

Governance, Risk, and Best Value Committee

10.00am, Tuesday, 4 June 2019

Internal Audit Report: Portfolio Governance Framework

Executive/routine

Wards

Council Commitments

1. Recommendations

It is recommended that the Committee:

- 1.1 Notes the outcomes of the Portfolio Governance Framework Internal Audit (IA) review.
- 1.2 Recognises that whilst further improvements are required to improve project and portfolio management and governance, significant progress with management scrutiny and oversight of the Council's major project portfolio is evident in comparison to the outcomes of Project Management and Benefits realisation review completed in January 2018.
- 1.3 Notes progress (as at 17 May 2019) with implementation of the agreed management actions required to support closure of the two High rated findings raised in the January 2018 Project Management and Benefits realisation review.

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Internal Audit Report: Portfolio Governance Framework

2. Executive Summary

- 2.1 Significant progress in relation to management's scrutiny and oversight of the Council's major project portfolio is evident in comparison to the outcomes of Project Management and Benefits realisation review completed in January 2018.
- 2.2 The Internal Audit (IA) Portfolio Governance Framework overall report rating is 'generally adequate with enhancements required'.
- 2.3 The report includes one High rated IA finding in relation to Project and portfolio management and scrutiny; and one Low rated finding in relation to project management tools.
- 2.4 The Corporate Leadership Team has decided to accept the risks associated with the Low rated project management tools finding.
- 2.5 Whilst progress is evident with implementation of the agreed management actions associated with the two High rated findings raised in the January 2018 Project Management and Benefits realisation review, both High rated findings are now overdue as the implementation dates for the two remaining management actions have been missed.
- 2.6 Evidence has now been provided to support closure of one management action, and a revised date has been provided for the other.

3. Background

- 3.1 The Project and Programme Management and Benefits Realisation review completed in January 2018 highlighted the need to establish an effective project and programme management framework across the Council to ensure consistent application of standard project management principles across all projects; support effective management of transformation risk; and ensure that effective benefit management is consistently applied and embedded. Consequently, two High rated IA findings were raised.
- 3.2 The second line Strategic Change and Delivery (SCD) team was established in early 2018, and has developed and implemented a project management framework that should be applied across all projects included in the Council's major projects

portfolio; consolidated portfolio reporting for the Council's Change Board and Governance, Risk, and Best Value Committee (GRBV); and performed deep dives on all major projects to determine whether they should remain within the portfolio, or be delivered by service areas.

- 3.3 The Portfolio Governance Framework review was included in the 2018/19 IA Internal Audit annual plan approved by the Governance, Risk, and Best Value Committee in March 2018.
- 3.4 At the time of our review (March 2019) there were 48 projects included in the major projects portfolio, in comparison to 26 projects in early 2018. This included six Edinburgh Health and Social Care Partnership (EHSCP) projects. Management has advised that the volume of projects included in the portfolio is likely to further increase during 2019.

4. Main report

Findings raised in the Portfolio Governance Framework review

- 4.1 The high rated finding reflects the need to clarify first (divisional and directorate) and second (SCD) line responsibilities in relation to the project management framework implemented by SCD; improve the completeness and accuracy of consolidated portfolio reporting; include whole of life cost appraisals in business cases to support approval; and monitor ongoing project management capacity, skills, and experience across the Council's major projects.
- 4.2 The Low rated finding that has been risk accepted by the Corporate Leadership Team highlights the need to ensure that project teams are provided with appropriate project management tools to ensure secure transfer of information to third parties and support effective project planning.

Progress with findings raised in the 2017/18 Project & Programme Management and Benefits Realisation Review as at 17 May 2019

- 4.3 The 2017/18 review included two High rated findings. Whilst both remain open (and overdue), significant progress is evident.
- 4.4 Seven of the eight management actions supporting first high rated finding in relation to programme management have been closed. The final management action to support closure of the finding was due for completion by 30 April 2019. Evidence has now been provided to IA to support closure of this finding.
- 4.5 Seven of the eight management actions supporting the second high rated finding in relation to benefits realisation have been closed. The remaining management action in relation to consolidated benefits realisation was originally due for implementation in September 2018. The implementation date was subsequently revised to the end 29 March 2019, and has now been revised to 30 September 2019.

5. Next Steps

- 5.1 IA will continue to monitor progress with implementation of the agreed management actions from both reviews to support closure of the three High rated findings raised through our established follow up process.

6. Financial impact

- 6.1 There are no direct financial impacts arising from this report, although failure to close IA findings raised and address the associated risks in a timely manner may have some inherent financial impact.

7. Stakeholder/Community Impact

- 7.1 IA findings are raised as a result of control gaps or deficiencies identified during audits. If agreed management actions are not implemented to support closure of Internal Audit findings, the Council will be exposed to the risks set out in the relevant IA reports.

8. Background reading/external references

- 8.1 [GRBV 31 July 2018 Internal Audit Quarterly Update Report 1 January to 31 July 2018](#) – includes final Project & Programme Management and Benefits Realisation report.

9. Appendices

Appendix 1 Final Report – Portfolio Governance Framework

The City of Edinburgh Council

Internal Audit

Portfolio Governance Framework

Final Report

20 May 2019

CW1801

Overall report rating:

**Generally Adequate
with enhancements
required**

Areas of weakness and non-compliance in the control environment and governance and risk management framework that that may put the achievement of organisational objectives at risk

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This internal audit review is conducted for the City of Edinburgh Council under the auspices of the 2018/19 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2018. The review is designed to help the City of Edinburgh Council assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and refuses all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there is a number of specific recommendations included in this report to strengthen internal control, it is management's responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City of Edinburgh Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.

1. Background and Scope

Background

Delivery of effective transformation and change is essential to ensure that the City of Edinburgh Council (the Council) can deliver on its pledges and strategic objectives whilst maintaining and improving the services it delivers at a lower cost and with fewer resources.

A 2017/18 Internal Audit review of Project & Programme Management and Benefits Realisation raised two high rated findings in relation to the management of major projects within the Council and the reporting and monitoring of major project benefits.

The Three Lines of Defence model can be applied to the management of major projects where the 'first line' is the team responsible for management and delivery of individual projects; and the 'second line' the team responsible for a holistic project management framework to be applied by all projects; oversight of the organisation's project portfolio; and provision of ongoing portfolio reporting to senior management and the Board. The 'third line' provides independent assurance (for example, Internal Audit) on the controls established to manage project and portfolio risks.

Strategy and Communications accepted the IA findings raised, and established a second line Strategic Change and Delivery (SCD) team in early 2018. SCD has developed a project management framework that includes a project prioritisation matrix that determines which projects should be included within the Council's major projects portfolio; a standard project management toolkit that should be applied across all projects to ensure that a consistent project delivery approach is applied across the Council; and consolidated portfolio reporting for both the Change Board (monthly) and Governance, Risk, and Best Value Committee (every six months).

Following the establishment of the framework described above, the Change Board undertook deep dives of all major projects included in the portfolio (between August and December 2018) to determine whether they should remain within the portfolio or be delivered by service areas.

The volume of projects included in the major project portfolio has increased. At the time of our review (March 2019) there were 48 projects included in the major projects portfolio, in comparison to 26 projects in early 2018. This included six Edinburgh Health and Social Care Partnership (EHSCP) projects, however, a decision was made by the Change Board in March 2019 that these projects would be removed from the Council's change portfolio, with future projects governed via the EHSCP and Edinburgh Integration Joint Board (EIJB), and quarterly performance reporting provided to the Council's Change Board.

SCD has advised that the volume of projects included in the portfolio is likely to further increase during 2019.

Scope

The scope of the review assessed the adequacy and effectiveness of Strategic Change and Delivery's oversight of the portfolio; completeness and accuracy of reporting provided to the Change Board and GRBV; and the effectiveness of Change Board oversight of the portfolio.

We also considered whether the Council is taking appropriate action to ensure that sufficient capacity of skilled project managers is available to support the current volume of projects included within the portfolio.

Our audit work concluded on 1 March 2019 and our findings and opinion are based on the conclusion of our work as at that date.

2. Executive summary

Total number of findings: 2

Summary of findings raised	
High	1. Project and portfolio management and scrutiny
Low	2. Project management tools

Opinion

Given the volume, significance, and scale of major projects currently being delivered across the Council, it is essential that the risks associated with project delivery are appropriately managed, and that there is effective scrutiny applied across the major projects portfolio by both the Council's Change Board and relevant Executive Committees.

Review outcomes

Our review confirmed that management; oversight; and scrutiny of the Council's major projects portfolio is generally adequate with enhancements required.

Internal Audit recognises the significant progress made in the last year with the implementation of a portfolio governance framework that reflects best practice in a number of areas, and facilitates standardised reporting across the major projects portfolio, enabling ongoing oversight and scrutiny by both the Change Board and GRBV.

Whilst our current review identified some weaknesses in both the design and operating effectiveness of the controls supporting the framework that could potentially impact upon the Council's ability to ensure that major project delivery risks are effectively managed, we recognise that the framework has only recently been developed and implemented, and will require additional time to embed fully and effectively.

Comparison between the April 2018 Change Board pack and the February 2019 pack highlighted improvement in the number of nil reporting returns from major projects and completeness of the information provided. Additionally, the deep dive reviews performed by Strategic Change and Delivery into individual projects included within the portfolio has also added value.

The areas where further improvement is required include the need to clarify first (Senior Responsible Officer and Project Manager) and second line (Strategic Change and Delivery) responsibilities in relation to the portfolio governance framework; implement controls to ensure the ongoing completeness of the major projects portfolio; ensure that complete and accurate updates are provided by SROs to SCD to support consolidated portfolio reporting; include 'whole of life' cost appraisals in business cases to support their approval; establish processes to support decision making at project level, and ongoing portfolio scrutiny; and consider implementation of appropriate project management tools to ensure secure transfer of information to third parties and support effective project planning.

A key point to note is that reporting provided to the Change Board currently does not enable effective scrutiny of project management capacity and skills and experience across major projects. Our review confirmed that 17 (circa 40%) of the major projects are currently being delivered by project managers who also have ongoing service delivery responsibilities; and that four of these project managers are responsible for delivery of more than one major project.

It is acknowledged that a decision was taken at full Council in 25th October 2018 to allocate £1M of reserve funds to recruit additional external project management resources to support delivery of major projects.

Consequently, one high and one low rated findings have been raised. Further information is included at Section 3.

Progress with findings raised in the 2017/18 Project & Programme Management and Benefits Realisation review

The 2017/18 review included two High rated findings. Whilst both remain open (and the second finding is currently overdue), significant progress is evident.

Six of the eight management actions supporting first finding in relation to programme management have been closed, with two management actions to be completed. Neither of these are overdue, and management has confirmed that they are on track for completion

Seven of the eight management actions supporting the second high rated (overdue) finding in relation to benefits realisation have been closed. The remaining management action in relation to consolidated benefits realisation was due for implementation in September 2018, however this date has now been revised to the end of March 2019.

3. Detailed findings

1. Project and portfolio management and scrutiny

High

Clarity of first and second line project and portfolio management responsibilities

Roles and responsibilities of first-line teams responsible for delivering major projects and the second line SCD team have not been clearly defined and agreed. This is resulting in SCD performing first line portfolio management activities (further detail is included in the points below) and is impacting on their capacity to perform their second line major projects portfolio oversight, reporting, and assurance role.

Completeness of the major projects portfolio

Following completion of the deep dive into the Major Projects Portfolio in December 2018 to determine which projects should be included, no controls have been subsequently established to ensure that Directorates provide details of all planned projects to SCD.

Consequently, reliance has been placed on SCD to identify all new projects across the Council, and ensure that a prioritisation assessment is performed to confirm whether they should be included in the major projects portfolio.

Completeness and accuracy of Change Board and Executive Committee reporting

Review of a sample of two months Change Board reports and the full population of supporting project updates provided by individual projects to SCD confirmed that project updates do not consistently meet SCD requirements to support Change Board reporting within the required timeframes.

This has resulted in SCD using their time and resources to follow up requests for the information required.

Our detailed testing established that:

- for two months, 35% of portfolio project monthly updates to Change Board were incomplete. Missing information included ownership of key project risks; issues and dependencies; and project start and/or end dates. A total of nine projects currently in the delivery phase have not reported

project start and/or end dates;

- some projects preparing updates based on a project lifecycle that does not align to the SCD framework stages of initiation; planning; pipeline; delivery; and close that form the basis of Change Board reporting. This is despite receiving detailed monthly guidance from SCD;
- SCD is currently working towards providing consolidated costs and benefits realisation reporting across the portfolio by 29 March 2019. Currently, the financial costs and benefits for individual major projects are not consistently provided by projects. Additionally, there is inconsistent articulation of non-financial project benefits.
- the Zero Waste project has not reported any benefits or investment information or project start and end dates, despite the project reported as being in the delivery phase and achieving financial close in 2016; and
- five projects did not provide a monthly return to SCD to support Change Board reporting over the two months sampled. This excludes the Tram Extension project which has an alternative governance structure and reports to Change Board for information and transparency purposes only.

Whole of life costing

A review of St John's Primary School and Queensferry High School major projects was performed in parallel with this review, and highlighted that whole of life costing that quantifies the ongoing future capital and revenue costs associated with delivering educational services from the building (for example, ongoing property repairs and maintenance; school teacher salaries; and janitorial and cleaning costs) is currently not considered in the initial business cases for each school.

The Deep Dives conducted by Change Board on 15th August 2018 identified this issue and raised an action to establish the ongoing revenue costs and budgets for all School Build Projects. The Change Board on 27th March 2019 reviewed the revenue implications for each School and the ongoing process change required to establish revenue and budget implications going forward.

Whilst this issue was specifically identified in relation to development of new buildings for schools, it can be equally applied to any major projects that will significantly impact or change how services are currently delivered.

Finance has advised that property lifecycle costs are now being developed; included in business cases; and reported to the Asset Management Board, and that remaining whole of life costs are included within their ongoing demographic work.

Oversight of project management capacity across the portfolio

Our review of Change Board reporting confirmed that it is not possible to determine whether sufficient project management capacity, skills and experience is available to support delivery of the major projects included within the portfolio.

Additionally, the portfolio dashboard provided to Change Board and GRBV does not highlight the extent of dependencies on external third parties to support project delivery.

Review of the project managers allocated to major projects established that:

- 17 (40%) of the 43 projects included in the portfolio have project managers who also have ongoing service delivery responsibilities; and
- of the 17, there are four project managers who are responsible for delivering more than one major project.

Ongoing decision making and project / portfolio scrutiny

The framework supporting the decision making process, scrutiny, and oversight of individual major projects by the Change Board and Executive Committees (for example Transport and Economy and Finance and Resources), and scrutiny and oversight of the major projects portfolio by the Change Board and GRBV has not been clearly defined.

Additionally, reports provided to GRBV currently do not include a mapping that details how individual projects included within the portfolio are aligned with Executive Committees for the purpose of decision making and scrutiny.

The need to implement this is recognised by management who have advised that work is currently in progress to complete the mapping for each project within the portfolio.

Risks

The potential risks associated with our findings are:

- SCD are unable to perform an effective second line oversight role as they are currently undertaking elements of first line responsibility;
- The portfolio position presented to the Change Board and GRBV is incomplete due to missing project data;
- SCD may be unable to deliver consolidated financial and benefits realisation reporting across the portfolio by 29 March if this information is not available and / or not provided by individual projects;
- Decisions are made to proceed with major projects without a full understanding on the future capital and revenue budgets and associated costs;
- Future capital and revenue budgets are set based on no or inaccurate ongoing whole of life cost information;
- The Council cannot confirm there is sufficient project management capacity and skills to deliver major projects or that key third party dependencies are managed effectively; and
- Duplication of scrutiny efforts resulting in SROs and Project Managers attending various committees to provide updates on project progress.

1.1 Internal Audit recommendation - roles and responsibilities

Terms of engagement should be established to clearly define the role and expectations of the second line SCD team; the first line responsibilities of SRO's and project teams; and the decision making; scrutiny; and oversight processes to be applied to both individual projects and the major projects portfolio by the Change Board and Executive Committees (including GRBV).

This should include but not be limited to:

- the responsibility of Executive Directors to report all planned and emerging projects to SCD and the Change Board, and ensure that a prioritisation matrix assessment is completed and provided to SCD;
- the roles and responsibilities of SROs and Project Managers at each stage of the project lifecycle;
- the requirement for projects to provide complete and accurate information in the required format to SCD to support Change Board and GRBV reporting;
- the decision making process to be applied by the Change Board and Executive Committees where significant project decisions are required that are out with Senior Responsible Officer and individual project boards delegated authorities;
- the scrutiny process to be applied to individual projects by the Change Board and Executive Committees; and

- the scrutiny process to be applied across the major projects portfolio by the Change Board and the Governance, Risk, and Best Value Committee.

The terms of engagement should be approved by the Change Board then communicated across all Directorates to ensure that Service Areas, SROs and Project Managers are aware of their roles and responsibilities.

Agreed Management Action - roles and responsibilities

The Strategic Change and Delivery will produce a Terms of Engagement setting out clear roles and responsibilities for the First and Second Line of Defence Roles for Portfolio Governance. This Terms of Engagement will be approved by the Change Board and cascaded to the Project Management Community.

Owner: Laurence Rockey, Head of Strategy and Communications

Contributors: Gillie Severin, Strategic Change and Delivery Senior Manager; Simone Hislop, Change Manager

Implementation Date:

31st December 2019

1.2 Internal Audit recommendation - completeness and accuracy of reporting

- Executive Directors should reinforce to all Senior Responsible Officers (SROs) and Project Managers the requirement to provide complete and accurate project updates to Strategic Change and Delivery (SCD) and in the required format and within the required timeframes;
- The reporting and governance of portfolio projects should feature as a regular agenda item on Directorate management meetings to confirm that all SCD reporting requirements and timeframes are being consistently achieved; and
- Executive Directors should follow through with SROs and project managers to understand the reasons where monthly project updates are not provided; or incomplete / inaccurate updates are provided to SCD for the purpose of monthly Change Board reporting.

Agreed Management Action - completeness and accuracy of reporting

It was agreed at the Council's Change Board on 17 April 2019 that the management actions detailed above would be implemented by each Directorate (with the exception of the Health and Social Care Partnership where scrutiny of change and major projects is performed by the Edinburgh Integration Joint Board) and Strategy and Communications.

Owner: Stephen Moir, Executive Director of Resources; Alistair Gaw, Executive Director of Communities and Families; Paul Lawrence, Executive Director of Place; and Laurence Rockey, Head of Strategy and Communications.

Contributors: Layla Smith, Business Manager, Resources; Nickey Boyle, Senior Executive Administrator, Communities and Families; Alison Coburn, Operations Manager, Place; Gillie Severin, Strategic Change and Delivery Senior Manager; and Simone Hislop, Change Manager

Implementation Date:

31st December 2019

1.3 Internal Audit recommendation - whole of life costing

Finance should work with project managers to support calculation of whole of life costs for inclusion in major project business cases, based on currently available information on the costs associated with building new properties and delivery of relevant services.

Agreed Management Action - whole of life costing

Finance will work with project managers to support the calculation of whole of life costs for inclusion in

major project business cases, based on currently available information on the costs associated with building new properties and the delivery of relevant services.

All committee and full Council reports, recommending the approval of major projects will be reviewed by Finance prior to the relevant committee or Council meeting to ensure that whole of life costs are considered and appropriate funding is identified.

Owner: Stephen Moir, Executive Director of Resources

Contributors: Hugh Dunn, Head of Finance; Alison Henry, Corporate Finance Senior Manager; and Rebecca Andrew, Principal Accountant

Implementation Date:

31 March 2020

1.4 Internal Audit recommendation - whole of life costing

Strategic Change and Delivery (SCD) should work with Finance to update the project management toolkit to include a model for all major business cases to include an assessment of the whole of life costs associated with each project.

Agreed Management Action - whole of life costing

Strategic Change and Delivery will include guidance for project managers on whole life costing based on the approach adopted by finance

Owner: Laurence Rockey, Head of Strategy and Communications

Contributors: Gillie Severin, Strategic Change and Delivery Senior Manager; Simone Hislop, Change Manager

Implementation Date:

31 May 2020

1.5 Internal Audit recommendation - monitoring of project management capacity

The portfolio information reported to Change Board and GRBV should be refreshed to include a view of project management capacity across the portfolio. This should include, but not be limited to:

- major projects that do not have a project manager assigned;
- major projects that are managed by Council employees in addition to their existing role; and
- the extent to which portfolio project delivery is dependent on external third party delivery and support.

Agreed Management Action - monitoring of project management capacity

Strategic Change and Delivery will amend the change board pack to include more detailed information on project resource including:

- Gaps in core delivery resource allocated to each project;
- external third party delivery support; and
- analysis on the use of £1m Project Manager Spend and that of the core Integrated Change Team within Strategy and Communications, and the extent of reliance on existing Council employees to support project delivery.

Owner: Laurence Rockey, Head of Strategy and Communications

Contributors: Gillie Severin, Strategic Change and Delivery Senior Manager; Simone Hislop, Change Manager

Implementation Date:

30th September 2019

1.6 Internal Audit recommendation - format of GRBV reporting

The reports provided to GRBV by SCD should include details and outcomes of initial scrutiny performed on individual projects by the Change Board and/or other Council Executive Committees.

Agreed Management Action - format of GRBV reporting

Management feel the detailed scrutiny around delivery at Change Board is an operational issue and the recommendation goes beyond the delineation of responsibilities between officer and members.

The Delivery Unit will produce as part of its six monthly update to GRBV details on dates of projects going to executive committees to ensure the process of appropriate scrutiny is occurring.

Owner: Laurence Rockey, Head of Strategy and Communications
Contributors: Gillie Severin, Strategic Change and Delivery Senior Manager; Simone Hislop, Change Manager

Implementation Date:
20th December 2019

2. Project management tools

Low

Project teams supporting delivery of projects included in the major projects portfolio include third party employees. These teams currently have no access to a secure Council hosted site to share documents and ensure compliance with the Council's Records Management Policy and General Data Protection Regulation (GDPR) requirements.

At present, project teams use an old version of Microsoft Projects which does not allow them to export or share project plans with third parties, impacting their ability to maximise efficient project delivery.

Risks

The potential risks associated with our findings are:

- Reliance on third-party hosted systems to hold data which may be commercially sensitive or contain personal data;
- Risk of noncompliance with the Council's Records Management Policy and General Data Protection Regulations (GDPR); and
- Project governance and reporting may be impacted due to the lack of project tools available to teams.

2.1 Internal Audit recommendation – project management tools

The Change Board should consider providing the following project management tools to projects across the Council:

- Access to a secure Council hosted site to facilitate document sharing in a secure and compliant manner; and
- Access to the necessary project and risk management and enterprise reporting tools (for example, Microsoft Project) to support efficient and effective project delivery.

Agreed Management Action - project management tools

This finding was discussed at the Change Board on 17 April 2019, where it was agreed that the risk would be accepted based on the management response detailed below, provided by the Executive Director of Resources.

Sharepoint will be rolled out to four early adopter services between September and December 2019, prior to a phased introduction across the wider Council, and will provide access to all necessary project management tools.

Additionally, management has confirmed that the device refresh programme (scheduled to complete by September 2019) will implement mandatory secure e mail that includes transport layer security (TLS

encryption) for all e mails between UK government organisations (including local authorities). This is an industry wide standard approach, and emails will not be sent if the recipient does not accept or stops accept the encryption / decryption process. Implementation of mandatory secure e mail will ensure that the Council meets all Government's security requirements, and will extend secure external email capability to become secure as standard for all accounts.

For other external parties, it is normal practice to apply opportunistic e mail encryption to all email communications. If the receiving email system can accept encrypted emails then they are not decrypted. As the vast majority of email systems accept this, e-mails to third parties are therefore likely to be encrypted by default, however this is not mandated as mandatory secure e mail.

Consequently, policy requires the individual who sends the email to check if it is encrypted particularly if includes sensitive information. The current approved method used across the Council to add further encryption is 7Zip open-source compression and encryption software.

Owner: Not applicable

Contributors: Not applicable

Implementation Date:

Not applicable

Appendix 1 - Basis of our classifications

Finding rating	Assessment rationale
Critical	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Critical impact on operational performance; or • Critical monetary or financial statement impact; or • Critical breach in laws and regulations that could result in material fines or consequences; or • Critical impact on the reputation of the organisation which could threaten its future viability.
High	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Significant impact on operational performance; or • Significant monetary or financial statement impact; or • Significant breach in laws and regulations resulting in significant fines and consequences; or • Significant impact on the reputation of the organisation.
Medium	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Moderate impact on operational performance; or • Moderate monetary or financial statement impact; or • Moderate breach in laws and regulations resulting in fines and consequences; or • Moderate impact on the reputation of the organisation.
Low	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Minor impact on operational performance; or • Minor monetary or financial statement impact; or • Minor breach in laws and regulations with limited consequences; or • Minor impact on the reputation of the organisation.
Advisory	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>