Technology Services Update to Audit, Governance and Standards Committee

AGS/37/19
Report title: Technology Services Audits Update
Report to: Audit, Governance and Standards Committee
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County Divisions affected: All Essex

Confidential Appendix This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 7 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

1.   Purpose of Report

1.1   The purpose of this report is to provide and update to the Committee regarding outstanding audit actions related to Technology Services, specifically:

- What has been done since the Internal Audit reports were issued in 2016/17 and 2017/18 in mitigating the risks identified and implementing the recommendations?

- Why were the original target dates for implementing the recommendations missed by such a large timeframe?

- What residual risks are we, as a Council, exposing ourselves to in particular in relation to IT disaster recovery?

2.   Recommendations

2.1   That the Audit Governance and Standards Committee considers whether it is content with the situation with respect to the implementation of internal audit recommendations and whether it wishes to make any comment, suggestion or recommendation to any person.

3.   Summary of issue

3.1   Recommendations from successive Technology Services audits completed since 2017 are still outstanding, however, action is in hand to resolve all outstanding actions by embedding the recently completed Technology Services Organisational Design and completion of the Modernising Technology, End User Computing and Office 365 Programmes.

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3.2 The actions will improve the management and delivery of all systems and services provided by Technology Services and relate to all Council Strategic Objectives.

3.3 It is expected that the all significant risks relating to outstanding recommendations will be addressed by December 2019.

4. Specific Questions to be Answered

4.1 What has been done since the Internal Audit reports were issued in 2016/17 and 2017/18 in mitigating the risks identified and implementing the recommendations?

Organisational Design and Engagement

Technology Services have been subject to ongoing reorganisation and consultation which is now complete and specifically addresses a key weakness through the establishment of the Business Engagement Team that will provide a Business Partnering Service with a Senior and Business Partner for each of Place, People and Corporate supported by Business Analysts to address the audit issues related to integration and alignment of Technology Services to Council business needs.

In addition to the Business Engagement Team the Chief Technology Officer's team is being expanded to strengthen the development of standardised technical architecture and establish a new role, Technology Policy and Assurance Manager with responsibility for Security, ITDR, Risk and Audit leading an expanded Security Team with development to create new skills to cover the Risk, ITDR and Audit elements of the team's role.

To support this development:

- The TS Leadership Team has been adjusted to include regular updates on Security, ITDR, Risk nd Audit
- A specific monthly review meeting covering Security, ITDR, Risk and Audit has been established
- Regular meetings have been established with Internal Audit.

IT Disaster Recovery

The ITDR Policy, Plan and Processes have been updated to reflect the likely disaster scenarios, including third party plans where appropriate, these will be further revised during the delivery of the Modernising Technology, End User Computing and Office 365 Programmes.

Strategy

A decision was taken to work to IT strategic principles by the previous Executive Director of Corporate Development. These principles are referenced at the start of the Team Charter and will continue to apply. However, in

discussion with the Chief Executive it has been agreed that this leaves the Council exposed and that a formal IT Strategy, designed to meet Council strategic priorities is in development to be completed following the arrival of the new Technology Services Director in September 2019. Development of the Strategy will be facilitated by the new level of engagement being achieved by the Business Engagement Team.

Progress on Technology Initiatives

Specific technology issues are being addressed as follows:

- ITDR and Security - via the Modernising Technology and Office 365 Programmes that deliver a new resilient technical architecture, based on migrating services to Microsoft Azure Cloud Services, with more comprehensive and automated security controls. Implementation has started and is scheduled to be complete by December 2019. The first service to go live on Microsoft Azure was the new Essex website
- Asset Management - via the End User Computing Programme which replaces the current Service Management Tool, Support Works, which has been out of support for a considerable period inhibiting the development needed to resolve asset management issues. Implementation of the new tool, Axios Assist, has started and is due to be completed by September 2019 which will allow asset management to be redesigned and resolved by December 2019

4.2 Why were the original target dates for implementing the recommendations missed by such a large timeframe?

The prime reason for targets being missed by such a large timeframe is the impact of reorganisation through Organisational Design and the restructuring of the original Digital Foundations Programme which, if implemented successfully, would have addressed the audit actions in a more appropriate timeframe.

The Digital Foundations Programme has been replaced by the End User Computing, Modernising Technology and Office 365 Programmes which are referenced in the report.

These Programmes are currently on track to be delivered to completion to the dates detailed in Section 4.1.

4.3 What residual risks are we, as a Council, exposing ourselves to in particular in relation to IT disaster recovery?

The residual risk exposure to the Council is addressed at Appendix A.

5. Next steps

The next steps are for the Audit Committee to accept the recommendations of this report related to completion of the outstanding audit actions.

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Decisions have already been agreed for the supporting programmes by the Investment Board and the Organisational Design Authority.

6. Issues for consideration

6.1 Financial implications

This report has no financial implications.

6.2 Legal implications

6.2.1 Failure to implement internal audit recommendations gives rise to weakness in internal controls and could lead to poor external audit outcomes. Failure to have effective IT systems could give rise to legal claims against the Council as a result of failing to discharge statutory duties.

7. Equality and Diversity implications

7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
   (a)   Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
   (b)   Advance equality of opportunity between people who share a protected characteristic and those who do not.
   (c)   Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 This report relates to internal audit reports on IT systems and does not have a direct equality impact.

8. List of appendices

Appendix A – Confidential Information

9. List of Background papers

Internal audit reports to the extent that they do not include exempt information.