

Audit and Procurement Committee

Time and Date

4.00 pm on Monday, 18th November, 2013

Place

Committee Room 2 - Council House

A. Public Business**1. Apologies****2. Declarations of Interest****3. Minutes of Previous Meeting (Pages 3 - 6)**

To confirm the minutes of the Audit and Procurement Committee meeting held on 21 October 2013.

4. Outstanding Issues and Work Programme 2013/14 (Pages 7 - 12)

Report of the Executive Director, Resources.

External Auditors**5. Annual Audit Letter for year ended 31 March 2013. (Pages 13 - 28)**

Letter from the Council's external auditors, Grant Thornton

Fraud**6. Half Yearly Fraud Update 2013-14 (Pages 29 - 38)**

Report of the Executive Director, Resources

Other**7. Covert Surveillance of Employees Policy and Procedure (Pages 39 - 52)**

Report of the Executive Director, Resources

8. JEEP (Justify Expenditure, Explain Performance) Update (Pages 53 - 56)

Report of the Executive Director, Resources

9. Any other business

B. Private Business

10. **Procurement Progress Report** (Pages 57 - 60)

Report of the Executive Director, Resources.

11. **Arena Coventry Limited Update**

Verbal update of The Executive Director, Resources

Chris West, Executive Director, Resources, Council House Coventry

Friday, 8 November 2013

Note: The person to contact about the agenda and documents for this meeting is Hugh Peacocke

Membership: Councillors S Bains (Deputy Chair), D Gannon, L Harvard, R Sandy, T Sawdon, B Singh and H Sweet (Chair)

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting OR if you would like this information in another format or language please contact us.

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Agenda Item 3

Coventry City Council

Minutes of the Meeting of Audit and Procurement Committee held at 4.00 pm on

Monday, 21 October 2013

Present: Councillor Hazel Sweet (Chair)
Members: Councillors S Bains (Deputy Chair), L Harvard, T Sawdon, B Singh.

Other Members: Councillor R Thay.

Employees : L Commane, S Davis, J Fitzgerald, S Iannantouni, P Jennings,
(by Directorate) A Kirby, S Mangan and H Peacocke (Resources)

Public Business

55. **Apologies**

Councillor R Sandy apologised for his inability to attend this meeting.

56. **Declarations of Interest**

None

57. **Exclusion of the Press and Public**

RESOLVED to exclude the press and public under Section 100(A)(4) of the Local Government Act 1972 relating to the private report at item 10 on the agenda on the grounds that involved the likely disclosure of information defined in Paragraph 3 of Schedule 12A of the Act as it contained information relating to the financial or business affairs of any particular person (including the authority holding that information) and that in all circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

58. **Minutes of Previous Meeting**

The minutes of the Committee Meeting held on 23 September were confirmed by the meeting and signed by the Chair

59. **Outstanding Issues and Work Programme 2013/14**

The Committee considered the report of the Executive Director, Resources on outstanding issues and the Work Programme 2013/14. It was agreed that because of the Labour Group Seminar on 4 November to defer the next meeting to 18 November.

It was noted that the Arena Coventry update was deferred to 18 November.

RESOLVED that the outstanding issues and The Work Programme (2013-14), as amended, by agreed by the Committee.

60. **JEEP (Justify Expenditure, Explain Performance) Reports**

The Committee considered briefing notes from the Executive Director, Resources dealing with the following matters:

- a) A Holiday Purchase Scheme which could achieve savings. The Committee noted that managers had expressed concerns about backfilling but it was noted that leave granted under such a scheme would be subject to managerial approval. Leave would be planned upfront and could be deducted over the course of the year or such other shorter term as might be agreed.
- b) The Council's talent bank arrangements as currently operated for administrative staff, which could be extended to other areas. Members asked that the arrangements consider staff who had left on voluntary redundancy and target long-term unemployed.
- c) Procedures for processing employees' expenses receipts.

RESOLVED that

- i) **The Cabinet Member for Strategic Finance and Resources considers the detailed development of a holiday purchase scheme,**
- ii) **The current talent bank arrangements for administrative posts be endorsed**
- iii) **Work continues on the talent bank arrangements for other service areas**
- iv) **The current arrangements whereby expenses receipts are scanned/mailed are noted and**
- v) **Employees be reminded that they do not have to post hard copies of their expenses receipts to the payroll team**

61. **Transformation Programme Financial Savings**

The Committee considered the report of the Executive Director, Resources which provided the Audit Committee with an update on the financial savings anticipated from the Council's Transformation Programme in 2013-14. The Programme was on target to achieve savings of £36m.

RESOLVED that the Audit and Procurement Committee note the forecast financial savings.

62. **Half Year Internal Audit Progress Report**

The Committee considered the report of the Executive Director, Resources on the Council's Internal Audit Service activity for the period April to September 2013, against the agreed Internal Audit Plan for 2013-14.

RESOLVED that the Audit and Procurement Committee:

- i) **Note the performance as at quarter two against the Internal Audit Plan for 2013-14 and the summary findings of the key audit reviews and**
- ii) **Endorse the agreed focus of improvements identified and the timescales agreed for implementation for each review.**

63. **Internal Audit Recommendation Tracking Report**

The Committee considered the report of the Executive Director, Resources which provided an update on the progress made in implementing audit recommendations since the last update in October 2012.

RESOLVED that the Audit and Procurement Committee:

- i) **Note the current procedure for following up audit recommendations and**
- ii) **Note the progress made in implementing audit recommendations and**
- iii) **Endorse the progress made and the proposed action by the Internal Audit and Risk Manager for audits where actions remain outstanding.**

64. **Any other items of public business which the Chair decides to take as matters of urgency because of the special circumstances involved.**

It was agreed that future agendas for the Audit and procurement committee should clearly distinguish between audit business and procurement items and that JEEP updates should be part of the procurement agenda.

65. **Procurement Progress Report**

The Committee received a Briefing Note from the Executive Director, Resources on procurement matters. It was noted that the procurements savings to date were on target. In discussion, the Committee heard that some of the savings forecast would be achieved following successful contract negotiations.

RESOLVED that the Audit and Procurement Committee note the October monthly progress report on procurement.

(Meeting closed at 16.50)

Signed: _____

Chair.

Date: _____

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Public Report

Audit and Procurement Committee

21 October 2013

Director Approving Submission of the report:

Executive Director, Resources.

Ward(s) affected:

None

Title:

Work Programme 2013/14 and Outstanding Issues at 21 October 2013

Is this a key decision?

No

Executive Summary:

This report sets out the Outstanding issues for the Audit and Procurement Committee and the Committee's Work Programme for the rest of the Municipal Year.

Recommendations:

That the Audit and Procurement Committee notes the outstanding issues and approves the Committee's Work Programme.

List of Appendices included

1. Outstanding issues for the Audit and Procurement Committee at 21 October 2013
2. Work Programme 2013/14 for the Audit and Procurement Committee

Other useful background papers:

Audit Committee Minutes

Has it or will it be considered by Scrutiny?

No

Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report author(s): Hugh Peacocke

Name and job title: Governance Services Manager

Directorate: Resources

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Names of approvers: (officers and members)				

This report is published on the council's website:

www.coventry.gov.uk/meetings

	Subject	Date	Responsible Officer(s)
1	<p>Corporate Risk Register Update – Safeguarding Awareness</p> <p>The Committee requested an update report on the current position in respect of the safeguarding Awareness, in light of concerns on lack of progress.</p> <p>(Minute 59/12 of the Audit Committee refers)</p>	January 2014	Steve Mangan
2	<p>Council Tax Exemptions and Discounts</p> <p>The Committee requested internal audit to continue to review this matter and report back in January 2014, prior to the next billing year, from March 2014.</p> <p>(Minute 27/13 refers)</p>	January 2014	Janice Evans / Steve Mangan
3	<p>Arena Risk Update</p> <p>The Committee requested a further update on the management of the Arena Coventry Limited / Coventry City Football club corporate risk.</p> <p>(Minute 60/12 of the Audit Committee refers)</p>	November 2013	Barry Hastie

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Coventry City Council
Audit and Procurement Committee Workplan 2013-14

Stakeholder	Report	03/06/13	08/07/13	05/08/13	19/08/13	23/09/13	21/10/13	18/11/13	06/01/14	03/02/14	03/03/14	07/04/13	12/05/14
Internal Audit	Internal Audit Annual Report 2012-13												
	Quarterly Internal Audit Progress Reports 2013-14												
	Internal Audit Recommendation Tracking Report												
	Annual Audit Plan 2014-15												
Risk Management	Corporate Risk Register Update												
	Corporate Risk - Nuckle Update												
	Corporate Risk - Safeguarding Awareness Update												
Fraud	Fraud Annual Report 2012-13												
	Half Yearly Fraud Update 2013-14												
External Audit (Grant Thornton)	Informing the Audit Risk Assessment												
	Annual Governance Report												
	Annual Audit Letter												
	Grant Certification Work												
Accountancy	Annual Audit Plan												
	Statement of Accounts 2012-13												
	Revenue and Capital Out-Turn 2012-13												
	Revenue Monitoring Report and Corporate Capital Monitoring and Treasury Management Report 2012-13												
	Annual Audit Letter Update												
Procurement	Transformation Programme Financial Savings												
	Progress Report												
	Post and Fastprint												
Others	JEEP Update												
	Annual Governance Statement 2012-13												
	Review of the Effectiveness of the System of Internal Audit 2012-13												
	Annual Audit Committee Report 2012-13												
	Council Tax Discounts / Exemptions Update												
	RIPA Annual Report												
	Covert Monitoring of Employees Policy Statement												
Arena Coventry Limited Update													
Training													

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The Annual Audit Letter for Coventry City Council

Year ended 31 March 2013

26 September 2013

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Section 1: Executive summary

- 01. Executive summary
- 02. Audit of the accounts
- 03. Value for Money
- 04. Certification of grant claims and returns

Executive summary

Purpose of this Letter

Our Annual Audit Letter ('Letter') summarises the key findings arising from the following work that we have carried out at Coventry City Council ('the Council') for the year ended 31 March 2013:

- auditing the 2012/13 accounts and Whole of Government Accounts submission (Section two)
- assessing the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (Section three)
- certification of grant claims and returns (Section four).

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. We reported the detailed findings from our audit work to the Audit and Procurement Committee, as 'those charged with governance' in the Audit Findings Report on 23 September 2013.

Responsibilities of the external auditors and the Council

This Letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.audit-commission.gov.uk).

The Council is responsible for preparing and publishing its accounts, accompanied by an Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources (Value for Money).

Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued on 10 April 2013 and was conducted in accordance with the Audit Commission's Code of Audit Practice ('the Code'), International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

Audit conclusions

The audit conclusions which we have provided in relation to 2012/13 are as follows:

- an unqualified opinion on the accounts which give a true and fair view of the Council's financial position as at 31 March 2013 and its income and expenditure for the year
- an unqualified conclusion in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our work on the Council's Whole of Government Accounts submission is still in progress.

We have not yet been able to formally certify completion of the audit because of an outstanding objection to the accounts. We are satisfied that the outcome of the objection will not be material to the accounts, and will issue our certificate of completion once the objection has been determined.

Key areas for Council attention

We summarise here the key messages arising from our audit for the Council to consider as well as highlighting key issues facing the Council in the future.

Medium Term Financial Position

The Council's overall financial position is, like those of most councils, very challenging. The 2013/14 budget confirmed a need for new savings of £44m over the period covered by the Medium Term Financial Plan (to March 2016). Since then, figures released by CLG in July 2013 have indicated that substantial further savings will be needed. We are satisfied that the Council is taking sensible action to safeguard its financial future and the essential services which it provides, but significant risks and uncertainties remain and it is vital that the Council continues to :

- Maintain tight financial control
- Keep the MTFP up-to-date and plan for a range of scenarios
- Effectively manage the ABC transformation programme and ensure that identified savings are delivered.

While the council's processes in the above areas have been very effective to date, the increased scale of the challenges being faced will require a 'step change' in the Council's processes for identifying savings, and members will need to be prepared to take some difficult decisions.

Children, Learning and Young People

One area of concern is the delivery of the service changes and resulting financial savings recommended in the fundamental service review in the Children, Learning and Young People Directorate. These savings targets have had to be recast because there have been delays in improving early intervention processes and problems in building fostering capacity. While some good progress has been made, the Council needs to maintain pressure and ensure that the savings built into its overall plans are achievable. The context for the changes has also been affected by a recent serious case review involving the Directorate. This will clearly have a significant impact on management time and resources and is likely to impact on the directorate's aim of reducing the number of looked after children.

Replacement Financial Information System

The Council is replacing the financial information system in 2013/14. The new financial information system will replace the general ledger, accounts payable and accounts receivable, and will provide additional capabilities and functionality. The Council's Project partner, Unit 4, has shared its knowledge and experience in helping other councils implement new financial information systems. The Council has also held discussions with other councils to learn any lessons from their experience of implementing Agresso. Internal Audit have been heavily involved in the project and have a key role to play in ensuring that controls are adequately designed and operating effectively.

Arena Coventry Limited

The Council has a 50% stake in Arena Coventry Limited (ACL), which operates the Ricoh Arena. During 2012/13, the Council provided a £14.4m loan to ACL to enable it to refinance its borrowings. ACL is in dispute with Coventry City Football Club over unpaid rent, while the owners of the latter sought to institute Judicial Review proceedings with regard to the terms of the loan to Arena Coventry Limited. As a result of the disputes, the football club has relocated to Northampton, but ACL is confident that it can continue as a sound business without the club.

Managing these issues raised some complex issues in areas such as conflicts of interest, the Executive Director, Resources' statutory responsibilities and managing confidentiality, and these issues were all handled effectively. Going forward, the Council needs to continue to satisfy itself on the financial status of ACL and to ensure that strong governance arrangements remain in place around this issue.

Acknowledgements

This Letter has been agreed with the Executive Director, Resources and was presented to Audit & Procurement Committee on 7 October 2013.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
September 2013

Section 2: *Audit of the accounts*

- 01. Executive summary
- 02. Audit of the accounts**
- 03. Value for Money
- 04. Certification of grant claims and returns

Audit of the accounts

Audit of the accounts

The key findings of our audit of the accounts are summarised below:

Preparation of the accounts

The Council presented us with draft accounts on 1 July 2013, in accordance with the agreed timetable. Appropriate working papers were made available from the start of the audit fieldwork, which commenced on 1 July 2013.

The draft accounts were of good quality and an improvement on previous years. There has been a significant reduction in the number of audit adjustments required.

Issues arising from the audit of the accounts

We identified one adjustment affecting the Council's reported financial position. The draft financial statements recorded net expenditure of £347,719k; the audited financial statements show net expenditure of £348,795k. This change related to the omission of a creditor following the transfer of Caludon Castle School to academy status. We also identified a number of adjustments to improve the presentation of the financial statements.

There were no unadjusted misstatements. All adjustments identified during the audit have been made within the final set of financial statements. The audit did not identify any material misstatements.

Annual governance statement

We have reviewed your Annual Governance Statement and we have no matters that we need to report.

Conclusion

Prior to giving our opinion on the accounts, we are required to report significant matters arising from the audit to 'those charged with governance' (defined as the Audit & Procurement Committee at the Council). We presented our report to the Audit & Procurement Committee on 23 September 2013 and summarise only the key messages in this Letter.

We issued an unqualified opinion on the Council's 2012/13 accounts on 24 September 2013, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the accounts give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.

Section 3: Value for Money

- 01. Executive summary
- 02. Audit of the accounts
- 03. Value for Money**
- 04. Certification of grant claims and returns

Value for Money

Scope of work

The Code describes the Council's responsibilities to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in its use of resources
- ensure proper stewardship and governance
- review regularly the adequacy and effectiveness of these arrangements.

We are required to give a VFM conclusion based on the following two criteria specified by the Audit Commission which support our reporting responsibilities under the Code:

The Council has proper arrangements in place for securing financial

resilience. The Council has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.

The Council has proper arrangements for challenging how it secures

economy, efficiency and effectiveness. The Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

Key findings

Securing financial resilience

We have undertaken a review which considered the Council's arrangements against the three expected characteristics of proper arrangements as defined by the Audit Commission:

- financial governance
- financial planning
- financial control.

Our work highlighted that the Council has strong arrangements for securing financial resilience. Its overall financial position, like that of most councils, is very challenging, with the 2013/14 budget confirming a need for new savings of £44m over the period covered by the Medium Term Financial Plan (to March 2016). The recently announced future local government resource allocation figures indicates a worsening position. Officers are working to address the challenge posed by these cuts in funding.

The Council's arrangements mean that it is well placed to address this challenge, with a good record of overall budgetary control and achievement of savings – although there are issues specifically in relation to the Children Learning and Young People directorate (see below). The scale of the challenge now being faced, however, means that members will be faced with some very difficult decisions in coming years. It is vital that members are prepared to take these decisions and that the existing arrangements for financial planning, budgetary control and monitoring achievement of savings continue to be effective.

The Council's previous auditors (the Audit Commission) have commented in previous years on the low level of the Council's General Fund reserve. While the level of the reserve has increased by 50% in 2012/13, it remains low. This further reinforces the continuing need for strong budgetary control and monitoring of savings performance.

Value for Money

The Council's strong approach to financial governance has been demonstrated during the year through its approach to the dispute between Coventry City Football Club and Arena Coventry Limited, which is 50% owned by the Council. Managing this issue raised some complex issues in areas such as conflicts of interest, the Executive Director, Resources' statutory responsibilities and managing confidentiality, and these issues were all handled effectively.

Challenging economy, efficiency and effectiveness

We have reviewed whether the Council has prioritised its resources to take account of the tighter constraints it is required to operate within and whether it has achieved cost reductions and improved productivity and efficiencies.

Our work highlighted that the Council is responding well to the challenges of the Local Government Finance Settlement, delivering savings and targeting its resources effectively. The Council's ABC transformation programme has engaged staff successfully and continues to provide a highly effective process in identifying and delivering improvements in economy, efficiency and effectiveness. Of particular note is the fact that the Council is not averse to taking bold action such as the office rationalisation and relocation project.

One remaining area of concern is the delivery of the service changes and resulting financial savings recommended in the fundamental service review in the former Children, Learning and Young People Directorate. The review, which was intended to respond to the continuing financial pressures in relation to looked-after children (LAC), set ambitious targets for reducing the number of LAC through improved early intervention, as well as reducing costs through increasing the Council's own fostering capacity. These changes were intended to achieve significant financial savings from 2013/14 onwards.

These savings targets have, however, had to be recast because there have been delays in improving early intervention processes and problems in building fostering capacity. The context for the changes has also been affected by the recent serious case review involving the Directorate. While some good progress has been made, the Council needs to maintain pressure and ensure that the savings built into its overall plans are achievable.

Overall VFM conclusion

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013.

Section 4: Certification of grant claims and returns

- 01. Executive summary
- 02. Audit of the accounts
- 03. Value for Money
- 04. Certification of grant claims and returns**

Certification of grant claims and returns

Our work on certification of grant claims is on-going. Our work to date has not identified any issues which we wish to highlight. The detailed findings of our work will be reported in our Grant Certification report upon completion of our work.

Appendices

Appendix A: Reports issued and fees

We confirm below the fee charged for the audit and provision of non-audit services.

Fees	Per Audit plan £	Actual fees £
Audit Fee	229,810	229,810
Grant certification fee	28,900	28,900
Total fees	258,710	258,710

Fees for other services

Service	Fees £
Due diligence work on the Regional Growth Fund	17,614
Certification of Low Emission Vehicle Demonstrators grant claim which falls outside of the Audit Commission certification arrangements	2,800

Reports issued

Report	Date issued
Audit Plan	10 April 2013
Audit Findings Report	3 September 2013
Annual Audit Letter	26 September 2013
Certification report	To be issued in December 2013



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Coventry City Council

Public report

Report to

Audit and Procurement Committee

18th November 2013

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director approving submission of the report:

Executive Director, Resources

Ward(s) affected:

City Wide

Title:

Half Yearly Fraud Report 2013-14

Is this a key decision?

No

Executive summary:

The purpose of this report is to provide the Audit and Procurement Committee with a summary of the Council's anti-fraud activity for the first half of the financial year 2013-14, focusing primarily on corporate and benefit fraud.

Recommendation:

The Audit and Procurement Committee is recommended to note:

1. The outcome of the Council's response to fraudulent activity during 2013-14 to date.
2. The update provided in respect of the implementation of the Single Fraud Investigation Service.

List of Appendices included:

Appendix One - Significant Frauds April to September 2013

Other useful background papers:

None

Has it or will it be considered by scrutiny?

No other scrutiny consideration other than the Audit and Procurement Committee.

Has it, or will it be considered by any other council committee, advisory panel or other body?

No

Will this report go to Council?

No

Report title:

Half Yearly Fraud Report 2013-14

1. Context (or background)

- 1.1 The focus given to fraud in the public sector has increased over the last few years, primarily as a result of the publication by the National Fraud Authority of "Fighting Fraud Locally - The Local Government Fraud Strategy". In response to this document, the Council updated its Fraud and Corruption Strategy during 2012-13 to ensure that it continues to reflect recommended practice.
- 1.2 Whilst the national strategy states that the public sector is dealing with increasing levels of fraud activity, the experience of the Council is that apart from the area of benefit fraud, levels of identified / reported fraud against the Council are still at a relatively low level, in terms of both numbers and value when compared with the size of the organisation.
- 1.3 Over this period, several developments and / or planned changes in approach have been agreed which have or will impact on the Council's approach to fraud, including:
 - Responsibility for both corporate and benefit fraud now lies with the Internal Audit and Risk Manager.
 - Given the Council's experience of corporate fraud, a decision was taken to reduce the resources dedicated to this area from two posts to one.
 - Whilst the area of benefit fraud has not been the subject of much change, it needs to be acknowledged that for the last two years, the team has been operating with uncertainty regarding its future. This is due to a decision of Government to merge benefit fraud teams based in local authorities with fraud teams within the Department for Work and Pensions (DWP) and Her Majesty Revenue and Customs (HMRC), to create a Single Fraud Investigation Service.
- 1.4 Given these factors, the previous Audit Committee focused significant time on fraud to gain assurance that the Council has effective processes in place to respond to the risk of fraud. This report documents the Council's response to fraudulent activity during the first half of 2013-14, and is presented to the Audit and Procurement Committee in order to discharge its responsibility, as reflected in its terms of reference *'to monitor Council policies on whistle blowing and the fraud and corruption strategy'*.

2. Options considered and recommended proposal

- 2.1 **Corporate Fraud** – With the limited resources available, the focus of work in this area has been split between co-ordinating the Council's response to the National Fraud Initiative and dealing with reported allegations of fraud. A summary of this activity is detailed below.
 - 2.1.1 **National Fraud Initiative (NFI)** – The NFI exercise is currently led by the Audit Commission, although when the Audit Commission closes in 2015, responsibility will move to the Cabinet Office. The exercise takes place every two years and matches electronic data within and between public bodies, with the aim of detecting fraud and error. Our focus in 2013-14 has been on co-ordinating and investigating the reported matches of potential fraud / error that were received in February 2013. To date, £213,000 of overpayments / error have been identified, as detailed below:
 - Housing Benefit – 37 cases have been completed in relation to benefit fraud. 29 of these relate to the failure of the claimant to declare income, for example a student loan, employment or income from a pension. In six cases, it was established that the claimant

was claiming benefit for more than one property at the same time and in the remaining two cases, checks on the claimant's immigration status led to overpayments being established. As a result:

- One individual was successfully prosecuted for benefit fraud.
- Three administrative penalties and 13 cautions were given, in line with the Council's Benefit Prosecution and Sanction Policy.
- In the remaining 20 cases, whilst an overpayment had been made, fraud was not established.

In total, this has resulted in overpayments of approximately £153k, of which £138k has been passed to the Overpayments Team for recovery. The remaining £15k has been assessed as unrecoverable, as it is classed as local authority error.

- Employment: Payroll to UK Visas - One employee has had their employment contract terminated as it was established that they did not have the right to work in the UK. The Audit Commission regards all monies paid to these individuals since the expiry of their leave to remain as being fraudulent, although in practical terms, such monies are not always recoverable. This case resulted in invalid contract payments of £55,683.
- Other - The other various data matches, have, to date, resulted in:
 - Pensions to Deceased Persons - Two cases were identified where pensions had been paid after the person had died. This resulted in overpayment totalling £2,988.
 - Private Residential Care Homes Payments to Deceased Persons - One case was identified where the Council had continued to make payments to a care home after the resident had died. This resulted in an overpayment of £1,698.

2.1.2 Fraud Referrals / Investigations – Table one below indicates the number of referrals by source in 2013-14, with comparable figures for the previous three financial years.

Table One - Fraud Referrals received between 2010-11 and 2013-14 to date

Source	Referrals 2010-11	Referrals 2011-12	Referrals 2012-13	Referrals 2013-14
Whistle-blower	27	15	14	4
Complaint	2	1	-	1
Manager	15	16	14	8
Total	44	32	28	13

The figures for 2013-14 are comparable to those for 2012-13 but continue to indicate a significant reduction in referrals when compared with 2010-11. We have no real way of determining the reasons for this reduction, but research by the international accountancy firm, BDO does support our experience, highlighting that internal whistle-blowers are likely to be less active in an area of cutbacks and increasing levels of unemployment. Over the next few months, we will be working with colleagues in Human Resources to review the effectiveness of the Council's Whistle-blowing Procedure.

2.1.4 Quality of Referrals and Outcomes – Whilst the number of referrals received is similar to 2012-13, the quality of referrals has generally not been high. Whilst acknowledging that two referrals are still being assessed as this report is being written, only two referrals received this year have resulted in a full investigation being carried out. The reason why referrals have not led to a full investigation is primarily due to insufficient evidence on which to pursue an investigation. This can be for various reasons including (i) anonymous referrals, preventing us from contacting the whistle blower for clarification and / or further information, or (ii) the nature of the event being a 'one-off' situation and the practicality of proving that an event in the past has actually taken place. Even in the two cases where a full

investigation was carried out under the Council's disciplinary procedure, this was considered the only way that the issues could be pursued. In both cases, it was concluded there was insufficient evidence to pursue these matters further.

- 2.2 **Benefit Fraud Team** – The performance in terms of administered sanctions, is reflected in table two below, along with comparative figures for the previous three years.

Table Two: Sanctions Administered by the Benefit Fraud Team

	2010-11	2011-12	2012-13	2013-14 to Sept 13
Administered Sanctions	162	189	174	96
Investigators (FTE) in Year	6	5.7	4.3	4.6
Sanctions Per Investigator	27	33	40	42*

* Projected performance based on first six months of 2013-14

Given the performance in 2012-13, a sanction target of 180 was set for 2013-14. Based on performance in the first half of 2013-14, the Benefit Fraud Team is on track to achieve this target. This work to date has resulted in the identification of overpayments (fraud and non-fraud) totalling approximately £0.78 million, which is being pursued for recovery.

- 2.2.1 **Single Fraud Investigation Service (SFIS) Update** – A key issue facing the Benefit Fraud Team is the lack of certainty around its future, given the decision of Government in 2011 to merge local authority benefit fraud teams with their counterparts based in the DWP and HMRC, in order to create the SFIS. In the latest update in August 2013, the Committee was advised that the rollout of the new Service would occur during in 2014-15, although there was no detail around how this Service will be provided.

In September 2013, the DWP issued a further update highlighting that a recommendation was ratified by their Permanent Secretary and Minister to introduce the SFIS as a single organisation within the DWP during 2014-15. Whilst details (including human resources implications and the impact on people currently working on fraud investigations and prosecutions) underpinning this approach have yet to be agreed, the update indicated that the approach being considered is based on the following planning assumptions:

- Investigation of housing benefit and council tax benefit fraud will move to the DWP.
- Investigation of Local Council Tax Support will remain with local authorities.
- DWP investigators will request information and evidence from local authorities to support their investigations.

Further updates on this matter, including the Council's response to the recent update will be communicated to the Audit and Procurement Committee when appropriate.

- 2.3 **Council Tax Discounts / Exemptions Update** – In August 2013, the Audit and Procurement Committee received a briefing note on the response by officers to the Internal Audit review of Council Tax Discounts and Exemptions. This highlighted that as a consequence of the key audit finding that exemptions to council tax were still being given despite evidence that they were no longer valid, a project led by an officer from the Benefit

Fraud Team had been instigated to better understand the scale of this problem. To date, the project has resulted in revised bills to the value of £42,000 (in addition to the £63,000 identified in the Internal Audit review) being issued to the appropriate customers. There is an expectation that this figure will increase in the coming months when work on certain categories of exemptions / discounts has been completed.

2.4 Significant Frauds – Within the International Auditing Standards, there are clear expectations regarding the level of oversight that the Audit and Procurement Committee should have in relation to the risk of fraud within the Council. This includes an expectation that appropriate detail is provided in respect of significant fraud. We have applied the following principles when defining significant fraud:

- A financial impact in excess of £10,000.
- Frauds of under £10,000 can be included if the Internal Audit and Risk Manager considers this is justified by the nature of the fraud.
- In terms of establishing when a fraud has occurred, we have applied two approaches, dependant on the area where the fraud has been committed. Where these relate to benefits, these are defined as occurring when the case has been through the legal process and the case has been concluded. For all other cases, this is defined as occurring when the fraud has been detected and / or reported.

2.3.1 In the period April to September 2013, 15 significant frauds have been concluded. All relate to the area of benefit fraud, and in all but one case have resulted in successful prosecutions. In the one case, an alternative sanction was administered in line with the Council's Prosecution and Sanction Policy. A summary of these frauds is detailed at Appendix One.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision

4.1 There is no implementation timetable as this is a monitoring report.

5. Comments from Director of Finance and Legal Services

5.1 Financial Implications

All fraud has a detrimental financial impact on the Council. In cases where fraud is identified, recovery action is taken to minimise the impact that such instances cause. This also includes action, where appropriate, to make improvements to the financial administration arrangements within the Council as a result of frauds identified.

5.2 Legal implications

All Housing Benefit fraud cases are conducted in accordance with the Police and Criminal Evidence Act (PACE), Regulation of Investigatory Powers Act (RIPA) and the Data Protection Act (DPA). In terms of corporate fraud cases, investigations are conducted in line with DPA and are referred to the police when considering criminal proceedings.

5.3 Human Resources Implications

Allegations of fraud made against employees are dealt with through the Council's formal disciplinary procedure. The Internal Audit and Risk Service are fully involved in the collation of evidence and undertake, or contribute to, the disciplinary investigation

supported by a Human Resources representative. Matters of fraud relating to employees can be referred to the police concurrent with, or consecutively to, a Council disciplinary investigation.

6. Other implications

6.1 How will this contribute to achievement of the council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The scope and content of this report is not directly linked to the achievement of key Council objectives, although it is acknowledged that fraud can have a detrimental financial impact on the Council.

6.2 How is risk being managed?

The risk of fraud is being managed in a number of ways including:

- Through the Internal Audit and Risk Service's work on both the corporate and Benefit Fraud Team. This is monitored by the Audit and Procurement Committee.
- Through agreed management action taken in response to individual fraud investigations.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

Section 149 of the Equality Act 2010 imposes a legal duty on the Council to have due regard to three specified matters in the exercise of their functions:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The "protected characteristics" covered by section 149 are race, gender, disability, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment. The duty to have due regard to the need to eliminate discrimination also covers marriage and civil partnership.

The Council acting in its role as Prosecutor must be fair, independent and objective. Views about the ethnic or national origin, gender, disability, age, religion or belief, political views, sexual orientation, or gender identity of the suspect, victim or any witness must not influence the Council's decisions.

6.5 Implications for (or impact on) the environment

No impact

6.6 Implications for partner organisations?

None

Report author(s):

Name and job title:

Stephen Mangan - Internal Audit and Risk Manager

Directorate:

Resources

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Karen Tyler	Senior Auditor	Resources	16/10/2013	17/10/2013
Janice Evans	Head of Revenues	Resources	17/10/2013	21/10/2013
Sallie Davis	Group Auditor	Resources	16/10/2013	17/10/2013
Hugh Peacocke	Governance Services Manager	Resources	17/10/2013	17/10/2013
Neelesh Sutaria	Human Resources Business Partner	Resources	17/10/2013	17/10/2013
Names of approvers: (officers and members)				
Finance: Lisa Commane	Assistant Director Major Projects and Transformation	Resources	17/10/2013	17/10/2013
Legal: Andrew Burton	Solicitor	Resources	17/10/2013	17/10/2013

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Appendix One – Significant Frauds April to September 2013

Ref	Value of Fraud (£)	Details of Fraud	Referral Mechanism
1	45,506.52	Living Together	DWP
2	24,159.00	Living Together	DWP
3	37,832.29	Non declared Income – Capital	DWP
4	10,761.04	Non declared Income – Working	DWP
5	15,607.40	Living Together	DWP
6	24,927.50	Living Together and Contrived Tenancy	DWP
7	12,165.44	Living Together	DWP
8	15,138.17	Living Together	DWP
9	17,190.47	Living Together	DWP
10	11,417.63	Living Together	DWP
11	15,295.66	Non declared Income – Tax Credit	Housing Benefits
12	22,780.63	Non declared Income – Working	Housing Benefits
13	18,396.04	Non declared Income – Working	Housing Benefits
14	15,788.06	Non declared Income – Working	DWP
15	10,898.08	Non declared Income – Pension	National Fraud Initiative

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Audit & Procurement Committee

18th November 2013

Cabinet Member (Community Safety & Equalities)

18th December 2013

Name of Cabinet Member:

Cabinet Member (Community Safety & Equalities) – Councillor Townshend

Director Approving Submission of the report:

Executive Director, Resources

Ward(s) affected:

None

Title:

Covert Surveillance of Employees Policy and Procedure

Is this a key decision?

No

Executive Summary:

To provide an overview of the proposed procedure for submitting and authorising applications for the covert surveillance of employees.

Recommendations:

The Audit and Procurement Committee is recommended to:

- (1) Note and endorse the content of the report and recommend approval of the Covert Surveillance of Employees Policy and Procedure.

The Cabinet Member is recommended to:

- (1) Consider the draft policy and recommendation from the Audit and Procurement Committee
- (2) Approve the Policy and Procedure for the Covert Surveillance of Employees.

List of Appendices included:

Appendix 1: Covert Surveillance Employees Policy and Procedure

Appendix 2: Covert Monitoring of Employees Form: Authorisation for Covert Monitoring of Employees

Other useful background papers:

Nil

Other useful background information:

Nil

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes

Audit & Procurement Committee on 18th November 2013

Will this report go to Council?

No

1. Context (or background)

- 1.1 The Information Commissioner's "Employment Practices Code" (the Code) provides guidance to employers on the use of covert surveillance of employees. Compliance with the Code promotes good practice and ensures that the Council complies with the Data Protection Act 1998 and the Human Rights Act 1998. The information obtained as a result of surveillance can later be relied upon in disciplinary proceedings and court proceedings provided that the Code is complied with.
- 1.2 The Code states that the surveillance should be normally authorised by Senior Management. The role of Senior Management is to:
- (1) Ensure that there are grounds for suspecting criminal activity/serious malpractice;
 - (2) Make certain that the correct procedures have been followed and all relevant factors taken into account;
 - (3) Consider whether the surveillance is necessary and proportionate.

2. Options considered and recommended proposal

- 2.1 The Council has the option not to have a policy relating to covert surveillance of employees. However this is not considered to be the best option because any surveillance carried outside of such a policy may not comply with the requirements of the Code and potentially constitute a breach of the Human Rights Act 1998 and or the Data Protection Act 1998.
- 2.2 Therefore the preferred option is to adopt the policy and procedure for the covert surveillance of employees attached to this report. The draft document is based upon the requirements set out in the Code.
- 2.3 The Monitoring Officer will review applications, authorisations, refusals, extensions and cancellations in conjunction with Internal Audit (as appropriate) on a regular basis and at least every 2 years.
- 2.4 The proposed policy will be reviewed on a regular basis and amended to reflect any changes in the organisation, good practice and or relevant legislation

3. Results of consultation undertaken

- 3.1 The development of this internal procedure has been based on guidance from the Information Commissioners Office and does not require public consultation. However, since the procedure relates to employees, it was presented to the Unions at the Trade Union Core Group Meeting on the 17th September 2013. The Unite and GMB unions subsequently proposed a number of amendments which are largely reflected in the attached draft. For instance, the Monitoring Officer must approve all applications before any surveillance is carried out,

applications must demonstrate that all reasonable alternatives to covert surveillance have been considered (including speaking to the individual(s) concerned) and the policy documentation and the register of applications will be reviewed on an annual basis.

- 3.2** The Unions suggested that the wording of the Policy mirror that of the Code so that Covert Surveillance is used only where there are reasons to suspect “criminal activity or equivalent malpractice”. However, the meaning of “equivalent malpractice” is considered to be unclear and arguably amounts to criminal activity. Therefore, the draft policy proposes the use of covert surveillance where there is “suspected criminal activity or serious malpractice”.
- 3.3** Paragraph 6.2 of the draft policy and procedure requires that employees are notified of any disciplinary action arising as a result of the covert surveillance as soon as is reasonably practicable, The Unions requested that this reference be made earlier in the document. However, the procedure deals with each stage of the process in turn, therefore the reference remains unchanged.

4. Timetable for implementing this decision

- 4.1** Upon approval of the procedure a communication will be sent out via the Beacon Daily Roundup and Core Brief processes to inform staff of the revised procedure, which will be published to the Council's Information Governance Intranet pages.
- 4.2** Upon approval of the procedure, the Council will collate statistical information relating to the authority's use of covert surveillance, which will be published on the Council's Internet page in order to support its commitment to the openness and transparency agenda.

5. Comments from Executive, Resources

- 5.1 Financial implications** – There are no direct financial implications arising from these changes.
- 5.2 Legal implications** – When undertaking covert surveillance the Council must ensure that it complies with the requirements of the Data Protection Act 1998. Covert surveillance is likely to involve the processing of personal information about living individuals (e.g. recording movements of employees or taking photographs).

Surveillance must also be undertaken in compliance with the Human Rights Act 1998. Under Article 8 of the Act everyone has the right to respect for his private and family life, his home and his correspondence. To satisfy Article 8, the covert surveillance must be both necessary and proportionate.

Conducting covert surveillance of employees in accordance with the proposed procedure will ensure that the Council complies with its obligations under the Data Protection Act 1998 and the Human Rights Act 1998. Failure to carry out surveillance in accordance with the Policy and Procedure may render any evidence gathered inadmissible in any subsequent disciplinary/criminal proceedings.

6. Other implications

The procedure is intended to protect employees and the Council in circumstances where the Regulation of Investigatory Powers Act 2000(RIPA) does not apply. In his annual report 2011/12, the Chief Surveillance Commissioner emphasised that in circumstances where RIPA did not apply, organisations should adopt proper authorisation procedures, where surveillance outside of RIPA is proposed.

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

Such surveillance will help support the Council to assisting preventing and detecting a crime or serious malpractice in respect of employees.

6.2 How is risk being managed?

The requirement for the Council to seek Senior Management approval for any proposed use of surveillance reduces the risk of the Council undertaking such surveillance inappropriately and unlawfully. This will help ensure that the rights of employees are protected and any evidence obtained from such use will be admissible in a disciplinary and or a court of law.

6.3 What is the impact on the organisation?

There is no additional impact on the Council.

6.4 Equalities / EIA

When developing or amending policies and procedures to support the use of directed surveillance, consideration is given to any impact on equalities.

6.5 Implications for (or impact on) the environment?

There are no implications on the environment.

6.6 Implications for partner organisations?

There are no implications on partner organisations.

Report author(s):**Name and job title:** A. Bajaj, Senior Solicitor, Legal Services.**Directorate:** Resources**Tel and email contact:** 024 7683 3085 anjeli.bajaj@coventry.gov.uk;

Enquiries should be directed to the above.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
S Brake	Assistant Director, Policy & Performance/ Caldicott Guardian (RIPA Monitoring Officer & Senior Responsible Officer)	People Directorate	14/10/2013	15/10/2013
S Mangan	Audit & Risk Manager	Resources Directorate	14/10/2013	15/10/2013
H Peacocke	Governance Services Officers	Resources Directorate	21/10/2013	4/11/2013
Names of approvers for submission: (officers and members)				
N Chamberlain	Finance Manager	Resources Directorate	17/10/13	17/10/13
H Lynch	Governance & Litigation Manager	Resources Directorate	21/10/2013	21/10/2013
C West	Executive Director	Resources Directorate	14/10/2013	8/11/2013
Councillor Sweet	Chair, Audit and Procurement Committee	Coventry City Council	21/10/2013	29/10/2103
Councillor Townshend	Cabinet Member (Community Safety and Equalities)	Coventry City Council	21/10/2013	29/10/2013

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www.coventry.gov.uk/councilmeetings**Appendices:**

1.Covert Surveillance Employees Policy and Procedure

2.Covert Monitoring of Employees Form: Authorisation for Covert Monitoring of Employees

UNCLASSIFIED

Covert Surveillance of Employees Policy and Procedure

Status/Version: 1.0 For Approval
Effective:

1. Introduction

- 1.1 This policy is based on the Information Commissioner's "Employment Practices Code". It sets out the procedure to be followed if Covert Surveillance of Employees is required. Adherence to the policy promotes good practice and ensures compliance with the Data Protection Act 1998 and Human Rights Act 1998.
- 1.2 Employees are made aware of the nature and extent of surveillance via the most appropriate means, e.g. employment contracts, code of conduct, relevant policies.

2. What is covert surveillance

- 2.1 Covert surveillance means monitoring carried out in a manner calculated to ensure those subject to it are unaware that it is taking place.

3. When should it be used

- 3.1 Covert surveillance of employees should only be used in exceptional circumstances.
- 3.2 It must be necessary, proportionate and only used if there are grounds to suspect criminal activity or serious malpractice by an employee.
- 3.3 The Council's Monitoring Officer or their nominated representative must authorise all applications for the covert surveillance of employees before such surveillance is commenced.

4. Procedure

- 4.1 Managers should liaise with HR and Internal Audit if they have concerns around employee conduct. Internal Audit will consider whether the use of Covert Surveillance is appropriate.
- 4.2 If covert surveillance is deemed appropriate, Internal Audit will complete an application form (attached at Appendix 1) to be submitted to the Monitoring Officer for consideration. The application must clearly demonstrate:
- Who will be undertaking the surveillance, the purpose and duration;
 - Details of any proposed surveillance equipment;
 - The reasons for covert surveillance
 - The likely benefits to be gained;
 - Evidence of necessity and proportionality
 - Any likely adverse impact(s) of the surveillance to both the employee concerned and others who might be affected by it, e.g. confidential intrusion;
 - Evidence that all reasonable alternative methods of surveillance (e.g. relevant HR policies have been followed, obtaining statements, interviews etc.) have been duly considered including speaking to the individual(s) concerned;
 - Evidence of appropriate consideration to risk assessment, insurance and health and safety issues, together with any required provisions being put in place prior to the surveillance taking place;

- If a private investigator is employed to carry out the covert surveillance, confirmation that there is a contract in place that requires the private investigator to only collect information in a way that satisfies the employer's obligations under the Act.

4.3 The application form must be marked private and confidential and/or password protected.

5. Authorisation

5.1 Covert Surveillance will only be authorised if the Monitoring Officer/nominated representative is satisfied that it is necessary, proportionate and that there are grounds to suspect criminal activity or serious malpractice. The Monitoring Officer may either sign the application form or use email to convey their decision.

5.2 In considering the application, the Monitoring Officer shall have regard to other relevant council policies procedures.

6. Outcome of the surveillance

6.1 If covert surveillance substantiates the alleged criminal activity/serious malpractice, all evidence obtained must be passed to HR to deal with in accordance with the Council's disciplinary policy and procedures.

6.2 Where allegations are substantiated, the employee must be informed as soon as is reasonably practicable.

6.3 All requests to extend or cancel covert surveillance must be made in writing to the Monitoring Officer.

7. Storage/Retention/Requests for information

7.1 If allegations of criminal activity/serious malpractice cannot be substantiated, all recorded information will be securely destroyed.

7.2 If allegations are substantiated, all recorded information will be stored securely in accordance with the Council's corporate retention and disposal policy.

7.3 Requests from the data subject, or their authorised representative, for details of a covert operation will be managed via the Council's Subject Access Request process.

8. Register

8.1 The Monitoring Officer will keep a register of all applications, authorisations and reasons for refusing any applications for covert surveillance on a rolling 3 year period.

8.2 The Monitoring Officer will review the applications, authorisations, refusals, extensions and cancellations in conjunction with Internal Audit (as appropriate) on an annual basis.

9. Training

9.1 All officers involved with covert surveillance will undertake appropriate training.

Document Control:

The documentation will be reviewed on a biannual basis.

Version History

Version	Status	Date	Author	Summary of Changes
1.0	For Review	September 2013	A Bajaj	Initial document

Reviewers

Name	Role	Business Area
Neelesh Sutaria	Senior HR Officer	Resources Directorate
G Carter	Senior Solicitor, Employment	Resources Directorate
S Mangan	Inter Audit & Risk Manager	Resources Directorate
J Hutchings	Information Governance Manager	Resources Directorate

Management Review

Name	Role	Business Area
C West	Executive Director	Resources Directorate
S Brake	Assistant Director, Policy & Performance/Caldicott Guardian (RIPA Monitoring Officer & Senior Responsible Officer)	People Directorate / Chair of JIST
C Forde	Assistant Director, Legal Services	Resources Directorate
S Roach	Deputy Director, Strategy & Communities	People Directorate
S Iannantuoni	Assistant Director, HR	Resources Directorate
TU Core Group	Trade Union	

Member Approval

Name	Date
Cllr Townshend Cabinet Meeting (Community Safety & Equalities)	
Audit & Procurement Committee	

Distribution

Name	Organisational Department	Format
All	Intranet	Word Document

Enquiries regarding this procedure should be directed to Legal Services.

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Appendix 1

COVERT SURVEILLANCE OF EMPLOYEES APPLICATION FORM

Guidance Note:

1. Applicants and the Monitoring Officer must comply with the City Council's Covert Surveillance of Employees Policy and Procedure, Information Commissioner's guidance on Employment Practices Code; Data Protection Act 1998; Human Rights Act 1998 and any other guidance issued from time to time.
2. The application must include detailed evidence to demonstrate a justifiable need for covert surveillance.
3. Data Protection Act 1998: The details provided on this form will be used in connection with covert surveillance and any Court or tribunal action taken in connection with same. The information may also be shared with employees, consultants and relevant inspectorate bodies employed in connection with any action taken.
- 4.

1 Section 1 (To be completed by applicant)

Subject of Covert Surveillance		Unique Identification Number (UIN)			
Directorate			Year	Directorate	Number

2 Details of Application (To be completed by applicant)

2a	Describe the Purpose of the Surveillance	
2b	Identify on what Grounds the Surveillance is Necessary (<i>eg what other methods have been considered? Have all internal procedures been exhausted? </i>)	
2c	Explain why the Surveillance is Proportionate to what it Seeks to Achieve (<i>eg Cost to the public, detriment to others?</i>)	
2d	The Nature of the Surveillance to be Authorised, including any Premises or Vehicles involved (<i>give clear and full details</i>)	

3	Details of the Subject of Covert Surveillance as in Box 1	
	Name	
	Home Address (only if required for surveillance)	
	Work location	
	Additional Information (as appropriate)	

4	Explanation of the information that should be obtained from the surveillance: <i>(benefits that justify and any adverse impact; details of the location(s) where surveillance will take place; a map; as well as a written description if necessary)</i>	

5	Details of any equipment to be used and the ability of the person fitting/using the equipment:	
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6	Details of any potential collateral intrusion and why the Intrusion is unavoidable: <i>(include steps to be taken to minimise collateral intrusion and what consideration to Human Rights has been given?)</i>	

7	Confidential Information: indicate the likelihood of obtaining any confidential information. <i>(If confidential information will be obtained the authority for the surveillance MUST be signed by the Chief Executive).</i>	

8	Start Date		
	End Date		

9	Applicant's Details	
	Name (print):	
	Job Title:	
	Applicant's Signature:	

Authorising Officer's Comments

10	Authorising Officer's Statement: Comments Explaining Why (in their view) the Surveillance is/is not Necessary and Proportionate:		
	<p><i>(Describe why the surveillance is necessary, whom the surveillance is directed against, where it will take place, what surveillance activity/equipment is sanctioned, how it will be achieved. NB: Such comments and/or authorisation may have to be provided via email. Consequently the form may not always contain a physical signature).</i></p> <p>I hereby recommend authorisation/rejection (delete as appropriate) for the surveillance as described for the following reasons:</p>		
	Name (print):		Job Title:
	Signature:		Date:
	Email Authorisation	An authorising email will need to be attached to this form in the absence of a physical signature	Details of email Date Authorising Officer

**Document Control:
Version History**

Version	Status	Date	Author	Summary of Changes
1.0	For Approval	September 2013	A Bajaj	Initial document

Reviewers

Name	Role	Business Area
N Sutaria	HR Business Partner	Resources Directorate
G Carter	Senior Solicitor, Employment	Resources Directorate
J Hutchings	Information Governance Manager	Resources Directorate

Management Approval

Name	Role	Business Area
C West	Executive Director	Resources Directorate
S Brake	Assistant Director, Policy & Performance/Caldicott Guardian (RIPA Monitoring Officer & Senior Responsible Officer)	People Directorate / Chair of JIST
C Forde	Assistant Director, Legal Services	Resources Directorate
S Roach	Deputy Director, Strategy & Communities	People Directorate
S Iannantuoni	Assistant Director, HR	Resources Directorate
TU Core Group	Trade Union	

Member Approval

Name	Date
Cllr Townshend Cabinet Meeting (Community Safety & Equalities)	
Audit & Procurement Committee	

Distribution

Name	Organisational Department	Format
All	Intranet	Word/.pdf



Coventry City Council

Briefing note

To
Audit and Procurement Committee

Date 18 November 2013

Subject Responses to ICT Related Jeep Suggestions

1 Purpose of the Note

- 1.1 To provide responses from ICT Services to staff suggestions made under the JEEP campaign.

2 Recommendations

Audit & Procurement Committee are asked to note the responses.

3 Information/Background

The original suggestions and responses are shown below/

Suggestion:

“Something I've been thinking of for a while which could save some money for the council is in the purchase of new IT equipment. I note that the council used to buy Blackberries which is sensible as they can connect easily to an Outlook server, however the new purchase of Apple devices seems less correct.

Personally I have an android device and I could purchase a license to connect to outlook easily. The program supports remote wiping should it be lost (so you can wipe all the emails and contacts from the IT machines) and it integrates with outlook so you can manage your emails, contacts, tasks and calendar the same or similarly to the desktop program. I know that Google themselves produce a tablet as a loss leader which is reputed to be one of the best on the market and obviously supports the widest range of applications as it is from the same company as the operating system. Instead we, as a council, have opted for Apple products, which causes me multiple concerns.

Apple products are considered prestigious and that seems in poor taste in the current economic climate

Apple uses a completely different operating system which is proprietary and is based on a different kernel to Microsoft which means there has to be additional support in place for the Apple OS (iOS if I recall correctly). Whilst this would also be true for any Android device,

their commonality with the common smart phone would make it easier to fix. Also the trend with these products would be to make them more like Windows to fit in better.

Apple uses all proprietary connections and parts. If an employee has a charger for his Android device then it's common that it will fit another Android device like their smartphone which cuts down on the number of PAT tests required and the resulting mess of cables. It would also be possible to have charging points where any device requiring that connection could be plugged in which would be a boon to any officer.

As a wider solution, we should be using Google Chrome as our default browser as it is internationally recognised as the most secure internet browser (noted as being broken for the first time in the 2012 Pwn2Own contest where hackers are pitted against browsers). In addition, using android based devices, a profile could be used which would ensure that the users desktop experience would be mimicked on their mobile browser which should end up in saving lots of time.

Certainly the best solution from an IT standpoint would be that we use Windows based mobile solutions.

The user would be familiar with the controls and interface

The machine would be running compatible software

The IT support should be parallel to the normal desktop support

Direct support for Outlook an MS Office as a whole would be default

I do understand that Windows based mobile devices cost more but I would wager that the long term saving could well outweigh the initial outlay on hardware and as a council it is our on-going costs which I would expect us to focus upon.

To return to the problem in and around the use of Apple devices also applies to the creation of local WiFi networks. People know what Facetime is and will have heard about people getting iPads for free (which is how it will be viewed) so pointing it out to them by labelling the networks in such an obvious fashion it is rubbing salt into the wound. Surely it should be labelled up simply as network 1, 2 and 3.

In regard to the broader use of mobile devices, if certain officers are being given these devices as part of their work then there should be a facility which is well publicised where other officers should be able to register a piece of their personal IT equipment for use in the office. For example, I have a tablet and would find it useful to be able to access my email from anywhere in the council. Surely it makes sense for the council to support me in this as it would lead to higher productivity for no outlay on hardware and yet the only advice I have had is that it's a potential security problem. If senior officers can have a free gadget which isn't a security problem then I should be able to volunteer my own device to be secured and used for work purposes.

Going back to Google, it would make sense to approach this as a whole issue if you're looking for real cost reductions. Perhaps approaching Google as Hillingdon Borough Council did would yield savings both in the current setup of the Council's IT and any expansion into mobile computing. Perhaps through an approach, discounts could be arranged on the purchase of devices, better mobile solutions could be looked into and a partnership could be developed so that our staff could be cross trained and we may be able to tap into their resources to solve some of the long standing IT issues which plague us on a daily basis such as arranging the various databases which use address information to all reference one singular list of addresses. A quick search has yielded me the following link <http://www.google.co.uk/enterprise/apps/government/> which shows some of what Google are currently doing to save costs in the public sector.

I know that this will seem like an over reaching suggestion for saving costs but looking at the overall picture it seems that the current ICT support is struggling to meet the demands of the users (I use Confirm, Servitor and Opti-Time on a daily basis and the three don't work together as an integrated whole which causes us many issues and cost) therefore by taking some of the load away from ICT it should be possible to ensure that the business needs are met as well as saving on costs related to licensing, support and infrastructure.”

Response:

ICT continues to test the market and evaluate new technologies as they become available, to assess both their utility, cost effectiveness and suitability for deployment within the organisation. Apple products have been trialled with Councillors and senior Council officers as part of this approach, and have led to productivity increases and a reduction in costs, particularly paper.

ICT are actively in the process of replacing Blackberry devices with Windows smartphones which are cheaper to buy and maintain as well as offering a better user experience.

ICT has been working closely with colleagues in Information Governance and the Joint Information Security Team (JIST) group to develop a “bring your own device” policy, complemented with an appropriate technology solution which would:

Enable staff with a valid business case to use their own privately owned device to access email and calendar entries.

Ensure that all Council information was appropriately encrypted and secured to minimise the risk of sensitive information finding its way into unauthorised hands.

ICT are also trialling Windows tablets to see if they offer a better cost and usability alternative to iPads for deployment within the Council.

The ICT Strategy since April 2011 has been to adopt software which could operate using any browser, rather than any manufacturer specific product. This requirement has been built into procurement of all ICT systems. It is the case, however, that older ICT systems do not always have this capability. Procurement and implementation of new systems is not a trivial matter, involving significant cost, time, planning and testing to ensure success. This is also true for integrating systems, which can be very costly: nevertheless, automation of processes through increased integration is high on our agenda where there is a clear business case to do so.

Regarding a wider adoption of Google technologies, ICT has continued to monitor changes in the market. We are also actively engaged with our counterparts in Warwickshire County Council who have been trialling Google Apps for some time. There are significant challenges, including integration with existing applications and also commercial considerations. Furthermore, ICT recently entered into a new Enterprise Agreement with Microsoft: this agreement has provided the organisation with access to the latest technologies compatible with our existing products at a competitive rate whilst ensuring that the Council is fully compliant with necessary licensing.

Suggestion:

*“A few ideas around IT services which I believe could make good long term savings
Development of an Access hub of people to develop simple database solutions for internal customers. It would be most useful in Business Services but could potentially*

go Council-wide. The saving would be that a lot of manual processes are being carried out with repetitive operations/ calculations. With wider use of Access these processes could be computerised. Also with simple solutions such as putting the flexi sheets on an access setup then it would be far simpler for a manager to keep an eye on the timekeeping of all the staff rather than having to go through the individual sheets/ records.

IT Support tends to be done at a department level and there is little done for a team. For example we receive a lot of reports from Confirm which no longer have any purpose or need to be updated. To get these altered would require long conversations with IT staff who often are unaware of the need for the changes requested and it would be more efficient if we had someone with access on the floor who could take on these tasks and communicate with IT where necessary but otherwise work on their own initiative. This would allow the various systems in use by the Council to be properly tuned to the department they are used in.”

Response:

ICT fully support the use of technology to optimise business processes, particularly if those process are currently manual. However, the use of Microsoft Access is not a sustainable solution. Microsoft Access allows for data to be stored in non-secure and unstructured/inefficient way. ICT are continually working to consolidate the number of systems and data stores that we have as an organisation (we currently have upwards of 300). We would not support the creation of more ad-hoc data stores and therefore potentially uncontrolled data-sets. Traditionally we have found that, where Microsoft Access has been used to provide a Business Solution, there has been inconsistency in how those systems are supported by the business. Generally the databases have been created by a single person who has then left the organisation with all of the knowledge as to how the database has been created and how to support and maintain it. If there are genuine business requirements for an ICT solution we encourage service areas to raise the matter with their ICT Business Account Manager

In terms of services having a greater level of access to configure their business systems then this is something that we can investigate. However, careful consideration would need to be given to the functionality of the line of business system and the access that is required. The primary concern has to be the protection of the data and security/integrity of the system. There would also need to be the enforcement of a robust Change Management process to ensure that any changes being made to configuration are performed in a controlled and safe manner. If there are specific examples/requirements for system configuration changes this should be the subject of a dialogue with the relevant ICT Business Account Manager.

Suggestion:

“Not having 3G on ipads”

Response:

The iPads currently provided for use by Council staff are provided primarily as replacements for Blackberry devices where other functionality is required, subject to a business case. Whilst it is possible for iPad users to connect via Wi-Fi to access emails and corporate systems in an increasing number of locations, Wi-Fi connectivity is not yet ubiquitous. Therefore a 3G connection is required to ensure that iPad users can send and receive emails, connect to council systems etc. where there is no available WiFi connection.

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