

Agenda Item

Audit & Governance Committee

3rd December 2009

TC



Response to ICT Action Plan – ICT Services

Summary & Background

An audit was conducted into the Council's ICT arrangements during 2008/09 culminating in a report (Executive Summary) and action plan being presented to the Committee in January 2009. Following on from this, Internal Audit's Annual Report presented to the Committee in June 2009 highlighted the weaknesses found in this area and the fact that there was currently no ICT audit expertise to conduct the 'follow up' to this review to ensure that the recommendations made and agreed were being implemented.

At that meeting the Chief Executive confirmed that it was appropriate to seek an interim report from the Head of ICT on the progress being made in implementing recommendations. It was suggested that the Portfolio Holder – Communications be invited to a future Audit & Governance Committee meeting where the concerns raised in the audit could be discussed together with an update on the remedial action being taken by the Service. Members recognised that it was the role of the Portfolio Holder to keep a watching brief on ICT systems and procedures.

Internal Audit have received a response from the Head of ICT (this is attached to this Committee Report).

Internal Audit currently do not have the expertise required to conduct a follow up to this technical audit, however there are some areas that we are able to comment and these are stated in the report. We note that in some cases the dates committed to by the Head of ICT in the original Action Plan have slipped.

Recommendation

That the Audit & Governance Committee note the response received from the Head of ICT and note the further comments of Internal Audit.

- a) **Reasons for Recommendation**
To help Members of the Audit & Governance Committee monitor the action being taken by the Head of ICT to mitigate the failings and risks found in his service area.
- b) **Alternative Options**
None.
- c) **Risk Considerations**
The Council's Corporate Governance framework relies on the adequacy and effectiveness of the Council's information systems, councilors, strategic management team and heads of service make far-reaching decisions based on the information extracted from the Council's computer systems, without robust and rigorous controls in place, the Council cannot place reliance on the integrity of its operating data, and more significantly the Council's corporate governance arrangements are seriously compromised
- d) **Policy and Budgetary Considerations**
There are no budgetary implications.

e) **Date for Review of Decision**
N/a

1.0 Introduction

1.1 The ICT audit took place during the period September to November 2008 and was conducted by means of discussion with relevant staff, review of documentation and system interrogation. The audit focused on management controls, access controls, operational controls and system development controls.

Management Controls

1.2 The review highlighted concerns over the accuracy and quality of reporting to the Programme Board. In particular, the Novell-Microsoft migration had a cost estimate of £47,000 (business case), an agreed Budget of £50,000 but the total cost at the date of the audit was £157,509 (October 2008). We were of the opinion that this cost would rise further.

1.3 We recommended in the main report that membership of the Programme Board be extended to enable a more 'challenging' response; for instance to extend an invitation to the Portfolio Holder for ICT.

1.4 We were also concerned with the disregard shown to the council's policies and procedures where ICT contract staff were hired without adherence to HR procedures and the use of such staff is not recorded in the council's HR system (Trent).

1.5 Furthermore, we found breaches to the Council's Financial Regulations and Contract Standing Orders associated with the contract for Microsoft Migration / Office 2007 training.

1.6 We were of the opinion that the structure of ICT does not focus on Service Delivery and Security. Without these essential elements, the Council cannot be assured that the problems relating to this important area (which are highlighted in the main report) will receive adequate attention.

1.7 We were also of the opinion that there is a pressing need for a benchmarking exercise to be conducted in order that the Council can be assured that ICT is delivering Value for Money.

Access Controls

1.8 The review revealed significant weaknesses in the security of the Windows XP operating system and the Council's Novel network. Management reacted positively to some of our findings in this area. It was also recognised that the security review phase of the Novell-Microsoft project has not yet been conducted and that the need to comply with the Code Of Conformance for the GovConnect project will address these areas.

Operational Controls

1.9 As mentioned above, there was a lack of focus on Service Delivery and significant failings were found in the Help Desk processes. We reported also that the Council's Disaster Contingency Plan for ICT is not viable.

Systems Development

1.10 We found that many documents which are regarded as key milestones of the Prince 2 system development methodology do not appear to have been produced both for live and closed projects.

2.0 Response to Head of Service Revised Action Plan

2.1 4.1.1.1 / 4.1.1.2 / 4.1.1.3

Noted.

2.2 4.1.2 Legal Compliance “Synergykey”

Noted, the Head of ICT to report back to Internal Audit as appropriate.

2.3 4.1.3 / 4.1.4 / 4.1.5

Noted.

2.4 4.1.7 Microsoft Migration / Office 2007

Contract Standing Orders set out various options for Heads of Service to follow, a ‘preferred list of suppliers’ is one way, however an ‘Expression of Interest advertisement’ would have been equally acceptable, and this is stated as a viable way forward in the Contract Standing Orders. The other option would have been to seek an ‘Exemption to Standing Orders’.

2.5 4.2.1 through 4.2.8

Noted.

2.6 4.3.1.

Noted.

2.7 4.3.2 Disaster Recovery

Members can be assured that the Council’s disaster recovery arrangements are viable, the point we were referring to related to the fact that it had been necessary to recover some data from the back up tape store at the Knowle in order to carry out the previous test. In our opinion it is possible that in the event of a disaster, the back up tape store may well be cordoned off by the emergency services and would not be accessible. We are also concerned that the date has slipped since our initial review, the original implementation date for this action was March 2009.

2.8 4.3.3 through 4.3.6

Noted.

2.9 4.4.1

Noted.

Legal Implications

No direct legal implications.

Financial Implications

No direct financial implications.

Consultation on Reports to the Executive

Background Papers

ICT Audit Report – November / December 2008

ICT Audit Action Plan

Tanith Cox

Audit & Governance Manager