Governance, Risk and Best Value Committee

10.00am, Thursday 3 March 2016

Internal Audit Quarterly Update Report: 1 October 2015 – 31 December 2015

Item number	7.3
Report number	
Executive/routine	
Wards	

Executive summary

Internal Audit has made reasonable progress in the third quarter of the audit year. This report provides details of the activity from 1 October 2015 – 31 December 2015.

Links

Coalition pledges	PO30
Council outcomes	CO25
Single Outcome Agreement	

Report

Internal Audit Quarterly Update Report: 1 October 2015 – 31 December 2015

Recommendations

1.1 Committee is requested to note the progress of Internal Audit in issuing 11 internal audit reports during the quarter and to note the areas of higher priority findings for reviews issued in this quarter.

Background

2.1 Internal Audit is required to deliver an annual plan of work, which is scoped using a risk-based assessment of Council activities. Additional reviews are added to the plan where considered necessary to address any emerging risks and issues identified during the year, subject to approval from the relevant Committees.

2.2 Status of work and a summary of findings are presented to the Governance, Risk and Best Value Committee for consideration on a quarterly basis.

Main report

3.1 Internal Audit has made reasonable in the third quarter of the audit year with 11 reports being issued for the quarter.

3.2 The status of outstanding recommendations from reports issued prior to this period is discussed in the report 'Internal Audit follow-up arrangements: status report from 1 October 2105 to 31 December 2015.

3.3 Appendix 1 provides a summary of reports and the classification of findings in the period. A copy of all final reports is available to members.

3.4 Appendix 2 provides a summary of the High Risk findings and associated management actions.

Measures of success

4.1 The Action Plans of these reports, when implemented, will demonstrate that the Council continues to strengthen its control framework and overall approach to risk management.

Financial impact

5.1   None.

Risk, policy, compliance and governance impact

6.1   If Internal Audit recommendations are not implemented, the Council will be exposed to the risks set out in the relevant detailed Internal Audit reports. Internal Audit recommendations are raised as a result of control gaps or deficiencies identified during reviews therefore overdue items inherently impact upon compliance and governance.

6.2   To mitigate the associated risks, the Committee should review the progress of Internal Audit and the higher classified findings, and consider if further clarification or immediate follow-up is required with responsible officers for specific items.

Equalities impact

7.1   No full ERIA is required.

Sustainability impact

8.1   None.

Consultation and engagement

9.1   None.

Background reading/external references

10.1   None.

Magnus Aitken

Chief Internal Auditor

Links

Coalition pledges	PO30 - Continue to maintain a sound financial position including

	long-term financial planning
Council outcomes	CO25 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	
Appendices	Appendix 1 – Summary of Internal Audit report findings issued for period of 1 October 2015 – 31 December 2015.
	Appendix 2 – Summary of High Risk Findings and Management Actions for period of 1 October 2015 – 31 December 2015.

Appendix 1

Summary of Internal Audit reports issued for period 1 October 2015 – 31 December 2015

Title of Review	High Risk Findings	Medium Risk Findings	Low risk Findings	Advisory Comment
Swift Access Controls - HSC 1502	1	3	1	-
Review of Management Information Quality within CAFM – SFC 15	1	2	-	-
Planning Controls & the LDP - SFC 1502	-	4	2	-
LPF Pension's Compliance – CG1509	-	2	2	-
Anti-Fraud Arrangements – CG1507	-	2	1	-
Sustainable Energy Action Plan – ED 1501	-	1	3	-
LVJB Annual Audit Work – JB1501	-	1	1	-
Workforce Controls (Acting Up & Secondments) – CG1506	-	-	1	-
LPF – Externally Managed Investments – CG1510	-	-	-	1
Business Continuity Management – CW 1504	-	-	-	-
Freedom of Information Requests – CG1508	-	-	-	-

City of Edinburgh Council

Internal Audit

Quarterly Summary of Critical/High Risk Findings and Management Actions

(1 October 2015 – 31 December 2015)

Contents

Section 1 – Swift – Access Controls

HSC 1502

Total number of findings

	Critical	High	Medium	Low
Swift – Access Controls	-	1	3	1

Background

Swift is the Council's electronic social care management system supporting practitioners, managers and business services in Adult Social Care and Children & Families social work services. Swift currently has circa 2,500 active users and holds circa 30,000 active client records which include details such as:

- Personal details such as name, date of birth, ethnicity, addresses and contact details;
- Details of clients' criminal records and medical records;
- Case notes made by social workers and other CEC staff that interact with clients;
- Information relating to client's family & relationships; and
- Financial assessments and other personal financial information.

Due to the nature of the data held, Swift needs to have sufficient access controls in place to ensure information is accessed only where there is a valid business need and to prevent & detect misuse of access to sensitive data.

Scope

The scope of the review was to assess the design and operational effectiveness of the Council's controls relating to Swift access. The sub-processes examined were;

- Joiner, movers & leavers;

- Revalidation of users;
- Monitoring of users; and
- Passwords.

Summary of High Risk Finding

<u>Lack of routine monitoring of users</u>

There is no routine monitoring of user activity on Swift. Users have access to all client records on Swift, within their access group, which can be wide ranging and include significant volumes of sensitive data.

Audit trails on Swift do exist and ad hoc investigations triggered by employee reports and media events have taken place in the past and have led to disciplinary action and dismissal where incidents of improper use were identified.

Recommendations and Agreed Management Action for High Risk Finding

Recommendations	Agreed Management Action	Target Date	Status of Actions Due
Monitoring controls which allow management to identify inappropriate access to client records should be implemented. These may also deter users from accessing records they do not need to view to carry out their duties.	A briefing note has been requested by the Chief Social Worker (chair of the Swift Governance Board) to identify proportionate reporting options to address this matter. This will be presented at the December Swift Board. Once an approach has been agreed, reporting will be developed / disseminated. A request has been made to the eHealth Director to explore the possibility of utilising the NHS audit system 'Fairwarning' on Swift. Fairwarning monitors end user access based on comparisons between records accessed and end user names, dates of birth and addresses. Although this would have limited utility in identifying inappropriate	30 April 2016	

Recommendations	Agreed Management Action	Target Date	Status of Actions Due
	access to social work records, its presence would provide a deterrent effect. An online training module will be developed to provide operational guidance on access for staff and would be mandatory for all Swift uses to complete on an annual basis. ***Responsible Officer:*** Swift Project Manager		

Status of actions due will be validated by Internal Audit as part of the follow-up review process.

Section 2 – Review of Management Information Quality within Facilities Management

SFC XXX

Total number of findings

	Critical	High	Medium	Low
Total	-	1	2	-

Background

The City of Edinburgh Council (the Council) recognises that in order to strategically invest in developing and delivering Facility Management services to all of their buildings within their building portfolio, it requires robust and purposeful Management Information. There is concern that the current distribution and quality of Management Information and underlying data facilitation of this, is not sufficient to meet the needs of the organisation.

The CAFM solution for Corporate Property is integral to the delivery of the Corporate Asset Strategy 2015 -2019. The Corporate Asset Strategy, aspires to the effective management of the Council's corporate property asset portfolio and strengthening Corporate Property's role in leading improvement and supporting other services in the delivery of their strategies.
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Scope

The scope of the review was to assess the design and operational effectiveness of the Council's controls relating to Management Information quality within Facilities Management. The sub-processes examined were;

- The information decision making framework;
- Staff training; and
- Management Information generation.

Summary of High Risk Finding

Data architecture is not being managed within Facilities Management and the wider Corporate Property department which is delaying the CAFM implementation

CAFM, was selected by Corporate Property to provide a fully integrated property system in order to increase operational efficiency and provide improved Management Information reporting. However, the Council have not been able to implement CAFM in the timescales expected. Phase 1 of the CAFM project has has been delayed primarily due to a lack of understanding of the correct source data needed and restructuring this into the required data hierarchy.

The data CAFM requires has multiple sources that have not yet been aligned and the implementation team are still trying to gain agreement on the correct single version of the 'truth'. Difficulties are also being experienced in getting automatic feeds from legacy subsidiary systems to communicate the required data to CAFM.

The lack of a single version of the 'truth' is also creating different versions of Management Information which are potentially incorrect or misleading. Sourcing information for Management Information currently takes considerable resource resulting in inefficient analytics and delays to decision making. These delays are often compounded by the data being paper based or within standalone systems.

Recommendations and Agreed Management Action for High Risk Finding

Recommendations	Agreed Management Action	Target Date	Status of Actions Due
Undertake a cost / benefit review of the CAFM project plan, prioritising deliverables with the greatest benefits.	The CAFM system delivery is now part of the scope for the Asset Management Strategy (AMS). The AMS proposes that the CAFM implementation is fully resourced and prioritised, as part of the delivery of the wider programme. In this context, new oversight and direction has been introduced to accelerate delivery with Phase 1 implementation now expected in March 2016.	31 March 2016	

Recommendations	Agreed Management Action	Target Date	Status of Actions Due
Engage with the Data Council and wider Information Governance Unit, to develop an agreed data reference document of information and data required to effectively run the CAFM system and provide a single version of the 'truth' to Corporate Property. Included in the reference document, for each attribute, should be a technical definition, a business definition and a definitive source;	A Data Forum Team made up of CEC staff from each of the Corporate Property service areas, has been created and is driving forward the CAFM implementation plan. This coupled with additional project management, consultancy and training support from the vendor will ensure an accelerated delivery plan. The Data Forum team meets every 3 weeks with the initial focus on resolving data architecture issues around site, building, rooms, types and usages.	31 March 2016	
Develop a regular feed of outgoing data from CAFM to the Business Intelligence team to allow the creation of dashboard reporting on Facilities Management; and	One of the iPFM Business Case Benefits, was for improved management and financial information via real time access to management reporting to facilitate improved decision making. It is envisaged that this will be achieved once Phase 1 has been implemented. A list of Performance Indicator's that covers the reporting of the Council's property portfolio in terms of suitability, sufficiency and condition is available and ready to be used. ***Responsible Officer:*** *CAFM Project lead / CAFM Corporate Sponsor / Head of Corporate Property*	30 June 2016	

Status of actions due will be validated by Internal Audit as part of the follow-up review process.