

AMBER REPORTS ISSUED QUARTER 1 2014/15

CLARITY LIVE – Leisure Services ICT System

1. Introduction and Scope

- 1.1 An audit review commenced on 10th January 2014, to provide an opinion on the control environment and a level of assurance for the Clarity IT System. The scope of the audit was agreed by Rachel Threadgold, Community Sport and Physical Activity Group Manager.
- 1.3 We would like to thank the following for their help during the audit :
- ** Various Receptionists
 - ** Administration Officer
 - ** Technical Architect ICT
 - ** Senior Infrastructure Officer ICT
 - ** Programme Manager ICT
 - ** ICT Account Manager
 - ** Senior Application Support Officer ICT

2. Management Summary and Overall Opinion

- 2.1 Based on the work carried out and the level of assurance provided by the controls for this audit area our opinion is Limited - whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.
- 2.2 Recommendations have been made to improve the controls found to require improvement and these are categorised as shown below.

Recommendation Category & timescale	Number	Percentage
Legal Requirement – immediate implementation		
Financial Regulation – immediate Implementation	3	25%
Policy/Procedure – implementation within a month of agreement to the report.	9	75%
Best Practice – implementation at a mutually agreed date		
Total	12	100%

- 2.3 The implementation of the recommendations made in this report will further strengthen the controls and processes in this area.

MIS HEADWAY – PLANNING SERVICES ICT SYSTEM

1. Introduction and Scope

- 1.1 An audit review commenced on 4 November 2013 but was deferred until January 2014 due to operational reasons. The scope of the audit was agreed by the Development Manager.
- 1.2 We would like to thank the following for their help during the audit:
- ** Development Manager
 - ** Planning Business Support Officer

- ** ICT Team Leader
- ** GIS Application Specialist - ICT
- ** Senior Infrastructure Officer - ICT

2. Good Practice Areas

- 2.1 During the audit a number of good practice areas within the processes for the MIS Headway application were identified. These included:
- ** Users are uniquely identified in the system;
 - ** System administrators are kept to a minimum;
 - ** Training is ongoing for front line staff;
 - ** Data validations are comprehensive;
 - ** Workflow processing ensures optimum allocation of jobs to technical staff;
 - ** Audit trails are enabled for selected data inputs;
 - ** The system is routinely backed up and backup logs examined.

3. Management Summary and Overall Opinion

- 3.1 Based on the work carried out and the information in paragraph 3.2 below the level of assurance provided by the controls for this audit area our opinion is **Limited** (whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and /or there is evidence of non-compliance with some key controls). This grading was agreed with the Development Manager at the on-site exit meeting.
- 3.2 The Council at the time of the review was in a difficult position due to a legal dispute with MIS Headway the software supplier in respect to the system and its future compatibility/sustainability. There is a planned upgrade to the GIS (ESRI) element to the system which will render the Planning and Building Control Application unusable. There is a possibility that the system will be disposed of by the current provider (MIS) to a third party but the future support for the GIS element was still unclear at the time of review. Therefore at the time of the audit review it is not possible to provide a higher level of assurance due to the uncertain future of the system and the impact this could have on Council services and potentially other systems.
- 3.3 Recommendations have been made to improve the controls found to be unsatisfactory and these are categorised as shown over the page.

Recommendation Category& timescale	Number	Percentage
Legal Requirement – immediate implementation		
Financial Regulation – immediate implementation	-	-
Policy/Procedure – implementation within a month of agreement to the report.	-	-
Best Practice – implementation at a mutually agreed date	4	100%
Total	4	100%

- 3.4 The implementation of the recommendations made in this report will further strengthen the controls and processes in your area.

PURCHASE LEDGER – FINANCE AUDIT & INFORMATION GOVERNANCE

1. Introduction and Scope

- 1.1 An audit review commenced in February 2014 to provide an opinion on the control environment and a level of assurance for Purchase Ledger – Purchase to Pay processes. The scope of the audit was agreed by the Employment Services and Purchase Ledger Manager.
- 1.2 We would like to thank the following for their help during the audit:
- ** Employment Services & Purchase Ledger Manager
 - ** Purchase Ledger Team Leader
 - ** Agresso Support Officers
 - ** Purchase Ledger Officers
 - ** Senior Accountant (Taxation)
 - ** Business Support (Children Safeguarding)
 - ** Senior Print Officer

2. Good Practice Areas

- 2.1 During the audit a number of good practice areas within the process for Purchase Ledger – Purchase to Pay were identified. These included:
- ** Easy to use video guidance available on the intranet
 - ** A monthly Agresso newsletter.

3. Management Summary and Overall Opinion

- 3.1 On the basis of the work carried out, our opinion based on the level of assurance provided by the controls for this audit area is limited - whilst there is basically a sound system of control, there are some weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls
- 3.2 Unfortunately due to unforeseen circumstances the PL Team Leader was originally unavailable during key parts of the audit and therefore some information could not be verified prior to the issue of the draft report but was subsequently clarified and updated during discussions about the draft report. As a result a recommendation was included about this single point of failure as other team members were unable at this time to assist and appeared to be unable to cover this work (this has now been addressed). Single points of failure are an inevitable consequence of the continued extreme pressure on resources – particularly in back-office areas which have to date faced average resource reductions of 40%.
- 3.3 Recommendations have been made to improve the controls found to be unsatisfactory and these are categorised as shown below.

Recommendation Category & timescale	Number	Percentage
Legal Requirement – immediate implementation	1	3%
Financial Regulation – immediate implementation	1	4%
Policy/Procedure – implementation within a month of agreement to the report.	31	92%

Best Practice – implementation at a mutually agreed date	1	4%
Total	34	100%

3.4 As part of this audit we have also followed up the implementation of recommendations made in the previous audit. The table below shows the action taken since that audit:

Recommendation Category	Implemented	Not Implemented	Superseded
Legal Requirement	1		
Financial Regulation			
Policy/Procedure	10	14*	2
Best Practice			
Total	11	14 *	2

*Recommendations have been re-iterated in this report but all are in progress with the key reasons for delays in full implementation being:

- a) higher than expected volumes of work partly due to interfaces not materialising;
- b) revised systems to avoid duplicate payments also adversely affected volumes;
- c) long term sickness absence for two members of staff created resource issues and when addressed on a temporary basis there was a delay in productivity due to training and getting up to speed.

3.5 The implementation of the recommendations made in this report and those outstanding from the previous review will further strengthen the controls and processes in Purchase Ledger.

ICT UNSTRUCTURED DATA STORAGE AUDIT – ICT

1. Introduction and Scope

1.1 An audit review commenced on 13th January 2014, to provide an opinion on the control environment and a level of assurance for IT Storage. The scope of the audit was agreed by the Interim ICT Service Delivery Manager.

1.2 We would like to thank the following for their help during the audit.

- ✧ Interim ICT Service Delivery Manager.
- ✧ Technical Architect ICT
- ✧ Senior Infrastructure Officer ICT
- ✧ Information Governance Team leader.
- ✧ Support and Resilience Team Leader.

2. Good Practice Areas

2.1 During the audit, good practice areas within the process for IT storage arrangements were identified. These included:

- Use of proprietary software (VMWare) to manage server storage and load;
- Limiting and controlling use of portable storage media.

3. Management Summary and Overall Opinion

- 3.1 Based on the work carried out and the level of assurance provided by the controls for this audit area our opinion is Limited. Whilst there is basically a sound system of control there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls. The opinion was agreed with the Interim ICT SDM at the on-site exit meeting.
- 3.2 The Council does not have a formal ICT storage strategy or policy. This matter has been the subject of discussions and reports between various interested parties and the Senior Management Team. The Council's current position is to continue to fund additional storage capacity year on year. This will continue to provide the required capacity, but is inefficient and unlikely to be cost effective because there are data items being routinely stored that are old and/or obsolete and are also being replicated which also adds to the cost and inefficiency. Examples include old emails and other unstructured data such as Word and/or Excel documents, some of which have not been accessed for several years and belong to departments which no longer exist. Data ownership is therefore non-existent in some areas.
- 3.3 In the present circumstances capacity management is largely reactive and there is always a risk that 'firefighting' will be necessary or inappropriate decisions will be taken about what data to continue to store by the business. There is a requirement to begin to categorise data which may help the storage and retention process, but this has also yet to take place and is on-hold pending possible changes to the Government's data classification scheme. The file and folder structures are also old and complex which makes their management inefficient and may also have data access implications in that documents may be stored in shared areas which should be better controlled.
- 3.4 Recommendations have been made to strengthen the controls found to require improvement and these are categorised as shown below.

Recommendation Category& timescale	Number	Percentage
Legal Requirement – immediate implementation	-	-
Financial Regulation – immediate implementation	-	-
Policy/Procedure – implementation within a month of agreement to the report.	4	100
Best Practice – implementation at a mutually agreed date	-	-
Total	4	100

- 3.5 The implementation of the recommendations made in this report will further strengthen the controls and processes in this area.