

AUDIT and GOVERNANCE COMMITTEE – 14 JANUARY 2015

INTERNAL AUDIT 2014/15 PROGRESS REPORT

Report by the Chief Financial Officer

INTRODUCTION

1. The last Internal Audit progress report presented to the Committee on 17 September 2015 highlighted a significant resourcing pressure estimated to be equivalent to two FTE (400 days). The in-year resource deficit has been reduced to 270 days through outsourcing audit days from Hampshire County Council, and through assurance based risk management days from Zurich, the County Councils insurers.
2. Overall the total audit days being delivered has reduced from 1141 days to 870 days. In addition to the reduced resources there have been pressures on the available resource that have also required changes to the original planned activity; Up to 8 December, 63 days have been spent on counter-fraud, mainly on reactive investigation activity; and, there are internal performance issues to be addressed including overruns on planned audits.
3. The revised Audit Plan is attached as Appendix 1 to this report. There are two tables in the appendix, the first shows the current status of the revised planned activity; the second table lists the audits removed from the Plan this year.
4. There are three areas that are no longer going to be subject to audit this year, or where the audit methodology has been adapted to significantly reduce the number of days:
 - Feeder Systems - It was originally intended that an audit of all the financial feeder systems would be undertaken. This has been removed from the audit plan for this year. Assurance on these systems will be taken from the Finance Business Partners who provide an annual assurance statement to the Chief Finance Officer on the systems operating in their Directorate; Internal Audit will be testing the reconciliation controls for transfer of data from the feeder into SAP, as part of the audit of the Main Accounting System.
 - Schools - It was originally intended that thematic financial audits across a sample of school would be undertaken. Assurance will now be taken, as in previous years, from an audit of the Management Accounting (Schools) team, and the oversight they have over financial management in schools.

- Governance - In recent years Internal Audit have undertaken a programme of governance audits testing the key controls operating corporately and within the Directorates, including targeting some specific teams/establishments. This work has contributed to the Directors' Annual Assurance Statements. The methodology is changing this year in order to reduce the number of audit days; a risk assessment template will be submitted to all direct reports to Deputy Directors asking them to self-assess the risk of each of the key governance systems in their service. The risk assessment will then be followed up with a controls assurance interview with Internal Audit, who will also seek evidence to support the management responses. At the end of the interviews, an assessment of the adequacy of the controls will be agreed between the Manager and Internal Audit, together with an action plan. The results will then be presented to the Deputy Directors, and then to the Director. The Audit & Governance Committee will receive a report showing the outcomes across the Council.
5. For 2015/16 the position is stronger regarding resources. A Principal Auditor is scheduled to return from maternity leave before July 2015; internal resource will be prioritised for planning to OCC and Thames Valley Police. The resourcing strategy with OCC and Buckinghamshire County Council will not be dependent on the sharing of resources (with the exception of the Chief Internal Auditor). The actual resourcing plan will be finalised towards the end of March 2015.
 6. The impact of counter-fraud work on the team will also be reduced from 2015/16. The Council has successfully bid for government funding to support counter-fraud initiatives. OCC bid for £81K for working with Oxford City Council Counter-Fraud Team, to undertake proactive counter-fraud reviews within key fraud risk areas using a data warehouse tool they will be procuring, and to manage the first response and risk assessment to reactive fraud referrals. The funding was announced at the beginning of December, so we will be working with the City team in Q4 to develop the governance and work plan.

REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

7. The internal annual review of the effectiveness of Internal Audit is due in Q4, and is part of the assurance framework informing the Annual Governance Statement. It is recommended that the review should follow the same process as previous years where the Committee commissions the Monitoring Officer to carry out a desk top review with the Chief Internal Auditor; and, the Monitoring Officer undertake a survey of the Extended County Council Management Team to obtain direct feedback from Managers on the effectiveness of the team.

2014/15 AUDIT PLAN PROGRESS

8. There have been seven audits concluded since the last update (provided to the September meeting of the Audit and Governance Committee); summaries of findings and current status of management

actions are detailed in Appendix 2. The completed audits are as follows:

Directorate	2014/15 Audits	Opinion
OCS	Managed Connectivity Services (Part 2) 2014/15	Green
EE	Energy from Waste	Green
SCS	Residential and Home Support Payments	Red
OCS	IT Disaster Recovery	Amber
CEF	Framework Application	Green
OCS	PSN Code of Connection Review	Amber
CEF	Church Cowley School	Amber

PERFORMANCE

9. The following performance indicators are monitored on a monthly basis.

Performance Measure	Target	% Performance Achieved	Comments
Elapsed Time for completion of audit work (exit meeting) to issue of draft report.	15 days	85%	The two audits that did not achieve the target averaged at 10 days over.
Elapsed Time between issue of Draft report and issue of Final Report.	15 days	64%	The four audits that did not achieve the target averaged at 17 days over.

The other four performance indicators are:

- % of 2014/15 planned audit activity completed by 30 April 2015 - reported at year end.
- % of management actions implemented - 85%. There are 3% (54 actions) that are overdue
- Effectiveness of Internal Audit - reported at year end.
- Extended Management Team satisfaction with internal audit work - reported at year end.

Performance Measure	Target	% Performance Achieved	Comments
Elapsed Time for completion of audit work (exit meeting) to issue of draft report.	15 days	100%	None.
Elapsed Time between issue of Draft report and issue of Final Report.	15 days	50%	The two audits that did not achieve the target averaged at 8 days over.

COUNTER-FRAUD

10. At the last Audit Committee up-date there were six schools under review / investigation. Four of these have now been satisfactorily concluded, with either management action taken to improve practices and internal controls and disciplinary action taken where appropriate; two are still being reviewed:
- A Head teacher referred suspected systematic theft of cash at a school, to the Police. An employee resigned their post as a result. The Police are still investigating this issue and are being chased for an update.
 - One anonymous whistleblowing allegation was received relating to a grant fund being used to pay a senior member of school staff's family member. Audit conducted some background checks with information available, however that did not show anything untoward. This allegation has now been passed to the Chair of Governors to look into, via the CEF Deputy Director. Information has been received from the Chair of Governors and is currently being reviewed by Internal Audit and the CEF Finance Business Partner.
11. There has been a result in Court regarding the fraud within the County Print Finishers Unit. The dismissed employee has attended Crown Court and received a prison sentence of one year, suspended for two years, and is required to undertake community service. No funds were awarded to the Council through the compensation order; instead the Court decided to seek recovery through the Proceeds of Crime Act (POCA). The POCA hearing has now been held and the results of this are currently being reviewed with the Director, Monitoring Officer and Chief Finance Officer.
12. A new referral has been received from a Library as it was identified that there was a discrepancy of £40 when tills were being cashed up. The Banking and Control Team have discussed the cash handling procedure with the Library. Internal Audit are not investigating at this stage but have advised to monitor closely and notify Audit should any further instances occur.

13. There is a current provider investigation which Internal Audit is supporting SCS with. There are queries with the visits that the provider has claimed for. The provider is currently on red alert which means no new clients are placed with them. The investigation is on-going.

RECOMMENDATIONS

14. **The Committee is RECOMMENDED to:**
 - (a) approve the revised Internal Audit Plan; and**
 - (b) commission the Monitoring Officer to undertake the review of the Effectiveness of Internal Audit.**

IAN DYSON

Chief Internal Auditor

Background papers: None.

Contact Officer: Ian Dyson 01865 323875

APPENDIX 1**2014/15 - Revised Internal Audit Plan Progress Summary**

Directorate	Audit	Status	Conclusion	Comments
CEF	Early Years Payments	Completed	Amber	
CEF	Schools Assurance	Not yet started		It was expected that in addition to the annual review of the management controls applied by the Management Accounting (Schools) Team, that we would audit a small sample of schools. This has been dropped from the plan due to resources; however the Chief Internal Auditor and the Finance Business Partner are to undertake a desk top review of the system of assurance for financial management in schools and this will form the basis of the 14/15 report to the Committee.
CEF	Church Cowley School	Completed	Amber	This audit was not originally planned but was agreed with the Finance Business Partner.
CEF	Frameworki (Children Social Care system)	Completed	Green	
CEF	Placement Strategy	Fieldwork		This audit is now close to the budgeted days, so additional days will be required to complete the audit.
CEF	Contract Procurement and Contract Management	Fieldwork		
CEF	Children's Social Care Management	Not yet started		

AG7

	Controls			
CEF	Multi Agency Safeguarding Hub	Not yet started		This is a short 5 day audit to review the design of processes and governance arrangements once the MASH is operational.
SCS	LEAN / Responsible Localities Programme	On-going		This is a major programme looking at improving the care pathway of clients and introducing new ways of working. The Audit Manager monitors the programme governance, and in conjunction with the Finance Business Partner, reviews newly designed processes.
SCS	Client Charging	Completed	Amber	
SCS	Residential and External Home Support Payments Systems	Completed	Red	Following this audit, the Internal Audit team has provided fraud awareness training to the Contract Monitoring team.
SCS	Pooled Budgets	Fieldwork		
SCS	Implementation of the Care Bill	On-Going		The requirements of the care Act are being implemented through a programme in SCS. The Audit Manager is maintaining an overview of the governance of that programme including implementation plans. The CIA and the AM are attending a workshop for Internal Auditors in February focussed on the risks of the Care Act for Local Authorities.
SCS	Adult Social Care Information System	On-going		This is another programme which the Audit Manager is maintaining an overview, and challenge to the programme management.

AG7

				Included in the audit review of this change programme is an IT audit of the application, specifically security, and the system testing strategy.
SCS	Adult Social Care Management Controls	Not yet started		
EE	Property and Facilities Management Contract	Draft Report pending		This audit has gone significantly over the allocated audit days and has exceeded the target dates for delivery of the audit; however we have not yet been able to clear the draft report through our quality monitoring process. The Directorate has been informed of the delay in issuing the report.
EE	Oxfordshire Innovation Support Programme	Draft report		
EE	Integrated Transport Unit	Fieldwork		
EE	Energy Recovery Facility (Energy From Waste)	Completed	Green	
EE	S106 Agreements	On-going		This will no longer be a systems based audit. The CIA is working with the Chief Finance Officer to map the assurance over the management of S106 agreements and Community Infrastructure Levy (CIL) arrangements.
EE OCS	Windows Active Directory	Completed	Amber	
EE OCS	Managed Connectivity Services	Completed	Green	This audit was completed in two stages, with a report issued at both stages. Part 1 was reported as Amber, but the conclusion at stage 2 changed the status to green.

AG7

EE OCS	Externalisation Programme	On-going		This audit is looking at the governance arrangements within the programme, particularly the Hampshire OBC partnership for Finance and HR functions, but will also review the design of the assurance framework for the new arrangements, and the future audit plan/methodology for testing the key systems.
EE OCS	PSN Code of Connection	Completed	Amber	
EE OCS	IT Disaster Recovery	Completed	Amber	
EE OCS	Pensions Administration	Not yet started		
EE OCS	ICT Strategy	Fieldwork		
Fire	Joint Fire Control	On-going		The Audit Manager monitors the governance and reviews the design of controls for the joint fire control project.
Fire	Joint Fire Control - application audit	Not yet started		
Public Health	Risk Management review	Not yet started		
CEO	Association of County Chief Executives accounts	Not yet started		Oxfordshire County Council is the allocated auditors for this fund, managed by Gloucestershire CC. The audit will be undertaken by a CIPFA Trainee.
Cross Cutting	Governance	Scoping		The audit will cover all the key governance processes and will test through interviews with Managers the level of understanding and assurance that local systems are in place to ensure the key controls are operating and being adhered to. This will

AG7

				be undertaken across all the Directorates and Services.
Cross Cutting	Risk Management Review - Business Continuity in the supply chain	Not yet started		
Key Financial System	Payroll	Not yet Started		
Key Financial System	Procure to Pay including Accounts Payable	Not yet started		
Key Financial System	Accounts Receivable including cash receipting	Not yet started		
Key Financial System	General Ledger & Main Accounting	Not yet started		
Key Financial System	Treasury Management	Not yet started		
Key Financial System	Pension Fund Management	Not yet started		

The following audits have been removed from the plan:

CEF	SEND (Special Education Needs and Disability) Programme	An audit of SEN was undertaken in 2013/14. This audit was to look at any new processes resulting from the SEND Reforms Project. The Audit Manager has been monitoring progress of this project with the Deputy Director and was assured that the project was on track with no issues arising,
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AG7

		therefore it was agreed to defer any audit work until post implementation. The audit will therefore be deferred until 2015/16.
CEF	Thriving Families Grant	It was expected that Internal Audit would be required to undertake an independent review of the grant returns prepared in respect of Thriving Families. This has not been required. Internal Audit was involved in reviewing the systems and processes at the commencement of the Thriving Families programme, and this included assurance that adequate management controls over data quality are in place. It was agreed that no additional work was required from Internal Audit for future returns; however, the Government has recently published procedures for the latest funding for this programme, and this now stipulates a requirement for Internal Audit to test the validity of returns going forward. This will not be effective until 2015/16.
SCS	Contract Procurement and Contract Management	This audit has been removed due to resources; however the Payments audit has highlighted some queries with regards to contract management which are being followed up, and in addition a risk management review looking at business continuity risks within our supply chain has been included within the audit plan, and SCS Contracts is expected to be the main area for testing.
SCS	Personal Budgets and Direct Payments	This audit is being deferred to the end of Q1 2015/16, post implementation of the new Adult Social Care IT system. The fraud risk for this activity has also been highlighted as an area for review early under the new counter-fraud arrangements being developed with Oxford City.
EE	Capital Programme Governance and Delivery	Due the significant overrun on the Property and FM audit, we can no longer resource this audit in 2014/15
EE	Supported Transport Programme	As above
EE	Highways Contract	As above
EE	Waste Disposal Contracts	As above
EE	Planning	This audit has been deferred until 2015/16 due to resources.
EE OCS	Externalisation of ICT Services	This audit has been removed from the plan and the IT Audit days allocated to an IT audit of the new ASC IT System, with a small contingency retained to support the audit of the Externalisation Programme should IT audit specialism be required. It was agreed to replace the original audit The initial scope of the audit was to "To review the management of services that have been externalised (e.g. SAP and the Data Centre), as well as operational controls over the managed print service; however the SAP contract is changing with Hampshire, the contract with Vodafone for the network has only recently commenced (we audited the project in 14/15) and the Data Centre is relatively new (project audited end of 13/14).
Public Health	Grants / Contract Procurement and Contract Management	This audit has been replaced with a risk management review, looking at the adequacy and completeness of the risk management process and identified risks. The review will map the processes management has in place to provide assurance over the risk management. This will include the areas originally in the scope for a systems based audit.

AG7

Appendix 2**Summary of Completed 2014/15 Audits, since last presented to Audit & Governance Committee on 17 September 2014.****EE OCS - Managed Connectivity Services (Part 2) 2014/15.**

Opinion: Green	15 September 2014	
Total: 05	Priority 1 = 0	Priority 2 = 05
Current Status:		
Implemented	04	
Due not yet actioned	01	
Partially complete	0	
Not yet Due	0	

Overall Conclusion

This audit of the MCS programme was undertaken over two stages. The first stage review was undertaken in May 2014 and identified a number of risk areas, including a lack of formally defined roles and responsibilities for key groups and individuals involved in the programme and weaknesses in the management of the OCC risk log and project plan. There was also an issue with the late delivery of key documents included in the Vodafone contract. Our second stage review has confirmed that the management actions agreed to address these areas of risk have all been implemented.

The programme structure comprises of a project team and a Management Group. The project team, which meets on a weekly basis, includes relevant staff from OCC and Vodafone and are responsible for the operational delivery of the programme. The Management Group are responsible for providing oversight and discharging other relevant governance requirements. It meets on a monthly basis and will continue to have responsibilities beyond the delivery of the programme.

Risks and Issues are being logged by the project team, although they are not formally included in any report to the Management Group. As such, the Management Group may not be aware of all key risks and cannot ensure they are being appropriately managed. A report of top risks and issues is included in the highlight report to the ICT Programme Board.

The delivery of the programme was found to be effectively monitored against agreed milestones. Vodafone have missed delivery targets against a number of key milestones and have also failed to deliver on the remedial actions that were agreed to address the slippage. The programme remains behind schedule, although at this stage there is confidence that MCS connectivity will be delivered to all OCN sites by the original target date of 30th November 2014. The next few weeks will be pivotal to achieving this target and a failure to meet the timescale will have a financial impact on the Authority. On this basis and in the event of any claim for compensation or damages, it would be beneficial to confirm the current status of the programme and the delays in writing with Vodafone.

AG7

Programme costs are being monitored against the budget and figures are reported to the MCS Management Group and the ICT Programme Board. The current forecast costs are within budget, although this could change should there be any further delays to the programme.

Testing has been undertaken at pilot sites that have gone 'live' with MCS, although the overall approach and governance needs to be improved. The test plans being used have not been formally approved, do not make it clear whether the test passed or failed and are not subject to any sign-off/approval after they have been executed.

EE - ENERGY FROM WASTE 2014/15

Opinion: Green	06 October 2014	
Total: 06	Priority 1 = 01	Priority 2 = 05
Current Status:		
Implemented	01	
Due not yet actioned	0	
Partially complete	0	
Not yet Due	05	

Overall Conclusion

The overall conclusion is supported by findings identified in the following areas:

Contract Governance: Overall contract and service governance has been established and documented. The current Terms of Reference for the OCC/Viridor Strategic Partnership Board (approved in October 2012) is due for review and also needs to be updated to include the board's responsibility in relation to the on-going management of risks.

Payment Mechanism: Two key flowcharts have been produced by the team to facilitate the monthly data checking and invoice payment process:

"Viridor EfW - Data Checking Process".

"Invoice Payment Flowchart for Viridor Oxfordshire Ltd Invoice".

There are currently no narrative procedures to support the one page process charts for checking and processing Viridor invoices. Additionally, both processes are yet to be signed off by the E&E Finance Business Partner as acceptable finance processes, although the audit did confirm that the processes are in accordance with established business processes and authorisation limits.

The "RPI Viridor OCC Invoicing Spread sheet" contains key contract data, as well as formulas that calculate the invoice value, profit share, etc. Testing confirmed that neither the data nor formula cells have been locked to prevent unauthorised changes to the spread sheet's core data. One additional point was identified at the time of the audit in that there is currently no process or procedure to deal with queries that remain unresolved when the invoice is paid, that may need to be carried forward onto future invoices.

Contract Monitoring: A Performance Measurement Framework has been agreed, that includes a list of 47 Service Performance Standards. The Contract Management Team will be responsible for monitoring and checking the Service Performance Standards. However, at the time of the audit, the processes for reviewing the performance data to verify its accuracy was yet to be agreed.

During the audit, two further issues were discussed, but are not being raised as findings as management are aware of the issues and progress is being made in

resolving them:

- The live web based data system is not currently up and running and the interface between the onsite ICT systems (weigh bridge and the Viridor invoicing system) is also not in place. The impact is that OCC do not currently have access to the live weight bridge data to review deposits on a daily or weekly basis. Additionally, Viridor are issuing manual weighbridge tickets until the weighbridge systems are integrated and this becomes automatic. This is expected to improve data quality. There is currently no risk register for the operational phase of the service, once the commissioning phase has been completed and signed off.

A two part audit was conducted during 2009 of the Oxfordshire Residual Waste Treatment Procurement Project. The overall conclusion for both phases of the audit was "Green", with no findings being raised.

SCS - Residential and Home Support Payments Process 2014/15

Opinion: RED	20 October 2014	
Total: 35	Priority 1 = 20	Priority 2 = 15
Current Status:		
Implemented	11	
Due not yet actioned	09	
Partially complete	09	
Not yet Due	06	

Overall Conclusion

Our overall conclusion is RED. For the Residential payments process Internal Audit identified that there is generally a sound system of internal control in place, with risks being mitigated to acceptable levels, and the conclusion for this area is therefore Amber. For home care support payments the system of internal control is weak in relation to ETMS use and monitoring, where risks are not being effectively managed and assurance cannot therefore be provided on payment accuracy due to the large volume of remotely logged visits and inadequate monitoring and follow up of this. The system is open to the risk of significant error or abuse without adequate detection and escalation. Significant action is required to improve controls, and the audit conclusion on home care support payments is therefore red.

Residential care home payments

Following a recent NFI (National Fraud Initiative) exercise to identify residential clients who have deceased but who OCC continue to fund, £40k of overpayments were identified and subsequently recovered (these were for five clients across three providers). This audit therefore reviewed in detail the processes in place to identify clients who have deceased and to cease their payments accordingly.

From the sample testing, the audit established that in the majority of cases, the providers and/or the clients' families informed OCC of client deaths, however there are cases where the provider failed to inform OCC, which is in breach of contract. In the NFI cases, the Contracts team were not informed of these contract breaches even after the payments had been investigated and recovered.

There were also cases where the death was not communicated internally to the Payments team. However there is an adequate monthly reconciliation between Swift death records and Abacus to identify these clients who according to Swift have deceased but who are still being paid for according to Abacus (note that this reconciliation relies upon OCC being informed of the death and upon Swift being updated with the date of death, and in the cases highlighted by the NFI exercise, the date of death had not been recorded in Swift).

The audit noted that with the introduction of the new Adult Social Care IT system in May 2015, some of these issues should be addressed as all teams will be working from a common data set, therefore when a date of death is input, it should automatically update the payment details too.

Four out of five of the over payment cases identified by NFI were FNC (Funded Nursing Care) clients, who are actually Health-funded clients, but who OCC pay for via the Pooled Budget. A daily information sheet is provided from Health with

updates on client movements or deaths, however there was some lack of clarity on the responsibility for updating Swift within OCC when notification of their death is received (some of the Health clients do not even have a Swift record if they are not open to Social Care). It was also noted for Out of county clients there is currently insufficient communication with other LA's regarding these clients and their FNC payments.

Home care support payments

Approximately 70 external providers are contracted by OCC to provide home care support for older people, learning disability, mental health and physical disability clients. Between 80-85% of these providers use ETMS, the automated time management system (CM2000) whilst the remainder use timesheets and are paid via paper invoices instead. The team of Care Service Administrators (CSAs) are responsible for checking both types of payments against client's care packages to ensure we are paying in line with the care package authorised within OCC. From a sample review of both types of payments, the checks performed by the CSAs appear thorough, with queries sufficiently investigated and payments withheld if necessary.

For providers using ETMS properly, with the carer's unique and confidential PIN number, there is little risk of falsified or incorrect visit data as the carer has to log in and out at the client's home using the clients' phone, thereby providing an accurate record of the visit times. However, providers can for legitimate reasons log or amend visits remotely (e.g. from their office phone or the carer's mobile phone), and many providers use this function. The target is for providers to achieve 90% of their visits logged correctly using the client's home phone, but currently only 45% of providers are achieving this target (called their 'Aura' score), and performance has been noted to be as low as 25% of visits logged correctly. This means that a large proportion of visits are logged remotely, resulting in an increased risk of incorrect or fictitious visit data. These Aura performance figures were not reported to senior management for their consideration in terms of the potential safeguarding and financial irregularity issues associated with high volumes of manually logged visits.

From the providers reviewed during the audit, it was clear that whilst the Quality and Contracts Team raise poor ETMS performance at annual monitoring visits, there was insufficient evidence of consistent follow through on improvement actions or issuing of default notices where serious provider performance concerns remain.

The audit established there was only ad-hoc review of ETMS reports and management overrides of the time recording. The audit identified examples where the ETMA data showed conflicts that should have been followed up or reviewed due to the risk of fraud or potential safeguarding issues.

The audit has highlighted throughout improvements are needed to strengthen the communication and working practices between the different teams involved in the payments to providers process.

EE OCS - IT Disaster Recovery 2014/15

Opinion: AMBER	24 November 2014	
Total: 06	Priority 1 = 0	Priority 2 = 06
Current Status:		
Implemented	01	
Due not yet actioned	0	

Partially complete	0
Not yet Due	05

Overall Conclusion

There is a corporate Business Continuity Steering Group (BCSG) which has representatives from each directorate, including ICT. This joined up approach ensures that ICT disaster recovery plans are not developed in isolation and reflect corporate priorities and objectives as agreed by the BCSG. Each IT application is given a priority level based on its importance to delivering critical services as identified through the business continuity programme. ICT disaster recovery plans are geared around the recovery of Priority 1 applications (most critical), although remaining applications can also be recovered within the technical environment that is currently in place.

A list of all Priority 1 applications is held by ICT in the Application Recovery Checklist, which is a key document that would be required to recover these applications in the event of a disaster. However, we found that the document was approved in February 2012 and is not subject to a regular review. The list of Priority 1 applications should also be agreed between ICT and BCSG on an annual basis.

As part of the migration of the data centre to Specialist Computer Centres (SCC) in Birmingham, ICT have fully considered and implemented measures for disaster recovery. The production environment is housed in a primary data centre, known as Cole Valley (CV1), in Birmingham and disaster recovery facilities have been built in a secondary data centre known as Lyndon Place. The two data centres are approximately 3.5 miles apart. We have reviewed the network links between County Hall, CV1 and Lyndon Place and found they are resilient, with alternate routing available should a primary link fail.

There are documented plans and procedures for disaster recovery, however, these need to be reviewed and updated to reflect the data centre migration and the recent ICT re-structure.

A number of DR tests have been undertaken in the last four months, ranging from a table-top exercise to a technical recovery of the secondary data centre. A full test is also planned as part of an ongoing DR project that was initiated during the data centre migration project. The DR project is currently behind schedule, as according to the Project Initiation Document the full test should have taken place in September 2014. However, the ICT Services Manager has confirmed that he has recently re-allocated responsibility for the project and it is deemed to be a priority. The controls around testing can be improved by using test plans to clearly set out the scope and objectives of each test and by ensuring a formal report is produced at the end of each test. Users should also be involved in the testing process to confirm that recovered applications can be accessed and used from the DR facility.

Backups of corporate systems are taken to both disk and tape media, with copies being transferred "off-site" to Lyndon Place on a daily basis. In addition, all business critical systems i.e. those categorised as Priority 0 (infrastructure) and Priority 1, are mirrored between CV1 and Lyndon Place. This mirroring of systems reduces the level of reliance on tape backups, which can be unreliable, and also ensures a shorter recovery time.

CEF - Framework-i Application Review 2014/15

Opinion: GREEN	26 November 2014	
Total: 02	Priority 1 = 0	Priority 2 = 02
Current Status:		
Implemented	02	
Due not yet actioned	0	
Partially complete	0	
Not yet Due	0	

All actions have been implemented.

Overall Conclusion

Logical security is well maintained with unique user accounts and a strong password policy that enforce a regular password change. New starters are requested by line management and any amendments to the roles required are also managed in this way. There are two areas that could be enhanced by sharing the SAP HR report received by ICT with the Framework-i support team. This would provide a pro-active stance in ensuring that any leavers have their account locked on a timely basis and any members of staff moving between teams have their roles adjusted accordingly to prevent unnecessary access to areas no longer required.

Access rights have been comprehensively reviewed to ensure they are associated to a particular work role and are appropriate for the requirement of the job. Each child is associated with a particular key worker who is a member of the designated service team and reports are produced on a regular basis to ensure that there are no areas that have not been allocated correctly.

A comprehensive audit log is held with the detail captured from the date the system went live in 2008. There are a number of standard reports available with the ability for others to be written as required, utilising filters and preferences for tailored reporting. Although containing a large amount of data there are no current issues regarding storage or operational degradation of system performance.

Data input into the application is well controlled with a large number of drop-down pick lists as well as an automatic client number generator. Free flow text is narrowed down to the client name and notes box. Reports are run on a regular basis to identify inconsistent data entry or duplicate entries where clients may be known by more than one name.

Backup copies are automatically taken on a daily basis with restore facilities able to restore from a given point in time as required. The recent migration of the data centre has enabled the whole system to be tested and restored.

Full support to the system is provided through a contractual agreement with the software provider, Corelogic, who take an active role in ensuring the application runs efficiently.

EE OCS - PSN Code of Connection Review 2014/15

Opinion: Amber	26 November 2014	
Total: 13	Priority 1 = 0	Priority 2 = 13
Current Status:		
Implemented	0	
Due not yet actioned	0	
Partially complete	0	
Not yet Due	13	

Overall Conclusion

All public sector organisations wanting to connect to the PSN are required to comply with the PSN Code of Connection (CoCo). ICT have run a project to co-ordinate the work for PSN compliance and it has delivered the PSN CoCo submission, which was made on the 13th August 2014. This submission has been reviewed by the PSN Authority and they are seeking clarification on certain points before issuing a certificate of compliance. ICT are preparing a response to the PSN Authority and this will include remediation plans for known security weaknesses and vulnerabilities. These plans should be appropriately managed and monitored through to implementation.

The ICT Information Services Manager has responsibility for PSN Compliance, although moving forward this is likely to be devolved to the new Information Governance and Compliance Manager. The PSN Code Template, which is completed by all applicants, was found to be duly signed-off by the Chief Executive Officer, Chief Finance Officer and Senior Information Risk Owner (SIRO).

We tested a sample of controls against the PSN submission and confirmed that the following controls are operating as reported:

- A high-level network schematic has been documented;
- PSN equipment is housed in physically secure areas;
- PSN users sign an acceptable use agreement;
- A business case has been documented and signed-off for using Active Content;
- A patch management policy has been documented and approved;
- The requirements for a robust access control policy are met;
- PSN emails are only routed through to secure domains;
- Two-factor authentication has been implemented for MyMail;
- There is a documented and approved Removable Media Policy; and
- Wireless networks have been security tested.

However, the following exceptions were noted:

AG7

- There are a number of corporate ICT policies referenced in the PSN submission that are either out of date or not published on the Intranet;
- The creation of PSN user accounts is not being undertaken in accordance with agreed procedures;
- There is no confirmation that all users have completed the e-learning training on the Acceptable Use of IT and Data Protection;
- Microsoft Office Trust Centre settings are not enforced using Group Policy and can thus be changed by users on their local machines;
- There is no evidence that firewalls at the PSN and Internet gateways are EAL4 assured;
- Firewall rule bases are not being reviewed at the agreed intervals;
- Users are not prevented from copying data to non-Council owned removable media devices; and
- Auto-run is not disabled.

IT Health Check (ITHC) reviews were undertaken in July 2014 and incorporated an on-site penetration test and vulnerability assessment and an external penetration test. The tests, which were undertaken by an appropriately accredited supplier, identified a number of configuration weaknesses and vulnerabilities that are in the process of being addressed by ICT.

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AMBER

8 priority 2 management actions - all implemented.

An audit was undertaken at the request of the Finance Business Partner following concerns over financial management.

Overall Conclusion

The assurance level has been concluded as Amber. There is generally a good system of internal control in place and the majority of risks are being effectively managed. However some action is required to improve controls.