Quarter 2 Internal Audit Progress Report

Cabinet Member for Finance, Procurement and Revenues & Benefits

Date:	11 November 2021
Agenda Item:	
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Key Decision?	**No**
Local Ward Members	**Full Council**

Audit and Member Standards Committee

1.   Executive Summary

1.1 This report comprises Internal Audit's progress report for the period to 30 September 2021 (to Quarter 2) (**Appendix 1**).

1.2 Quarter 2 audit work performance has identified that 6% of the Audit Plan has been completed against profiled completion of 50.0%. There have been a number of factors which has impacted on delivery of audits this has been due to attributable factors include; reduced availability of internal audit staff due to staff leaving the section and implementation of new system processes / changes delayed audit commencement. In addition the subsequent procurement exercise was not concluded until the start of September.

1.3 At present there are four audits Shared Service (Joint Waste, Legal Services), IT Microsoft 365 and IT Remote Access which complete and draft reports issued to management. In addition Grants and Council Tax audits are currently in progress. Taking those audits where we have completed to at least draft stage we have completed 44% of the Audit Plan.

1.4 We have 6 audits scheduled for Quarter 3 and a further 4 audits in Quarter 4 (2 of which were delayed due to new system implementation and the conclusion of Council Elections). Detail of planned work is shown in **Appendix 1**.

1.5 As Committee will be aware and reported in July 2021 we have recently run a procurement exercise for both general auditor (TIAA) and IT auditor services (E-tec). This exercise is now complete and initial meetings have been held with both TIAA and E-tec and a planned work approach has been agreed. Fieldwork started from both service providers in mid-September 2021. This is reflected in **Appendix 1**.

1.6 E-tec have also completed an IT Audit Needs Assessment for the Council and this has been approved by the Head of Finance & Procurement (Section 151) and the Head of Corporate Services. The Audit Needs Assessment is as **Appendix 2** to this report.

1.7 To ensure completion of the audit plan all audits for the remainder of the year have been allocated to named individuals or to the general/IT Auditor. This together with the procurement exercise will ensure completion of the audit plan and support the current Internal Audit team.

1.8 The Audit Manager will continue to review current work plans to ensure completion of the 2021/2022 Audit Plan provide updates to Committee and liaise with the Head of Finance & Procurement (Section 151).

2.   Recommendations

- To note the attached report.

3.   Background

3.1.   The Accounts and Audit Regulations require councils to undertake an effective internal audit to

evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Audit Standards.

3.2.   Internal Audit's progress report for the period to Quarter 2 is detailed at **Appendix 1** for members to consider.

3.3.   IT Audit Needs Assessment for the period 2021/2022 is detailed at **Appendix 2.**

Alternative Options	N/A
Consultation	N/A
Financial Implications	The audit service has been delivered within budget during the year.
Approved by Section 151 Officer	Yes
Legal Implications	There are no specific legal implications.
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	Delivery of the audit plan contributes to all aspects of the Strategic Plan, but notably 'a good Council'.
Equality, Diversity and Human Rights Implications	There are no Equality, Diversity or Human Rights issues.
Crime & Safety Issues	There are no Crime and Community Safety Issues.
Environmental Impact	None arising.
GDPR/Privacy Impact Assessment	There are no specific implications.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Significant / high risk systems of internal control fail and go un-addressed. Audit Manager	Likelihood: Yellow Impact: Red Severity: Red	The audit planning process ensures that audit resources are directed to areas of most significance / highest risk. The audit plan is monitored and progress is reported.	Likelihood – Green Impact - Yellow Severity of risk - Green (tolerable)

Background documents	Audit & Member Standards Committee routine reports, internal audit reports.
Relevant web links	

Internal Audit Progress Report (To Quarter 2)
October 2021

Appendix 1

Contents

01 Introduction
02 Internal Audit Work Undertaken
03 Opinion
04 Follow Up
05 Performance of Internal Audit

Appendices
01 Summary of Internal Audit Work Undertaken
02 IT Audit Needs Assessment

If you have any questions about this report, please contact Andrew Wood, Audit Manager andrew.wood@lichfielddc.gov.uk

Appendix 1
01 INTRODUCTION

BACKGROUND

This report summarises internal audit activity and performance for the period to 30 September 2021.

SCOPE AND PURPOSE OF INTERNAL AUDIT

The Accounts and Audit Regulations require councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

This progress report and opinion forms part of the framework of assurances that is received by the council and should be used to help inform the annual governance statement. Internal audit also has an independent and objective consultancy role to help managers improve risk management, governance and control.

Internal audit's professional responsibilities as internal auditors are set out within Public Sector Internal Audit Standards (PSIAS) produced by the Internal Audit Standards Advisory Board.

ACKNOWLEDGEMENTS

Internal audit is grateful to the heads of service, service managers and other staff throughout the council for their help during the period.

02 INTERNAL AUDIT WORK UNDERTAKEN

The internal audit plan for 2021/22 was approved by the Audit & Member Standards Committee in March 2021. The plan is for a total of 16 audits.

Much of quarter two work has been related to the review of the planned audit resources and the tendering/procurement of both general auditor and IT auditor services. We have procured TIAA Ltd to provide general audit provision and E-tec Business Services in relation to IT Auditor provision. This audit provision started fully in mid-September 2021. In addition there has been an investigative matter reported to Internal Audit which is currently under review and has elicited time away from planned work during Quarter 2.

Performance indicators (Section 05) show there is a reduced coverage of the plan during quarter two (6% achieved against a profiled 50.0%). As Committee are aware two members of Internal Audit staff left the section in the quarter one of the financial year. The reduced completion rate of audits is being monitored and reviewed on a regular basis by the Audit Manager. The procurement exercise has provided further resource to ensure completion of the audit plan and a number of audits are scoped and in progress at the end of quarter 2, this is detailed in Appendix 1 of this report.

To ensure completion of the audit plan all audits for the remainder of the year have been allocated to named individuals or to the general/IT Auditor. At present there are three audits Shared Service, Grants and IT Microsoft 365 which are currently in progress and nearing completion. In addition we have been working on reviews in relation to Pandemic risks. We have 6 audits scheduled for Quarter 3 and a further 4 audits in Quarter 4 (2 of which were delayed due to new system implementation and the conclusion of Council Elections).

Appendix 1

As part of the IT Auditor service provision we requested an IT Audit Needs Assessment and this is shown in **Appendix 2** of this report. This provides an overview of the work to be undertaken during 2021/2022 and a provisional plan for 2022/2023. The Audit Needs Assessment has been discussed and approved by Head of Corporate Services and Head of Finance & Procurement (Section 151).

The audit findings of each review, together with recommendations for action and the management response are set out in our detailed reports. A summary of the reports we have issued during the period is included at **Appendix 01**.

03 OPINION

SCOPE OF THE OPINION

In giving an opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.
In arriving at an opinion, following matters have been taken into account:
- The outcomes of all audit activity undertaken during the period.
- The effects of any material changes in the organisation's objectives or activities.
- Whether or not any limitations have been placed on the scope of internal audit.

- Whether there have been any resource constraints imposed upon us which may have impinged our ability to meet the full internal audit needs of the organisation.
- What proportion of the organisation's internal audit needs have been covered to date.

INTERNAL AUDIT OPINION

On the basis of audit work competed, our opinion on the council's framework of governance, risk management and internal control is reasonable in its overall design and effectiveness. Certain weaknesses and exceptions were highlighted by our audit work. These matters have been discussed with management, to whom we have made recommendations. All of these have been, or are in the process of being addressed.

SPECIFIC ISSUES

No specific issues have been highlighted during the period.

FRAUD & IRREGULARITY

One matter has been reported to Internal Audit and is currently under investigation.

CONSULTANCY & ADVICE
The audit team may be requested by managers to undertake consultancy and advice on governance, risk management and internal control matters. During the period to 30 September 2021, the following was undertaken:

Appendix 1

- Attending project board for payroll and new finance system.
- Review of draft Contract Procedure Rules.
- Attending elections core meeting.
- NFI data match investigations.
- Review of legal arrangements around Fradley Challenge.

04 FOLLOW UP

Internal audit follow up all high priority actions and those arising from no and limited overall assurance, manager's confirmation applies to the rest. There were eight high priority recommendations due to be followed up during the period, of which two were implemented (see KPI section 05).
Of those receiving a no or limited assurance opinion which require follow up, a summary of progress to date on these audits is given at Appendix 01.

Currently there are 85 outstanding recommendations at 30 September 2021, shown in the table below:

Action Priority Rating	Total Open Actions at 1 April 2021	Actions Raised Since April 2021	Total Overall	Total Closed out at 30 Sept 2021	Total Open at 30 Sept 2021	% Implemented in the period
High	10	0	10	2	8	20%
Medium	67	12	79	18	61	23%
Low	18	4	22	6	16	27%

05 PERFORMANCE OF INTERNAL AUDIT

Compliance with professional standards

We employ a risk-based approach in planning and conducting our audit assignments. Our work has been performed in accordance with PSIAS.

Conflicts of interest

There have been no instances during the year which have impacted on our independence that have led us to declare any interest.

Performance of internal audit

Internal audit quality assurance

To make sure the quality of the work we perform, we have a programme of quality measures which includes:

- Supervision of staff conducting audit work.
- Review of files of working papers and reports by managers.
- Regular meetings of our networking groups, which issue technical and sector updates.

Performance Measures

- Complete 90% (profiled 50.0%) of the audit plan – 6%
- 100% Draft reports issued within 6 weeks of start date – 0%
- 100% Closure meetings conducted within 5 days of completion of audit work – 100%
- 100% draft reports to be issued within 10 working days of closure meeting – 100%
- 100% of all high priority actions are implemented at follow up – 25%
- All no and limited assurance reports have a revised assurance rating of substantial or reasonable on follow up - 100%
- Achieve an average customer satisfaction score of 4 or more – 100%
- Added value – Annual measure

APPENDIX 01: SUMMARY OF INTERNAL AUDIT WORK UNDERTAKEN

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
Core Financial Systems	Debtors	Risk based review covering the adequacy and effectiveness of controls around debtors, including account set up / amendment, invoice requisitioning, invoicing, fees and charges and recovery. To accommodate the change to the new Civica Financials Live financial system.	Q3		
	Assets & Inventory	Risk based review covering the adequacy and effectiveness of controls regarding the Council's assets and inventory.	Q2		
	Grants	Risk based review of the adequacy of controls surrounding grants awarded to the authority. To include compliance with accountable body agreements including arrangements for third party compliance where appropriate.	Q2	Audit allocated to TIAA Ltd. Scoped and fieldwork commenced.	
	Council Tax	Risk based review of council tax including assurance over the adequacy of controls around the maintenance of systems recording taxable properties and liable persons, billing, discounts and reliefs, collection, refunds and write offs.	Q4		

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
Strategic & Operational Risks	Strategic Risk Register	Risk based review of the adequacy and effectiveness of the controls in place to mitigate the Council's strategic risks.	Q4		
	Pandemic risks	'Flash' audits of dynamic risks arising from the Council's pandemic response. To include continuity and recovery arrangements, business grants, productivity and performance.	Q1-Q4	**Flash Covid 19 Risk Assurance - Governance** Control measures to mitigate against the risk of potential governance failings arising from the Covid-19 crisis a year on from the start of the pandemic, were found to be adequate and effective. A number of good practice areas were noted: • The system implemented by the Authority for remote governance was in accordance with the Local Authorities and Police and crime Panels (Coronavirus) (Flexibility of Local authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. • Remote meetings were set up quickly and effectively using Zoom US. • A communications action plan to roll out virtual committee meetings was adopted. • Internal and external training was provided to staff and members providing an understanding of Zoom. The first live remote meeting took place on 5th May 2020 (Planning Committee). • 'Virtual Meetings – Guidance and Tutorials' procedure notes were created setting out meeting procedures (before and during),	Substantial Assurance

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				viewing meeting documents, voting and polling, etc. Additionally, reminder guidance is sent out to all Councillors prior to a meeting. • Urgent decision arrangements were in place and managed in line with the Constitution. There was one urgent decision in January 21 in relation to the award of grant funding. • Meetings are live streamed through Youtube. Social Media (Facebook and Twitter) was utilised to update followers of upcoming meetings including signposts to agendas and those who have subscribed to LDC's Youtube Channel receive notifications. • From the 7th May 2021 traditional face to face meetings resumed. This has been reflected in the work undertaken by Health & Safety to ensure updated Government guidance is being met. E.g. Risk Assessments for all venues being considered for meetings. Hybrid meetings (live streaming of face to face meetings) are not yet set up but members of the public are now able to attend in public or review recorded meetings on Youtube. With the continuation of Council meetings occurring albeit in a pre-Covid format the following areas are suggested as a forward focus:	

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				• Covid specific risk assessments should be regularly reviewed and amended where new hazards are identified to ensure they are in line with Government Legislation. • Members have expressed a wish for continued virtual and hybrid meetings. The Council does not currently have the required equipment to facilitate hybrid meetings. On-going management of expectations around broadcasting meetings is one of the rising risks within the strategic risk register. Further progress should be made to implement hybrid meetings. **Covid 19 Risk Assurance –Productivity** Control measures to mitigate against the risk of productivity being adversely impacted by the Covid-19 crisis were found to be adequate and effective within IT, Joint Waste and the Housing service areas. A number of good practice areas were noted: • A suite of KPI's for each service area is monitored and reviewed on a regular basis by managers. During the lockdown Housing showed a peak in B&B use due to government requirements for rough sleepers to be off the street and a temporary closure of accommodation. IT	Substantial Assurance

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				had an increase of work requests through their service desk. • Performance and Development Reviews (PDR's) continued to be completed and were 80% for both the Corporate Services and Regulatory, Housing and Well-being service areas. However completion for Joint Waste was limited (25%) due to Covid and the requirement for 'Bubbles' for crew members. • Housing monitor officer caseloads and productivity through their database reporting function and produce quarterly government returns. • Performance of service areas has been managed by weekly reporting and monitoring. This is completed via Leadership Team Meetings with updates / issues discussed. Regular meetings are held within teams to discuss workload, wellbeing and duties. • Service delivery has been maintained coupled with Covid specific tasks i.e. reducing crew sizes (bubbles) in Joint Waste to minimise interactions and for Housing, a telephone was provided to rough sleepers without internet/ telephone access to enable a telephone interview. For IT the rotation of on-site and off-site staff was consciously chosen to provide resilience.	

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				• Covid-19 has accelerated the pace of change with ICT Services implementing new systems and features to support remote working i.e. MS Office 365 and moving to the cloud. Whilst the Covid Pandemic continues and there remains a revision to working practice, a forward focus is suggested on lessons learned to ensure service delivery is maintained and productivity is managed effectively with KPI's continuing to be reviewed. Additionally, 1-2-1's and weekly Teams meetings will ensure productivity is maintained. PDR's which provide the opportunity of communication between managers and employees should be fully completed, particularly for Joint Waste where the restrictions have previously prevented this occurring.	
	Replacement Financial System	Programme assurance based review of the replacement financial system programme to Civica Financials Live. To include income management system replacement. Programme assurance includes programme planning, governance structure and controls, delivery, change management, RAIDD management	Q1-Q2		

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
		(Risk, Action, Issue, Decision, Dependency), testing and reporting.			
	Payroll transition	Assurance based review on the effectiveness of payroll controls following the transition from Stafford Borough Council to Stoke City Council, the new payroll agency provider.	Q3		
	Development Control (Planning)	Risk based review of systems of internal control for planning (using CIPFA control matrices), to include applications, appeals, fee management. Audit carried forward from 2020/21.	Q2	Audit completed The Development Management (Planning) System is designed with controls in place to mitigate the major risks and were found to be adequate and effective. There are documented procedure notes that are available to staff and a suite of planning information accessible on the Council's website to residents. Planning applications are available to view on the Council's website, also providing opportunity for residents to comment on an application. Testing noted that officers pro-actively seek views through requesting feedback from statutory consultees, neighbours, placing of site notices or media advertising. The Uniform system is pre-populated with required consultees however spatial attributes require reviewing separately for instance, on Easytrees and Local View with the technical officers having to choose relevant consultees. The aim is to pre-populate spatial information onto Uniform.	 Reasonable Assurance

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				Decisions are independently reviewed by a more senior officer and the applicant/agent is notified electronically, the decision also uploaded to the website through Public Access. Appeals are received on notification from the Planning Inspectorate. The Council is required to provide information within set timescales. Testing confirmed the process had been followed. When an appeal decision is received it is distributed to all planning staff for discussion and a change of process would be introduced, if required. A review of new starters noted that qualifications are sufficient for the role and that detailed training is provided. The employee will follow the Council's Learning Passport or a specific accelerated training plan aimed for technical officers. For both applications and pre-applications, the correct fee had been received. Income is monitored through monthly meetings between the Planning Development Manager and the Accountant. Planning fee income is reported to Cabinet through the Money Matters reports. There are 4 KPI's that are updated quarterly (the latest being May 21). Performance is also reported through National Indicators to the Ministry of housing, communities and local government (MCHLG). A suite of monitoring information is also available through Enterprise. Target timescales are monitored and the system can also be used to monitor individual officer's case load and performance.	

Appendix 1

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				Some weaknesses in control were found in the achievement of targets set for pre-applications and planning applications. The KPI's are currently not reported internally and the service plan (2021/22) which includes KPI's and risks, is not yet finalised. There are functionality weaknesses with the IT supporting systems. Implementation of the recommendations in the action plan will enhance arrangements and address these risks.	
	Shared Services	Risk based review of controls in place for effective delivery of shared services e.g. waste management, legal services, building control, internal audit.	Joint Waste Q2	Audit scoped and fieldwork commenced.	
	Elections	Risk based review of elections processes and in particular financial returns.	Q2		
	Climate Change	Risk based review looking at the Council's preparation to de-carbonisation / climate change agenda.	Q3		
ICT	IT Microsoft 365	A risk based review IT applications hosted in cloud together with One Drive storage		Audit scoped and fieldwork completed.	
ICT	Website Management and Security	A risk based review of the management and security of the Council's website.	Q2-4		
Governance, Fraud &	Disabled Facilities Grant	Assurance statement	Q3		

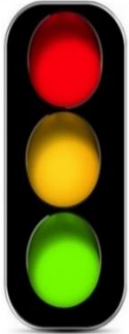| Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
Other Assurance	Housing Benefit Memorandum of Understanding	Assurance statement to enable the Chief Finance Officer sign off to DWP.	Q3		
	Counter Fraud	Work to support the mitigation of fraud risk, the provision of fraud awareness training, pro-active fraud exercises and reactive investigations.	Q1-Q4	Ongoing	
	Annual Audit Opinion	Production of the Annual Audit Opinion.	Q2		
	Management and Planning	Management, planning and assurance reporting to Leadership Team and Audit & Member Standards Committee.	Q1-Q4	Ongoing	
	Ad hoc / Consultancy / Contingency	Contingency allocation to be utilised upon agreement of the Chief Finance Officer.	Q1-Q4	Ongoing	
	Risk Management	Supporting the Council's risk management systems.	Q1-Q4	In progress and continuing, see Risk Management report at this Committee.	
	Election Support	Support to May 2021 Elections	Q1	Complete. Auditors provided support to the May 2021 Elections across a number of roles.	
Follow up all no and limited assurance reports and all high priority recommendations.	GDPR	Limited Assurance Follow up	Q1	A third follow up audit has now been undertaken and the full follow up audit report was issued to accountable officers and members of the Committee on 20 May 2021. In summary: Of the 2 outstanding actions (1 high and 1 medium). It can be confirmed that 1 has now been fully implemented with the remaining 1 (1 high) partially implemented.	Substantial Assurance

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Procurement	Limited Assurance Follow up	Q1	Originally 9 recommendations were made, 8 of which were agreed to be implemented by management. The findings of the follow up review show 5 of the recommendations have been implemented and 3 have been partially implemented.	Reasonable Assurance
	Beacon Park	Limited Assurance Follow up	Q1	Originally 4 medium risk recommendations were made. The findings of this follow up review show 3 of the recommendations have been implemented, with 1 not implemented but has a due date not until January 2022.	Reasonable Assurance

ASSURANCE AND RECOMMENDATION CLASSIFICATIONS

Overall Audit Assurance Opinion	Definition
Substantial	There is a sound system of internal control designed to achieve the organisation's objectives. The control processes tested are being consistently applied.
Reasonable	While there is a basically sound system of internal control, there are some weaknesses which may put the organisation's objectives in this area at risk. There is a low level of non-compliance with some of the control processes applied.
Limited	Weaknesses in the system of internal controls are such as to put the organisation's objectives in this area at risk. There is a moderate level of non-compliance with some of the control processes applied.
No	Significant weakness in the design and application of controls mean that no assurance can be given that the organisation will meet its objectives in this area.

Priority	Definition

Appendix 1

	High priority recommendation representing a fundamental control weakness which exposes the organisation to a high degree of unnecessary risk.
	Medium priority recommendation representing a significant control weakness which exposes the organisation to a moderate degree of unnecessary risk.
	Low priority (housekeeping) recommendation highlighted opportunities to implement a good or better practice, to add value, improve efficiency or further reduce the organisation's exposure to risk.

E-tec
Business Services

IT AUDIT NEEDS ASSESSMENT

LICHFIELD DISTRICT COUNCIL

AUGUST 2021

Providing Advice and Assurance
Over Information and Communication Systems

1. INTRODUCTION

1.1 At the request of the Audit Manager we undertook an IT audit needs assessment at Lichfield District Council. The purpose of the assessment was to identify the key areas of risk associated with the provision of IT services and to develop a programme of work to provide assurance that these risks are being managed.

1.2 There is no such thing as a risk-free environment and compliance with any number of standards does not create such an environment. Building a strong internal control culture within Information Technology can help to:

- Ensure efficient and effective operations;

- Enhance risk management competencies and prioritisation of initiatives;

- Enhance overall IT governance;

- Enhance the understanding of IT amongst senior management and Executive;

- Optimise operations with an integrated approach to security, availability and processing integrity;

- Contribute to compliance with regulatory requirements in areas such as data security and privacy;

- Align project initiatives with business requirements; and

- Prevent loss of intellectual assets and the possibility of data breaches.

1.3 This report is based upon the high-level work completed at the time of the review and should not be seen as a comprehensive assessment of all IT operations or an evaluation of all areas of IT risk exposure. As such, no specific assurances are provided on the overall IT control framework or the level of risk exposure.

2. METHODOLOGY

2.1 Our approach to completing the IT audit needs assessment was to review the level of risk exposure in five core IT functional areas, as shown in the opposite diagram.

2.2 The level of risk in each area was evaluated and assessed to develop an IT audit plan for the period 2021-22, as detailed in Section 3 of this report. We have also highlighted other areas that may warrant a review in future years at Section 4.

2.3 The risk evaluation was undertaken through discussions with the ICT Manager, along with:

- A review of the IT risk register;

- Consideration of the IT audit work completed in the last three years and the level of assurance provided by each review;

- Identification of any significant changes made or planned to the IT environment and/or business systems; and

- Our experience and knowledge of issues facing the sector and other similar organisations.

2.4 The IT audit plan should be reviewed annually to reflect any changes to technology, business systems or core IT infrastructure.

3. PROPOSED COMPUTER AUDIT PLAN 2021/22

Area	Audit	Justification	Key Risks	No of Days
Cyber Security	Cloud Computing – Microsoft 365	• A number of corporate IT applications are now hosted in the Microsoft cloud, including Email and SharePoint. • OneDrive is being implemented for file storage.	• Poor security configuration, leading to unauthorised access to corporate data. • Cyber-attack, leading to a data breach.	10
Business Systems	Website Management & Security	• The website is the public face of the Council and offers an increasing number of transactional services. • Responsibility for managing the website has recently transferred to ICT Services.	• Reputational damage as a result of the corporate website being poorly managed and maintained. • GDPR breach	10
IT Operations	Remote Access – Availability of Services	• The availability and reliability of remote access services is critical to support remote working.	• Remote workers are unable to connect to ICT systems and data.	4

4. Forward Plan

4.1 The following are potential areas for future IT audits, subject to an annual review.

Area	Audit	Justification	Key Risks
Cyber Security	Cyber Security	• This remains a high risk on the strategic risk register.	• Cyber-attack, leading to a data breach or loss of IT systems and services.
Business Systems	Finance System	• A new financial system is going live in November 2021.	• Unauthorised access and/or changes to financial data. • Loss of data integrity.
Compliance	Payment Card Industry Data Security Standard (PCI DSS)	• Consultants are currently engaged to get the Council PCI compliant and compliance will need to be maintained moving forward.	• Financial penalties as result of cardholder data not being safeguarded. • GDPR data breach.
Cyber Security	IT Disaster Recovery	• Partially reviewed within the 19/20 civil contingencies and business continuity audit however a full review has not previously been completed.	• IT systems and services cannot be recovered within agreed timescales following a major incident.
Compliance	GDPR	• Limited assurance was provided in the last review completed in 2018-19.	• GDPR requirements are not met, leading to financial penalties and reputational damage.