

## **Corporate Governance Committee – 20 May 2013**

**Present:** Councillors Beaven, Coles, Denington, Gaines, Govier, Hall, Horsley, Hunt, Mrs Lees, D Reed, Mrs Stock-Williams, Tooze and A Wedderkopp.

**Officers:** Maggie Hammond (Strategic Finance Officer) and Tonya Mears (Legal and Democratic Services Manager), Heather Tiso (Head of Revenues and Benefits Service), Helen Vile (Overpayments, Investigation & Support Team Leader) Dan Webb (Performance Lead) and Natasha Williams (Corporate Support Officer).

(The meeting commenced at 6.15 pm)

### **15. Appointment of Chairman**

Having been nominated by the Conservative Group Leader and there being no dissent from other Members present, Councillor Reed was appointed as Chairman of the Corporate Governance Committee for the remainder of the Municipal Year.

### **16. Appointment of Vice-Chairman**

**Resolved** that Councillor A Wedderkopp be appointed as Vice-Chairman of the Corporate Governance Committee for the remainder of the Municipal Year.

### **17. Apologies/Substitutions**

**Apologies:** Councillors Miss James and R Lees.

**Substitutions:** Councillor Horsley for Miss James; and Councillor Mrs Lees for R Lees.

### **18. Minutes**

The minutes of the meetings held on 11 March 2013 were taken as read and were signed.

### **19. Declaration of Interests**

Councillors Hunt and A Wedderkopp declared a personal interest as new Members of Somerset County Council.

### **20. Revenues and Benefits Investigation Team Report**

Heather Tiso (Head of Revenues and Benefits Service) gave a presentation which updated Members on the activities and performance of the Fraud Investigations Team during 2012/2013 as well as the developments for the next financial year.

The team aimed to reduce fraud and the risk of fraud by using effective processes to prevent, detect and investigate abuse of Housing Benefit, Council Tax Benefit and other income related benefits. Some of the activities undertaken included:

- Taking action against those who commit fraud and seek to prosecute and sanction offenders where appropriate, in accordance with the Council's Anti-Fraud and Prosecution Policies;
- Minimise the risks of landlord fraud;
- Remain compliant with the guidance set out in the Verification Framework and continued operation of the "do not re-direct" (DNR) scheme as well as security of prime documents.
- Participate in data matching schemes such as the Housing Benefit Matching Service and National Fraud Initiative (NFI) as well as membership of the National Anti-Fraud Network (NAFN);
- Work closely with the Department for Work and Pensions (DWP) and other agencies to combat claim related fraud;
- Use all legislative powers available and sharing intelligence with other agencies where Data Protection Act permits; and
- Use the Operational Intelligence Unit (OIU) to assist us in obtaining employment and pension details.

In 2012/2013 the team received 320 referrals. Of these, once preliminary checks had been carried out, there was sufficient justification to conduct investigation into 205 cases. Of the 15 cases approved for prosecution in 2012-2013, 14 were successfully prosecuted and sentencing included fines, community service orders, conditional discharge and suspended custodial sentences.

The changes within the UK Government's Welfare Reform Bill included the introduction of Universal Credit from 2013. Universal Credit would replace income related benefits (including Housing Benefit) over the period 2013 to 2017 and would be administered by the DWP. As part of this reform a Single Fraud Investigation Service (SFIS) would be created.

The Audit Commission's report in 2012 "Protecting the Public Purse" identified high risk fraud that in Taunton Deane would be concentrated on:

- Business Rates;
- Council Tax Support Scheme;
- Housing Tenancy Fraud; and
- Right to Buy.

Members discussed Housing Tenancy Fraud with regard Taunton Deane.

Heather Tiso was thanked for an informative report.

**Resolved** that the activities in the report be supported.

## **21. Update Report on Freedom of Information Act**

The Freedom of Information Act 2000 came into effect on the 1<sup>st</sup> January 2005. Anyone who requested information under the Act must apply in writing and the Council must respond in writing. The Council has 20 working days in which to respond to the request and all requests are logged, and responded to, by the FOI Administrator although the requests are sent to the relevant service unit(s) for a response.

Tonya Meers (Legal and Democratic Services Manager) updated Members on how the requests for recorded information under the Freedom of Information Act had increased.

The number of requests over the last five years had increased considerably year on year. 2009 – 269 requests, 2010 – 326 requests, 2011 – 432 requests and 2012 – 520 requests. 214 requests had been received since January 2013 at the time of writing the report.

Generally the Council cannot charge for the information that would be supplied unless it was estimated that to provide the information would exceed £450. This amount was set down in regulations.

From this new financial year, performance monitoring of FOI requests would form part of the corporate scorecard as it was now something that needed to be monitored at a corporate level rather than a service level. Members supported the need to determine whether resources would need to be allocated differently in order to deal with the growing number of requests.

**Resolved** that the report be noted.

## **22. Audit of Data Security Breaches**

Considered report, previously circulated, which provided Members with a progress update following the audit carried out by South West Audit Partnership on 15 February 2013 as well as the Data Security Breach Management Policy.

The review was undertaken to assess the adequacy of the controls and procedures in place for Data Security Breaches across the Council.

The conclusion of the report gave the Council a partial assurance in relation to the areas that were reviewed. There were a total of eleven recommendations.

Two of those recommendations were a priority 4, four were classed as a priority 3 and five were a priority 2.

The implementation date for the majority of the recommendations was the 30<sup>th</sup> June 2013; however two of the recommendations had already been completed.

**Resolved** that the Information Security Incident Management Process be approved.

## **22. Corporate Governance Action Plan**

Considered report previously circulated, which provided details of the progress made against the Corporate Governance Action Plan as at the end of April 2013.

The Corporate Governance Action Plan currently included 18 actions, which had emerged from external audits, specifically, recommendations from the Annual Governance Reports from the last two years - 2010/11 and 2011/12.

There were three actions that were 'some concern' (Amber status). One of these was rated as 'High priority', and the other two actions rated as 'Medium priority'. These were:-

- Update the Workforce Strategy (ensuring there are clear links to financial planning) and complete & agree a new workforce plan (High priority)
- To fully review the Financial regulations (Medium priority)
- Develop benchmarking to support decisions in allocating resources (Medium priority)

A total of 83% audit actions were now closed or 'on target'. This was a slight improvement since the previous report in December 2012.

**Resolved** that the Corporate Governance Action Plan be scrutinised.

## **23. SAP Controls - Update**

On 1<sup>st</sup> April 2009 Taunton Deane Borough Council introduced a new financial system call SAP (Systems, Applications and Products). This new system covered both payment of invoices and the raising of sundry debtors. 2012/2013 was the fourth year of the Council using SAP and officers had continued to work on the controls within SAP to reduce risk to the council.

Controls had been built into the system and these inherent controls were a crucial part of the internal control regime.

Following the loading of an upgrade a control issue had come to light. Before the upgrade a person who requested goods and services via a purchase order could not approve their own order. Following the upgrade this was now possible, where the approver was absent and the requester was listed on SAP as the substitute for the approver. This was not widely known.

SAP continued to work on this to resolve the issue. In the interim a list was produced weekly of any instances where the requisitioner and the approver were the same person. Since October 2012 there has been just one incident and closer investigation showed that the order was correct.

**Resolved** that the report be noted.

#### **24. Corporate Governance Committee Forward Plan**

Submitted for information the proposed Forward Plan of the Corporate Governance Committee.

**Resolved** that the Corporate Governance Committee Forward plan be noted.

(The meeting ended at 7.56pm).