Bridgend County Borough Council
Audit Committee
30th June 2005
Report of the Deputy Chief Executive
And Director of Corporate Services

Completed Audits

1. Recently completed audits are summarised in the following table.

REPORT	DRAFT REPORT ISSUED	KEY MESSAGES	AUDIT OPINION	KEY ACTION PLAN DATES
Torex Progress Report	10/05/05	• IT system for Bridgecard. • Significant improvements since last report. • Improvements progressing on point of access camera, reporting tools & IT support	Adequate	N/A
Storage Area Network (SAN)		• All phases (1, 2 & 3) Complete • Evidence of testing in both development and post development stages. • Operational documentation needs to be completed	Adequate	May 2005
Registrars	18/01/05	• None – audit turned up a number of detailed low and medium risk issues	Adequate	May 2005
Markets	22/03/05	• Need for the authority to periodically examine VFM of operating markets.	Adequate	April 2006
VAT Follow up	13/05/05	• Satisfactory Progress on previous recommendations • More VAT guidance to be issued	Adequate	June 2005

REPORT	DRAFT REPORT ISSUED	KEY MESSAGES	AUDIT OPINION	KEY ACTION PLAN DATES
Part III Accommodation - Elderly	27/01/05	• Most Recommendations implemented • Remainder progressing as DRAIG system introduced	Adequate	Dec 2005
Sundry Debtors	15/03/05	• Focused on following up previous recommendations • Most recommendations had been addressed • Several others were subsequently immediately implemented • Revised Action Plan agreed for remainder.	Adequate	Oct 2005
Concessionary Fares & Supported Bus Transport	8/12/04	• Need to review participation in 'pooling' arrangements • Contract Procedure Rules and Transport Act 1985 are out of step	Adequate	July 2005
Car Parks	10/04	• Improvements needed to procedures for issuing passes, security of Shopmobility donations & payment of invoices	Adequate	Response Awaited

2. I will be happy to deal with any points members wish to raise on these audits or if they wish produce fuller reports on selected reports to the next meeting and would **recommend** they note the report.

Computer Audit 2004 - 2005

3. The Computer Audit plan for 2004 – 2005 was intended to provide feedback to management on the status of the I.T. infrastructure - both centrally and outside

corporate I.T. This reports sets out to provide a synthesis of the results of the year's audit work and to highlight key messages.

4. Apart from standard audits, the group has been actively involved in Information Management, Special Investigations, Security Infrastructure, Project Support and Data Management / Mining. Data Protection co-ordination is under the remit of Computer Audit. Computer Audit also provides technical support to the audit section.

5. New projects implemented included the new payroll system (part1 of the HR/Payroll project) and the replacement for SSID.

6. The payroll implementation was achieved after delays; mainly due to technical problems and differing expectations from the project board and the users as to how the software would function. A comprehensive post implementation review was conducted which underlined lessons learned. These included the need to:

- tie down the contractual terms more tightly;

- treat assurances from suppliers with caution;

- consider carefully the composition of the project team.

This will hopefully feed through to the next stage(s) of the project.

7. The development of the new social services (by a consortium of local authorities led by a secondee from the Audit Commission), represented a new way of working - and had the backing of the Welsh Assembly Government. The inability of the preferred supplier to provide a solution meant that a new development partner had to be found at short notice. Given the urgency of the situation, the fact that a system was up and running on target is extremely creditable. Although initially the different partners were at different stages of development with several new releases around, the project is now much more consolidated and is moving forward in a more cohesive manner. An important message to come from the project was that the officers could and did deliver in the face of adversity. However in the event of failure, the Authority would have had to incur considerable expense to maintain its existing system or have been reduced to using paper records – a situation that could only have been viable for an extremely short time-span

8. The new Revenues project was implemented successfully. A key factor was the use of agency staff to cover routine work, freeing up officers to work within the project team. This approach might be applicable in other projects of a discrete nature and similar size.

9. Work is being done to rationalise the two systems used in E&P for job costing and invoice payments. Contractor+ was developed for Construction Unit when it was part of Commercial Services. Atrium was developed by E&P for payment processing. When Construction unit was absorbed into E&P, both systems continued. Currently there is considerable replication of input, innumerable feeder processes, and a disproportionate amount of time spent on error checking. The incongruity has been recognised for some time but it is only recently that efforts

have been made to resolve the situation: primarily as both systems require an upgrade at significant expense. A pilot is underway and early indications are that Contractor+ can supply all the functionality that is required.

10. Computer Audit provided input into the CeDar Financial security audit facilitated by Netstore.

11. On the Technical infrastructure, a major piece of work was the decommissioning of the mainframe. A contract with FoxIT enabled the main systems to be run remotely and provided a backup mechanism while the data was migrated. The success of the project was down to planning – especially contingency measures.

12. Phase 2 and Phase 3 of the Storage Area Network (SAN) project have been completed. Phase 2 included extending the use of the SAN technology for high availability and resilience; phase3 centred on the implementation of a mirrored system in Sunnyside. This will negate the need for conventional disaster recovery and will enable a (virtually) seamless transition in the event of a system crash.

13. A review of the I.T. Business Continuity plan indicated that it is treated as a 'living document' which is updated by the relevant staff. Although pockets of recovery have been undertaken, there is a need to conduct a test centred round the unavailability of Sunnyside House.

14. Computer Audit plays a significant part in the security infrastructure. Over the year various special investigations were undertaken: mainly relating to I.T. security, virus infestation and Internet abuse. The key message is that overall abuse is very low. There were a few virus outbreaks but these were quickly contained.

15. The main focus of Information Management was the implementation of the Freedom of Information Act. A project board and an implementation team were set up, and a system was written for processing requests. Awareness sessions were conducted by the Computer Auditor for staff in the Authority. To date, the Authority seems to be dealing with it but there are signs that key members are being stretched. If the process gathers momentum our less than adequate records management regime is likely to be exposed. Although we are coping –just, the planned review might prove interesting.

16. In the wake of FOI, Data Protection queries have increased significantly. It is noticeable that the public awareness of its information rights is increasing and we need to be able to respond.

17. The E-government agenda and Access to Services initiative has implications throughout the Authority. The practicalities of web-enabling front line services must be considered and the data sharing considerations that 'joined-up' government entails have legislative implications. The BISP project and the expansion of GIS can show the way, but as an Authority we need to be more 'joined-up' in our thinking.

18. Some time was spent on looking at I.T. developments outside Corporate I.T. In the main they were effectively managed and successfully implemented. One area of concern is when Corporate I.T. is unaware of developing systems. This can have implications for support and in compatibility with the infrastructure.

19. The 2004 National Fraud Initiative is underway with Computer Audit as key contact and data controller. This year the data output is in a much more coherent and comprehensive format which means that we shouldn't be spending a disproportionate amount of time on limited returns.

20. The Computer Auditor continues to chair the South Wales Computer Audit Group (SWCAG) and be secretary of the Welsh Information Group. The latter has proves extremely beneficial in the past year with the advent of FOI and the opportunity to network not only with other local authorities but also Police, Fire, NHS Trusts, Colleges and the WAG.

21. The SWCAG facilitates training events (usually at Bridgend) which would be prohibitively costly for the individual authorities. This co-operative approach should be considered in other areas of the Authority.

22. To summarise, in the course of the audit year, certain key messages should be highlighted:
    - When dealing with suppliers there is a need to tie down the contractual terms more tightly; treat assurances from suppliers with caution; consider carefully the composition of the project team.
    - A major project was implemented at short notice, in spite of the failure to deliver by the preferred supplier. The commitment and hard work of the officers is rightly applauded. However the timescale was extremely tight. In the event of failure any contingency would have been either extremely expensive or viable only in the very short term.
    - In one project, agency staff were employed to cover routine work which freed up officers to work within the project team. This allowed hands-on input to the project by those who were most familiar with the requirements of the system and contributed to its success.
    - Too often work is undertaken only when there is an external influence e.g. a costly upgrade. Reviews should be undertaken regularly to provide assurance that the best solution is being followed.
    - The common theme of successful projects was good planning – especially in regard to contingency measures.
    - The Authority needs to get more 'joined up'. Failure to do this will impact on the infrastructure, asset management, access to services and links with outside agencies.
    - Corporate I.T. is not always made aware of systems developed by users from the outset. This has implications for support and in compatibility with the infrastructure
    - With regard to internet usage and general I.T. security, the overall level of abuse uncovered has been very low. The few virus outbreaks were quickly contained.
    - The public awareness of its information rights is increasing. So far we have managed to respond but stretched resources could lead to problems in compliance with the ultimate risk of litigation.

23. Members are asked to **note** the report

Policy on CRB Checks

24. Internal Audit has raised concerns in a number of reports over the lack of consistent procedures across the Authority for the Criminal Records Bureau checking of employees. At their March meeting members requested an overall position statement on such checks.

25. Consultations are continuing with our HR colleagues and it is my hope to submit an addendum report on this subject to this meeting of the committee

Committee's Forward Work Programme

26. As requested by the committee at its last meeting consultations have taken place between the Chief Internal Auditor and the Chair and Vice-chair. At the time of writing a subsequent internal consultations are proceeding and it is my intention to submit an addendum report on this subject to this meeting of the committee.

L.M. James

Deputy Chief Executive and Director of Corporate Services

Contact officer tel: Nyall Meredith, Chief Internal Auditor, 652918

Background documents:

Audit Reports within the internal audit division.
Responses from Directorates on CRB checks