housing sector. The measures announced include incorporating Registered Social Landlords (RSL's) tenancy information in a re-run of the housing module of the NFI. The introduction of RSL data provides new opportunities for Local Authorities and RSLs to identify tenants who are housed in social dwellings, but who fail entitlement rules because they have tenancies elsewhere. In order to undertake this matching the Audit Commission requires that the Council submits our current tenants' data. The date of download for the purpose of this request is 30 September 2009 and the data should be uploaded by the 9 October 2009.

2.8   The Minister for Housing has stated that he will be providing a special grant to every local authority who signs up to this initiative to increase their efforts in this area. He has said that the government proposes to make up to £50,000 available to each of the London boroughs (excluding the City of London) and those other local authorities with at least 15,000 social homes in their area – this includes properties owned by Registered Social Landlords – and up to £10,000 to any other authority committing to take part. The final decision on the division of the grant money is due to be made in September. The final grants awarded will depend on the number of authorities who have made clear they intend to carry out work to crack down on unlawful sub-letting.

Audit Commission Publication – "Protecting the public purse"

2.9   On 15 September 2009, the Audit Commission published its latest national report on fraud, "Protecting the public purse". The Audit Commission's summary report is attached at Appendix 3.

2.10   The national report considers the key fraud risks and pressures facing councils and related bodies and identifies good practice in fighting fraud. The Audit Commission states that "it has never been more important that councils fight fraud. Every pound lost to cheats is a pound that cannot be used for people in real need". The report identifies specific risks that the Audit Commission consider are often not adequately addressed i.e. risks around housing tenancy, council tax and recruitment fraud. The report provides an overview of the threats of fraud facing councils and suggests that Council reassess their counter fraud plans and ensure that staff understand, and have faith in, whistle-blowing arrangements.

2.11   The Audit Commission has included a "checklist for those responsible for governance" to help ensure that they have sound governance and counter-fraud

arrangements that are working as intended. This checklist can be found in the summary report. It is intended that the Governance Working Group will complete the checklist and it will be brought to the Committee's meeting on 3 December 2009 for consideration.

For more information contact:	Richard Boneham, Head of Audit and Risk Management, 01332 255688 richard.boneham@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – Implications
	Appendix 2 – Draft Action Plan on Embedding Risk Management
	Appendix 3 – Audit Commission publication – Protecting the public purse

IMPLICATIONS

Financial

1.   None directly arising

Legal

2.   None directly arising

Personnel

3.   None directly arising

Equalities impact

4.   None directly arising.

Corporate objectives and priorities for change

5.   None directly arising.

Draft Action Plan for Further Embedding Risk Management

Objective and Action	Responsibility
Annual review of SRG membership, terms of ref., risk management strategy & action plan, and framework for 2008/2009	Strategic Risk Group (SRG)
Annual approval of the risk management strategy & action plan.	Audit & Accounts Committee
Analysis of strategic risks and actions arising from Position Statements provided by Departments.	Head of Audit & Risk Management
Analysis of operational risks arising from quarterly performance reviews.	Strategic Risk Group (SRG)
Produce a training and development programme for the year	Strategic Risk Group (SRG)
Develop a programme of targeted operational risk management actions identified by ORRs & other sources, arising from changes in legislation, government guidance/initiatives, etc.	Strategic Risk Group (SRG)
Review risk management arrangements in procurement of key services, works contracts and projects.	Head of Audit & Risk Management / SRG
Develop benchmarking data to measure performance on risk management both internally and externally and propose actions.	Head of Audit & Risk Management
Review the effectiveness of risk management arrangements against current best practice e.g. CAA Key Lines of Enquiry	Strategic Risk Group (SRG)
Review Criminal Liability issues for officers / members arising from new legislation. (Corp Manslaughter etc).	Strategic Risk Group (SRG)
Evaluate the adequacy of the council's business continuity arrangements.	Strategic Risk Group (SRG)
Develop a programme of reviews of cross cutting risk management topics e.g. workforce safety, lone working, training & development, BCP, IT security, performance management	Strategic Risk Group (SRG) & Other relevant groups.
Revise the current risk management framework in the light of the Local Government White Paper proposals and Local Government Bill.	Strategic Risk Group (SRG)
Review risk arrangements for major projects/ initiatives.	Strategic Risk Group (SRG)
Ensure the council's risk management framework is used consistently across the Council.	Head of Audit & Risk Management