



AUDIT COMMITTEE – 11TH JUNE 2014

SUBJECT: REVIEW OF EMPLOYEE SURVEILLANCE BY WALES AUDIT OFFICE (WAO)

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & S 151

1. PURPOSE OF REPORT

- 1.1 To report to Audit Committee Members the findings of a review undertaken by PricewaterhouseCoopers (PWC) on behalf of WAO.

2. SUMMARY

- 2.1 The review is attached as Appendix 1. The review has concluded that there were a number of shortcomings historically in respect of the use of employee surveillance including the procurement arrangements in respect of the use of a company to provide those services.
- 2.2 Concerns surrounding the use of employee surveillance were reported to the Policy and Resources Scrutiny Committee on 16 April 2013. At that time, the use of employee surveillance was put on hold until a number of actions were successfully concluded in respect of an update of policy, to include engagement with the Trade Unions, the implementation of a robust procedure, to include impact assessments, followed by a formal procurement process.
- 2.3 The Policy and Resources Scrutiny Report is attached as Appendix 2.

3. LINKS TO STRATEGY

- 3.1 Robust formal procedures and proper procurement arrangements are a key aspect of good corporate governance.

4. THE REPORT

- 4.1 The Authority's use of employee surveillance had attracted much attention in the Spring/early Summer 2013. The shortcomings in respect of the use of this type of Surveillance were formally and publicly acknowledged in a report to Policy and Resources Scrutiny 16 April 2013. Following that meeting, Cabinet agreed on 30 April 2013:-

"The report provided details of employee surveillance undertaken by the Authority, the legal framework for such activity, the process for agreeing employee surveillance, the background to the appointment of Conquest Surveillance and the associated costs and benefits.

The Policy and Resources Scrutiny Committee discussed the report in detail at its meeting on 16 April 2013. A Trade Union representative had also been granted permission to address the Scrutiny Committee in respect of this item.

Cabinet considered the report in detail and it was proposed and seconded that the recommendations from the Scrutiny Committee be endorsed. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report:-

- (1) The content of the report be noted*
- (2) A formal procurement process be undertaken for a contractor to undertake employee surveillance and during this period surveillance remain suspended.*
- (3) The Authority engage in detailed discussions with the Trade Unions with a view to the development of the current robust procedures into an HR policy document which will be made available to all members of staff."*

4.2 Since April 2013, employee surveillance has not been undertaken. The Authority has been awaiting the WAO report prior to engaging with the Trade Unions in respect of updating relevant policies. Formal procedures will also need to be updated, agreed and implemented. Finally, a formal procurement process will be undertaken. Updates in respect of the above will be reported to Policy and Resources Scrutiny Committee.

4.3 Due to the implications of the Medium Term Financial Plan and the requirement for Human Resources to focus on introducing a range of new policies to deal with the impact of the savings required, this piece of work has not been seen as a priority especially as employee surveillance is no longer taking place.

5. EQUALITIES IMPLICATIONS

5.1 A full Equalities Impact Assessment has not been undertaken on this report, which is for information purposes only. There are, however, clear Equalities and Human Rights issues involved in operating any form of surveillance on employees who are entitled to the right of privacy, liberty etc. under the Human Rights Act.

6. FINANCIAL IMPLICATIONS

6.1 There has been a charge to the Authority by WAO for the work undertaken in respect of this review of £6.5 k.

7. PERSONNEL IMPLICATIONS

7.1 None relating to this report.

8. CONSULTATIONS

8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

9.1 Audit Committee Members are requested to note the contents of the review by WAO, particularly the shortcomings that have been highlighted.

9.2 Audit Committee agree that progress to resolve the shortcomings should be reported to P & R Scrutiny Committee, acknowledging that workforce strategies and managing the impact of savings proposals will need to remain as the key priority during the next year.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that prior to the commencement of a formal procurement process, relevant policies and procedures will be implemented. This will include engagement with Trade Union representatives.

11. STATUTORY POWER

- 11.1 Local Government Act 1972.

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Stuart Rosser, Interim Chief Executive
Richard Harris, Internal Audit Manager
Cllr Chris Forehead, Cabinet Member for HR & Governance / Business Manager
Cllr B Jones, Deputy Leader & Cabinet Member for Corporate Services

Background Papers:
WAO file

Appendices:

Appendix 1 Review of Employee Surveillance - WAO

Appendix 2 Surveillance of Employees – Policy & Resources Scrutiny Committee 16 April 2013